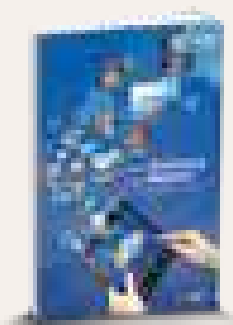




ACCELERATING MSME GROWTH **Through**
BANKING SERVICES DIGITALIZATION
To FOSTERING THE COMMUNITY
ECONOMIC EMPOWERMENT

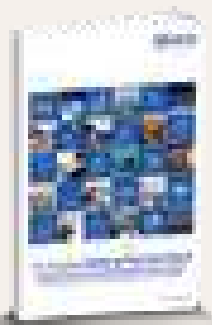
ACCELERATING MSME GROWTH **Through**
BANKING SERVICES
DIGITALIZATION
To FOSTERING THE COMMUNITY
ECONOMIC EMPOWERMENT

Theme Continuity



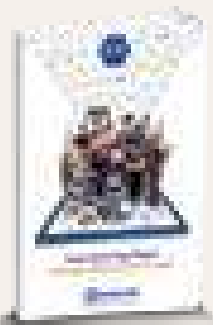
2014

Continuous
Innovations
in Extending
Services



2015

The Biggest
National
Payment Bank



2016

Contributing to
the Nation
Developing
Leading MSMEs
in the Digital Era



2017

Fostering the
Nation through
Integrated Banking
Solution & MSME
Transformation

In an effort to continue fostering the sustainable community economic empowerment and to address the challenges of the current digitalization disruption era, BRI consistently develops competency in MSME leading sectors supported by the latest digital technology-based network quality, complemented by improvements in operational activities according to corporate governance best practices. Through prudent strategic direction and quality hard work throughout the year, BRI was able to record excellent financial performance in 2018.

Amidst the challenging banking business conditions, BRI successfully carried out proper intermediary function. Notable lending and public fund acquisition by BRI grew above the industry average. Customer loyalty and improved service quality has led the continuous growth of BRI's customer base. BRI is also able to record improved non-interest income growth, supported by the increase in e-channel transactions. In addition, the business process reengineering was able to enhance efficiency in BRI's business operations. This resulted in the success of BRI to record a double digit net profit growth by 11.6% to Rp32.4 trillion, with an asset value of Rp1,296.8 trillion, the largest in Indonesia.

The positive performance achievement solidified BRI's commitment in advancing the MSME sector as one of the pillars of the national economic growth. BRI also continues fostering the comprehensive and quality financial inclusion through various government programs, as well as through digitalization programs and improvement of operational excellence.

RECORDING SIGNIFICANT BUSINESS GROWTH

Assets

grew 15%, to
Rp**1,269.9** trillion



Loan

reached
Rp**820** trillion
grew 14.1%



Third Party Funds

grew 12.2%
to
Rp**944.3** trillion

Equity

grew 10.3%
to
Rp**185.3** trillion



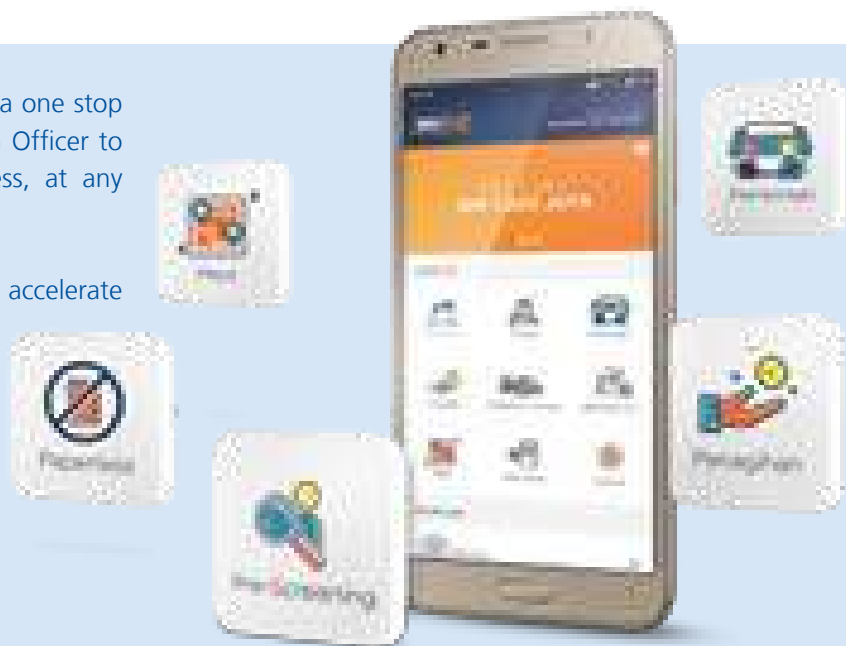


ACCELERATING THE MSME SECTOR DEVELOPMENT THROUGH BANKING DIGITAL SERVICES

BRISPOT

BRISPOT is a digital-based apps with a one stop service concept that enable the Loan Officer to carry out end-to-end lending process, at any places and at any time.

