

GCG Implementaion Assessment in 2018 Toward the Board of Commissioners and Board of Directors

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT FOR 2018

Performance Assessment Board of Commissioners in 2018 delivered on subchapters BOC.

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT FOR 2018

The Board of Directors performance evaluation shall be conducted based on KPI of the Board of Directors formulated at the beginning of the relevant year.

Board of Directors Performance Assessors

The Nomination and Remuneration Committee and the Board of Commissioners assess the Board of Directors performance in 2017 quarterly in the form of Key Performance Indicators (KPI) achievement evaluation.

Furthermore, the Board of Commissioners prepares the Supervision Report to be submitted to:

- a. Ministry of SOE and OJK periodically in each semester of the respective financial year.
- b. The General Meeting of Shareholders as part of the Board of Commissioners Supervisory Report as the basis for the General Meeting of Shareholders in determining the amount of remuneration of the Board of Commissioners and the Board of Directors in the following fiscal year.

Board of Directors Assessment Indicators

The Board of Directors performance appraisal is conducted by referring to the Board of Directors' KPI which is then categorized into aspects of performance as follows:

- Finance: The focus of the company to increase revenue and minimize costs.
- Customer: The focus of the company is to improve Customer's perception of the Company's "value proposition". Customers here include internal customers, external customers, including regulators.
- Innovation: Company focus to improve product / service innovation, customer value, and business process effectiveness
- Workers: The focus of the Company to improve organizational development, ability, and engagement Workers.

Assessment Mechnism

Directors of BRI obtain the target Contract Management of the Ministry of SOEs RI in the form of targets with aspects:

1. Finance & Markets
2. Customer focus
3. Product & Process Effectiveness
4. The focus of Manpower
5. Leadership, Governance & Social Responsibility
6. Agent of Development

These aspects have a Key Performance Indicator (KPI) as well as the weight on the KPI.

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2018 Assessment Result

Directors' performance assessment carried out by the management contract and the results of those assessments is collective and collegial reflecting the performance of each Board of Directors including the President. Directors' performance assessment method is a self-assessment on the performance of this assessment is based on aspects of the management contract in 2018.

Realization Contract Management 2018

Aspect	KPI	Weight	Size	Value
Finance & Markets	1 Market Capitalization Growth	4.80%	Higher than the industry bank (JAKFIN)	4.34
	2 Profit After Tax (Earnings After Tax-EAT)	4.80%	Higher than a year ago	5.35
	3 Cost to Income Ratio -CER	4.80%	Better than last year	4.82
	4 The NPL ratio	4.80%	Better than the bank industry	5.99
Customer focus	5 Results of Customer Satisfaction Survey by the Independent Surveyor	8.80%	Better than last year	10.12
	6 Implementation on PAB approved the FSA	8.80%	Minimum 80%	10.12
Product & Process Effectiveness	7 Increased banking products and services that have been digitized (example: from the teller into e-channel)	5.60%	Better than last year	6.27
	8 Online subrogation system development for KUR	4.80%	Implementation of the subrogation system online for KUR	4.8
	9 Growth Agent Branchless Banking	5.60%	Better than last year	7.28
The focus of Manpower	10 Employee Productivity	7.20%	Higher than the previous year	7.7
	11 Employee Engagement Survey scores KPKU	6.40%	Higher than the previous year	6.48
Leadership, Governance & Social Responsibility	12 Corporate Governance Perception Index (CGPI)	4.80%	Better than last year	4.83
	13 Realization Distribution Partnership Program and Community Development	4.80%	Better than last year	4.83
Agent of Development	14 Realization of at least 80% of the budget RKAP	4.00%	Realization of at least 80% of the budget RKAP	4.6
	15 Realization of total interest income from state / Total interest income	2.00%	Higher than the previous year	1.36
	16 DPK (Third Party Fund) realization from BUMN / Total DPK	2.00%	Higher than the previous year	1.63
	17 Implementation of ATM, EDC Red and White	2.00%	According to target the Ministry of SOEs	1.97
	18 Increasing in fee-based income	2.00%	Higher than a year ago	2.31
	19 Increasing in non-interest income	2.00%	Higher than a year ago	2.44
	20 Increasing in number of house Creative	2.00%	Higher than a year ago	2
	21 Increasing in number of BUMDES	2.00%	Higher than a year ago	2.6
	22 The new joint Bank financing in the infrastructure sector	2.00%	Higher than a year ago	2.6
	23 Distribution KUR realization	2.00%	Appropriate government targets	2
24 Distribution Bansos and Kartu Tani realization	2.00%	Appropriate government targets	2	
Total		100.00%		108,42