BRISPOT is proven to be able to accelerate the *turn-around-time* of micro lending process from previously 3-5 days to an average of less than 2 days. BRISPOT has also been complemented with excellent risk mitigation aspect in its class.





BRILINK

BRILink is a branchless banking service for the community in carrying out financial transaction as the realization of Laku Pandai (Branchless Financial Services for Financial Inclusion) and Digital Financial Services (LKD) as well as to maintain rupiah sovereign. As such, BRI cooperates with its customers to

become an agent that may provide online banking transaction services by using various devices such as electronic data capture (EDC) or smartphone.

BRILINK Total Agen reached
401,550^{Agent}

Fee Based Income BRILINK reached
Rp448.8^{billion}
grew 177.8% year on year.

BRILINK Financial Transaction reached
378.7^{Million transactions}
grew 87.4% year on year.

BRILINK transaction values amounted to
Rp512.7^{trillion}

BRI'S 123 YEARS OF JOURNEY IN FOSTERING COMMUNITY ECONOMIC EMPOWERMENT



FINANCIAL INCLUSION IN 3T REGIONS (ABANDONED, ISOLATED, DESOLATED)



BRI SERVICES IN INDONESIAN BORDER



The story of Amir, BRI's loans warriors at the Border

Amir who works as Mantri of Bank BRI in Koya Unit Office is committed to finding customers in remote areas that are directly adjacent to Papua New Guinea. Not thinking about distance and time, Amir always completes his work by always paying attention to the customer's satisfaction.

<https://20.detik.com/tapal-batas/20181011-181002132/kisah-amir-pejuang-kredit-bri-di-perbatasan>

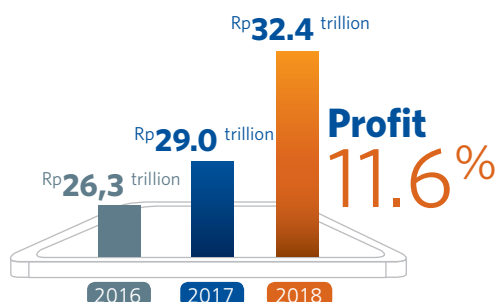


BRI Money Changer, BRILink Agent, Teras BRI at the Border. Helping the Community at the Border and BRI's Efforts in Maintaining the Rupiah Sovereign at the Border of RI-PNG

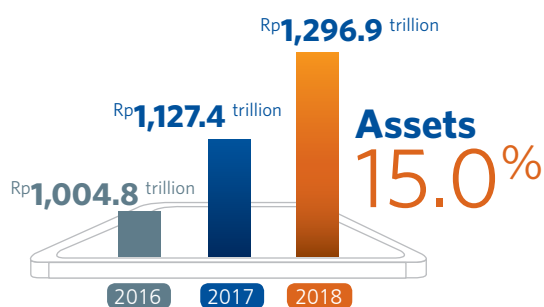
Located at the end of the entrance to the Skouw Border Crossing Post, a money changer facility looks very attractive to the people at the border crossing. The building, which is dominated by blue and white, is on the side of the entrance of border crossing from the Papua New Guinea (PNG) to the market across the territory entering Indonesia. Built by PT Bank Rakyat Indonesia (Persero) Tbk in last May 2017, the money changer is the only one owned by the national banks on the Indonesia-PNG border. This money changer is very much needed by the residents of Papua New Guinea who want to shop for various needs at Skouw Market which is only open three times a week.

"The surrounding community was greatly assisted by the presence of BRI at the border. Through the existence of money changer, BRILink Agents, as well as BRI Teras at the border. This feels very real on the banking existence in promoting economic growth at the border. For example, BRI serves quinine exchange with monthly transactions reaching Rp7-8 billion, even BRILink Agent can reached thousands per month transaction".

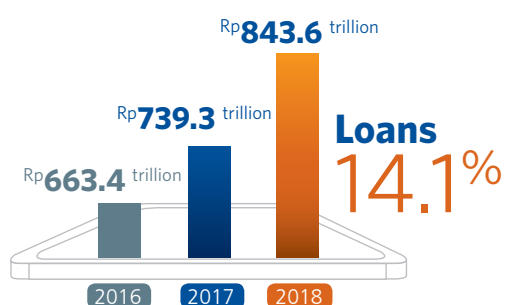
POSITIVE AND SUSTAINABLE GROWTH



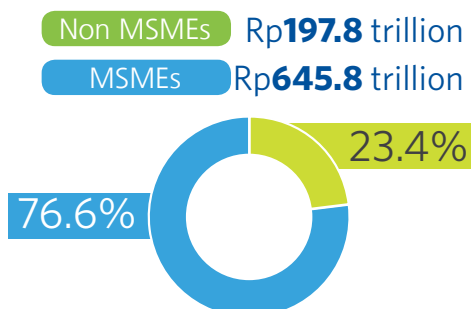
Net profit in 2018 reached **Rp32.4 trillion**, or grew **11.6%** year on year



Assets in 2018 reached **Rp1,296.9 trillion**, grew **15.0%** year on year



Loans in 2018 reached **Rp843.6 trillion**, grew **14.1%** year on year



TPF Rp944.3 trillion

2018 **12.2%**

Third Party Funds in 2018 reached **Rp944.3 trillion**, grew **12.2%** year on year



KUR Rp80.2 trillion

2018 **64.9%**

Bank BRI successfully disbursed KUR at **Rp 80.2 T** to more than **3.9 million debtors** in 2018, Bank BRI is the largest bank in Indonesia that provides KUR loan with a portfolio of **64.9%**



Gross NPL

BRI* **2.14%**

Industry **2.67%**

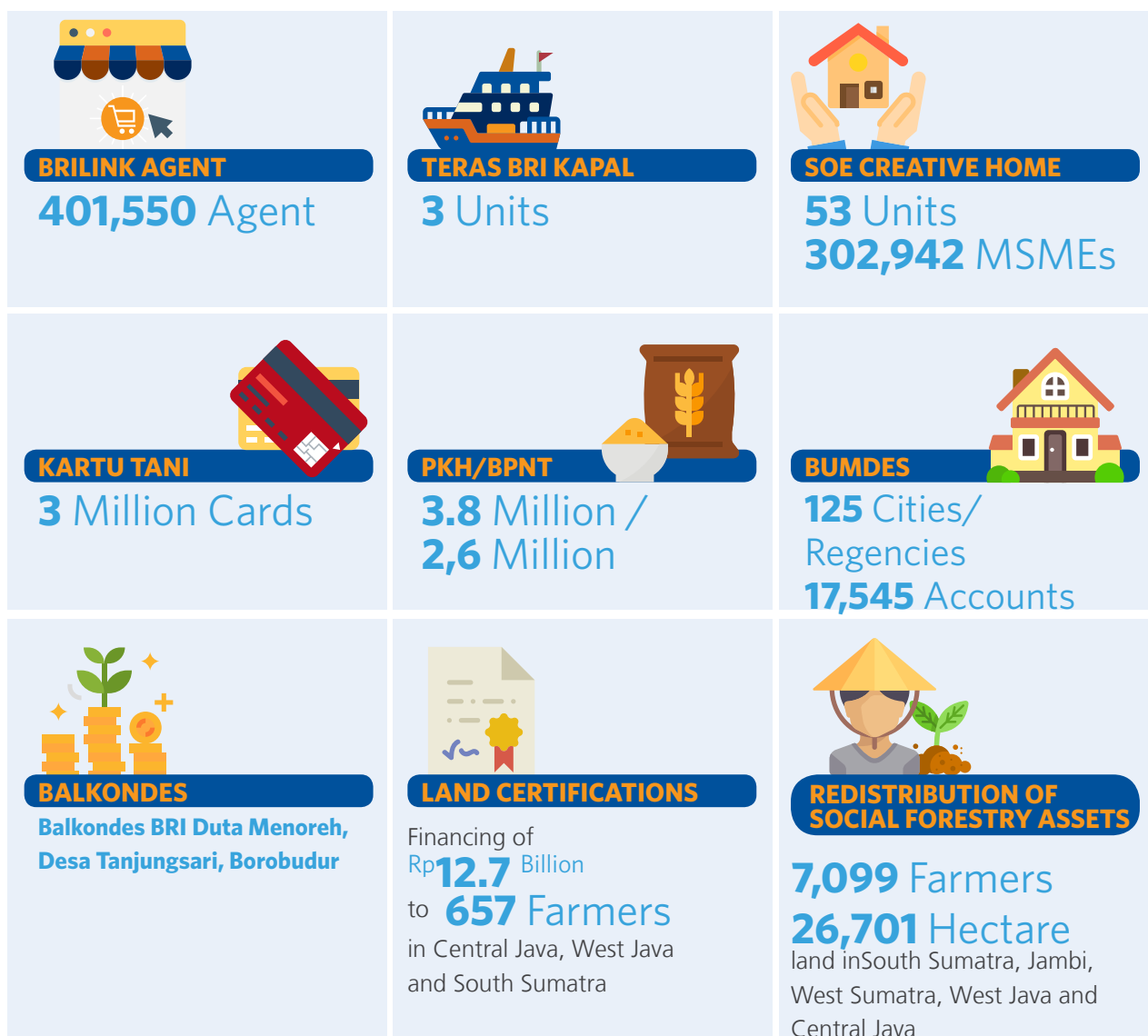
*data bank only

Loan growth is balanced with maintained lending quality. Reflected from gross NPL at **2.27%**, better than the industry.

PT. Bank Rakyat Indonesia (Persero) Tbk is able to record positive and sustainable performance growth until the end of 2018. This achievement is inseparable from BRI commitment toward MSME empowerment as the national economic backbone.

Bank BRI as Agent of Development

Backed by positive performance, the Company is confident to reach sustainable growth while remaining focused on the MSME empowerment. Bank BRI will also continue to fostering the financial inclusion and literacy throughout the country and function as a development agent.





BRI CONTINUOUSLY SUPPORTING THE GOVERNMENT PROGRAMS

Kartu Tani

1. To kartu tani received of 2,962,681 cards
2. Total Fertilizer Kiosk (KPL) acquired was 6,028 KPL

SOE Creative Home Program (RKB)

- ✓ RKB Member: 298,537 MSMEs
- ✓ Member of blanja.com: 3,895 MSMEs provided with training: 1,742 MSMEs

Rural Economic Center (Balkondes)/ People's Economy

1. Conducted 12 Balkondes activities, consists of 4 MSME trainings & Balkondes management, 3 Rural Student Learning, 5 Rural Sports
2. Participating in the SOE Ministry activities (SOE Work Visit & ICW visit Balkondes)

Support for infrastructure Development & Connectivity Financing

Fostering the infrastructure development and connectivity by providing facility to several companies

BPD Synergy

BRI has currently established the MoU with several Regional Development Banks. In addition, there is also a cooperation without MoU/Agreement in general for treasury & international business cooperation

Small Micro Business License (IUMK)

Issued 81,713 IUMK cards from the target of 34,231 cards (211%)

Financial literacy & inclusion improvement:

Smart Village

Aligned with BRI Incubator activities in 5 cities (Solo, Bandung, Makasar, Malang & Padang)

Non Cash Social Assistance

1. *Keluarga Harapan* Program (PKH) phase 1-3
2. Non Cash Food Assistance (BPNT) phase 1-9

Program from the Ministry of Village, Development of Disadvantaged Regions and Transmigration

1. Total current BUMDes 32,246, and 2,458 BUMDes has become the BRILink Agents.
2. BUMDes account acquisition of 16.567 accounts.



BRI DIGITAL BANKING JOURNEY



BRI Digital Banking Journey



TABLE OF CONTENTS

.17



PERFORMANCE HIGHLIGHTS

- 18 Business Performance Summary 2018
- 20 Financial Performance Summary 2018
- 22 Financial Highlights
- 24 Share Highlights
- 27 Bonds Highlights
- 30 Corporate Actions
- 31 Dividend Payment
- 31 Suspension / Delisting
- 32 Event Highlights

.43



MANAGEMENT REPORTS

- 44 Board of Commissioners' Report
- 55 Board of Directors' Report
- 68 Statement of Accountability of 2018 Annual Report by the Board of Commissioners PT Bank Rakyat Indonesia (Persero) Tbk
- 69 Statement of Accountability of 2018 Annual Report by the Board of Directors PT Bank Rakyat Indonesia (Persero) Tbk

.71



COMPANY PROFILE

- 72 Company Identity
- 73 Meaning of Logo
- 74 BRI in Brief
- 79 Core Business according to the Articles of Association
- 80 Products and Services
- 84 Operational Areas
- 86 Milestones
- 88 Organization Structure
- 90 Visi, Mission and Core Values
- 92 Corporate Culture
- 94 Board of Commissioners' Profile
- 102 Board of Directors' Profile
- 114 Senior Executive Vice President (SEVP) Profile
- 116 Employee Demographics
- 118 Shareholders Composition
- 121 Corporate Structure
- 122 Subsidiaries and/or Associates
- 124 Share Listing Chronology
- 129 Other Share Listing Chronology
- 133 Names and Address of Supporting Institutions & Professions
- 134 Awards and Certifications
- 142 Certifications
- 143 BRI Ratings
- 144 Office Address and/or Representative Office
- 148 Corporate Website Information
- 149 Workshop and Training of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

.155



MANAGEMENT DISCUSSION & ANALYSIS

- 156 Global Economy
- 156 Indonesian Economy
- 159 2019 Projections
- 160 National Banking Industry
- 161 Banking Industry and BRI Overview
- 162 Indonesian Banking Performance Projection in 2019
- 163 Bank Strategic Plan
- 166 Bank BRI for Indonesia
- 176 Operational Review Per Business Segment
- 178 Micro Business
- 179 Micro Business
- 194 Retail Business
- 215 Corporate Business
- 236 Subsidiaries Business
- 260 Financial Review
- 318 Human Resources
- 352 Information Technology & Operations

.381



CORPORATE GOVERNANCE

- 386 GCG Roadmap Implementation
- 388 Corporate Governance Policy
- 389 Corporate Governance Structure, Mechanisms and Relations
- 398 Information Technology Governance
- 406 Corporate Governance Implementation according to Financial Services Authority Stipulation

Daftar Isi

417	Corporate Governance Aspects and Principles Implementation according to the Guidelines of Corporate Governance Principles for Banks issued by Basel Committee in Banking Supervision	690	Anti Money Laundry (AML) & Counter Terrorism Financing (CTF) Program
419	GCG Improvement Plan in 2019	696	Risk Management
420	General Meeting of Shareholders	828	Internal Control System
435	Board of Commissioners	836	Corporate Litigation
475	Board of Commissioners Recommendation in 2018	839	Information Access and Corporate Data
502	Board of Directors	842	Code of Conduct
519	GCG Implementation Assessment 2018 on the Board of Commissioners and Board of Directors	844	Corporate Culture
532	Board of Commissioners and Board of Directors Meetings	845	Whistleblowing System
556	Information on Ultimate and Controlling Shareholders	847	Policy on the Diversity of the Board of Commissioners and Board of Directors Composition
556	Affiliates Relations Disclosures	847	Anti Corruption Policy & Procedures
557	Board of Commissioners Supporting Organ	848	Gratification Control Program
560	Audit Committee	851	Creditor Rights Protection Policy
584	Nomination and Remuneration Committee	851	Customer Protection Policy
602	Risk Management Supervisory Committee	854	Conflict of Interest
618	Integrated Governance Committee	855	Insider Trading Prevention
634	Board of Directors Committee	856	Goods and Services Procurement
657	Corporate Secretary	861	Fixed Assets Management
668	Investor Relations	863	Bank Strategic Plan 2018
671	Internal Audit Unit	864	Other Policies
684	Public Accountant	866	Transparency of Corporate Financial and Non Financial Conditions
686	Compliance Function	866	Funding to Related Parties and Large Exposures
		870	Funding for Political Activity
		870	Reports on Assets of State Officials (LKHPN)
		871	Integrated Corporate Governance Annual Report

.877

CORPORATE SOCIAL RESPONSIBILITY

879	Corporate Social Responsibility Toward Environment
884	Corporate Social Responsibility Toward Employment, Occupational Health and Safety
890	Corporate Social Responsibility Toward Social and Community Development
906	Partnership Program
910	Corporate Social Responsibility Toward Consumers

.915

CONSOLIDATED FINANCIAL STATEMENTS 2018





Performance Highlights

IN 2018, BRI SUCCESSFULLY RECORDED LOAN GROWTH OF 14.1% TO RP820 TRILLION, COMPARED TO RP719 TRILLION IN 2017. THE MICRO SMALL AND MEDIUM ENTERPRISE LOAN CONTRIBUTED THE LARGEST GROWTH OF 76.6% TO RP645.8 TRILLION FROM BRI TOTAL LOAN. THIS IS ALIGNED WITH BRI'S ASPIRATION TO ACCELERATE THE GROWTH OF MSME SECTOR.

Business Performance Summary in 2018

MICRO BUSINESS



Micro Business recorded net profit growth of **9.8%** from **Rp15.6 trillion** in 2017 to

Rp17.2 trillion in 2018.

RETAIL BUSINESS



Retail Business recorded net profit growth of

18.5%

from Rp9 trillion in 2017 to Rp10.6 trillion in 2018.

CORPORATE BUSINESS



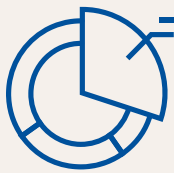
Corporate Business recorded net profit growth of

4.5%

from **Rp767.3 billion** in 2018.

Business Performance Summary in 2018

SUBSIDIARIES BUSINESS



Subsidiaries Business
recorded net profit
growth of

24.4%

from Rp575.8 billion
in 2017 to **Rp716.5
billion** in 2018.



Financial Performance Summary in 2018



ASSETS

Assets of
Rp1,296.8 trillion

increased by 15.03% yoy in 2018, from the previous year of Rp1,127.4 trillion



SAVING DEPOSITS

Saving Deposits of
Rp387.2 trillion

in 2018, **increased by 10.8% yoy** from the previous year of Rp349.4 trillion



LIABILITIES

Liabilities of
Rp1,111.6 trillion

in 2018, **increased by 15.9% yoy** from the previous year of Rp959.4 trillion



DEMAND DEPOSITS

Demand Deposits of
Rp180.7 trillion

in 2018, **increased by 22.5% yoy** from the previous year of Rp147.4 trillion



EQUITY

Equity of
Rp185.2 trillion

grew 10.28% yoy in 2018, from the previous year of Rp168 trillion



TIME DEPOSITS

Time Deposits of
Rp376.4 trillion

in 2018, **increased by 9.2% yoy** from the previous year of Rp344.8 trillion

Ringkasan Kinerja Keuangan 2018



OPERATING INCOME

Operating Income **grew 13.3% yoy** at
Rp41.7trillion

in 2018, from the previous year of Rp36.8 trillion



OTHER OPERATING INCOME

Other Operating Income **grew 21.5% yoy** at
Rp23.4trillion

in 2018, from the previous year of Rp19.2 trillion



INCOME FOR THE YEAR

Income for the Year **grew 11.6% yoy** at
Rp32.4trillion

in 2018, from the previous year of Rp29.04 trillion



INTEREST AND SHARIA EXPENSE

Interest and Sharia Expense **of**
Rp33.9trillion

in 2018 increased by 13.5% yoy from the previous year of Rp29.9 trillion



INTEREST AND SHARIA INCOME

Interest and Sharia Income **grew 8.4% yoy** at
Rp111.58trillion

in 2018 from the previous year of Rp102.9 trillion



OTHER OPERATING EXPENSE

Other Operating Expense **of**
Rp41.9trillion

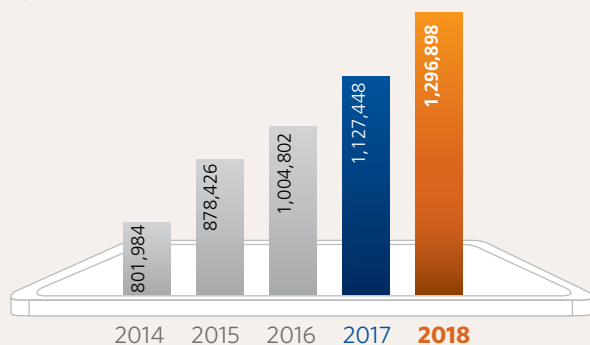
in 2018, increased by 8.7% yoy from the previous year of Rp38.6 trillion

Financial Highlights

	(Rp Billion)				
Balance Sheet	2014*)	2015	2016**)	2017	2018
Total Assets	801,984	878,426	1,004,802	1,127,448	1,296,898
Total Earnings Assets	728,094	781,931	991,719	1,128,476	1,178,512
Loans – Gross	510,697	581,095	663,420	739,337	843,598
Government Recap Bonds	4,304	3,816	3,318	3,318	1,505
Investment in Shares - Net	252	269	12	83	460
Total Liabilities	704,278	765,299	857,268	959,440	1,111,623
Third Party Funds	622,322	668,995	754,526	841,656	944,269
- Demand Deposits	90,052	114,367	142,547	147,436	180,669
- Saving Deposits	236,395	272,471	303,270	349,441	387,180
- Time Deposits	295,875	282,157	308,709	344,780	376,420
Other Interest Bearing Liabilities	57,435	68,601	70,354	78,744	119,632
Capital/Equity	97,706	113,127	147,534	168,008	185,275
Profit/Loss					
Interest Income					
- With Government Bonds Interest	75,122	85,434	94,016	102,912	111,583
- Without Government Bonds Interest	74,876	85,192	93,815	102,834	111,482
Net Interest Income					
- With Government Bonds Interest	51,442	58,280	65,439	73,018	77,666
- Without Government Bonds Interest	51,197	58,038	65,237	72,940	77,565
Other Operating Income	9,299	13,855	17,288	19,271	23,425
Other Operating Expenses	(26,715)	(31,276)	(35,157)	(38,614)	(41,990)
Allowance for Impairment Losses Expense	(5,719)	(8,900)	(13,804)	(17,254)	(18,321)
Income Before Tax	30,804	32,494	34,047	37,023	41,754
Net Income for the Year	24,227	25,411	26,285	29,045	32,418
Income Attributable to Equity Holders of Parent Entity	24,215	25,398	26,234	28,997	32,351
Income Attributable to Non-Controlling Interests	11,69	13,05	61,21	72,35	30,10
Comprehensive Income Loss	24,482	24,872	41,446	30,881	28,941
Comprehensive Income Attributable to Equity Holders of Parent Entity	24,467	24,861	41,385	30,808	28,911
Comprehensive Income Attributable to Non-Controlling Interests	14.67	11.05	61.21	72.35	30.10
Earnings per Share (Rp)	981.59	1.030.43	214.04	236.93	264.66

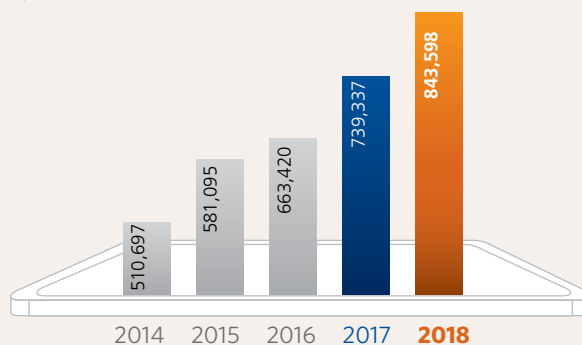
TOTAL ASSETS

(Rp billion)



LOANS - GROSS

(Rp billion)



Financial Highlights

Balance Sheet					(Rp Billion)
	2014*)	2015	2016**)	2017	2018
FINANCIAL RATIO (BANK ONLY)					
Capital					
Capital Adequacy Ratio (CAR)	18.31%	20.59%	22.91%	22.96%	21.21%
Earnings Assets					
Earnings Assets and Non-Performing Assets to Total Earnings Assets and Non-Performing Assets	1.09%	1.33%	1.46%	1.38%	1.41%
Non Performing Assets	1.26%	1.57%	1.61%	1.59%	1.62%
Allowance for Possible Losses to Earnings Assets	2.40%	2.37%	2.75%	3.11%	3.26%
Non Performing Loans (Gross NPL)	1.69%	2.02%	2.03%	2.10%	2.14%
Profitability					
R O A	4.73%	4.19%	3.84%	3.69%	3.68%
R O E	31.19%	29.89%	23.08%	20.03%	20.49%
N I M	8.51%	8.13%	8.00%	7.93%	7.45%
B O P O (Operating Expenses to Operating Income)	65.42%	67.96%	68.69%	69.14%	68.48%
Current Ratio					
Debt to Equity Ratio					
Debt to Total Assets Ratio					
Liquidity					
L D R	81.68%	86.88%	87.77%	88.13%	89.57%
Compliance					
Percentage of Violation of Legal Lending Llimit					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Non Related Parties	Nil	Nil	Nil	Nil	Nil
Percentage of Excess of Legal Lending Limit					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Non Related Parties	Nil	Nil	Nil	Nil	Nil
Statutory Reserve	8.07%	9.31%	6.94%	6.52%	7.16%
Net Open Position	3.86%	2.33%	6.67%	4.22%	3.74%

The financial figures presented above represent BRI's consolidated financial statements with subsidiaries for 2013, and 2014: PT BRISyariah, PT Bank Agroniaga Tbk, BRIngin Remittance Co. Ltd; statements for 2015: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Company Ltd and PT Asuransi Jiwa Bringin Jiwa Sejahtera; statements for 2016: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Co. Ltd, PT Asuransi Jiwa Bringin Jiwa Sejahtera and PT BRI Multifinance Indonesia; and statements for 2017: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Co. Ltd, PT Asuransi Jiwa Bringin Jiwa Sejahtera dan PT BRI Multifinance Indonesia; and for 2018: PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd Hongkong, PT Asuransi BRILife, PT BRI Multifinance Indonesia, PT Danareksa Sekuritas and PT BRI Ventura Investama.

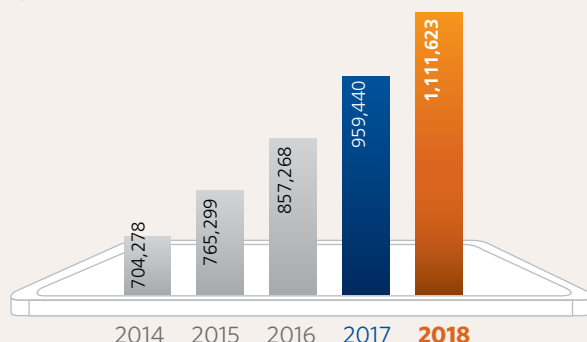
Financial ratios use bank data only.

*) Restatement following the adoption of PSAK No. 24: Employee Benefits

**) In 2016 there were increases in assets and equity due to fix assets revaluation of Rp14.3 trillion

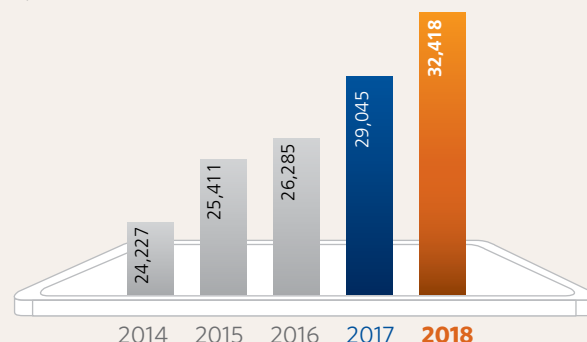
TOTAL LIABILITIES

(Rp billion)



NET INCOME FOR THE YEAR

(Rp billion)



Share Highlights

2017

Share Price Movements, Volume and Market Capitalization



Share Performance as of 31 December 2017

Year	Share Price				Total Outstanding Shares	Transaction Volume (Share)	Market Capitalization (Rp Trillion)
	Opening	Highest	Lowest	Closing			
2017	2,350	3,640	2,340	3,640	-	23,211,823,300	-
Quarter 1	2,350	2,640	2,340	2,595	123,345,810,000	5,965,294,500	320.08
Quarter 2	2,595	3,060	2,485	3,050	123,345,810,000	5,359,020,000	376.20
Quarter 3	3,000	3,135	2,900	3,055	123,345,810,000	5,878,135,000	376.82
Quarter 4	3,055	3,640	3,050	3,640	123,345,810,000	6,009,373,800	448.98

Shares Highlights

2018

Share Price Movements, Volume and Market Capitalization



Share Performance as of 31 December 2018

Year	Share Price				Total Outstanding Shares	Transaction Volume (Share)	Market Capitalization (Rp Trillion)
	Opening	Highest	Lowest	Closing			
2018	3,690	3,920	2,720	3,660		28,131,320,100	
Quarter 1	3,690	3,920	3,530	3,600	123,345,810	7,159,651,000	444.04
Quarter 2	3,500	3,660	2,720	2,840	123,345,810	8,999,924,100	350.30
Quarter 3	2,890	3,410	2,830	3,150	123,345,810	7,056,550,400	388.53
Quarter 4	3,150	3,710	2,910	3,660	123,345,810	6,966,375,800	451.44

BRI Shares Performance Indicators

Indicator	BRI	
	2017	2018
Closing Price (Rp)	3,640	3,660
Lowest Price (Rp)	2,340	2,720
Highest Price (Rp)	3,640	3,920
Average daily transaction volume	97,528,669	125,760,422
PE (x)	15.3	17.23
PBV (x)	2.7	2.58
Market Capitalization (Rp trillion)	448.98	451.44

Share Highlights

Capital Market Condition and BRI Shares Performance in 2018

The dynamics of global macroeconomics in 2018 impacted the Indonesia capital market condition as indicated by 20% decrease of the Jakarta Composite Index (JCI) at 6,056 level from 6,356 in the previous year. The decrease is driven by several factors, among others due to the increase of interest rate that eventually augmented the cost of capital. In addition, the weakening trend of global economics such as the potential of rate increase by The Fed and uncertainty on the USA trade policy has influenced the investors' decisions. However, Indonesia macro economics condition is relatively performing as defined by the increase of GDP growth at 5.2% and low inflation of 2.9%. Moreover, increased spending on government expenditures for infrastructure sector became the growth factor of Indonesia economy.

Aligned with the improved economic conditions, BRI recorded positive performance in 2018. Lending growth grew 14.1% year on year, above the banking industry average of 12.05% year on year, while the Third Party Funds rose by 12.2% year on year, higher than the industry average of 7.19% year on year. BRI also managed to maintain its credit quality with NPL maintained at the level of 2.14% (Bank only), below the industry average of 2.67%.

BRI recorded the highest share price of Rp3,920 on 23 January 2018 and the lowest price of Rp2,720 on 22 May 2018. BRI also becomes one of the most liquid public companies whereby BRI's average daily transaction volume was at 125.7 million/day or valued at Rp414.9 billion/day.

Bonds Highlights

Issued Securities and Due

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/ Discount Rate	Ratings	Rating Agency	Issuance Main Purpose
1	Subordinate Notes due 2013	USD	25 Sept'03	30 Okt'13	150,000,000	120	7.75	B3	Moody's	Strengthening capital structure
2	Subordinated Bonds I Year 2004	IDR	9 Jan'04	9 Jan'14	500,000,000,000	120	13.50	AA+	Pefindo	Strengthening capital structure
3	Subordinated Bonds II Year 2009	IDR	22 Des'09	22 Des'14	2,000,000,000,000	60	10.95	AA+	Pefindo	Strengthening capital structure
4	Senior Notes due 2018	USD	28-Mar-13	28-Mar-18	500,000,000	60	2.95	Baa3	Moody's	Loan disbursement with prudential banking and good corporate governance principles
5	BRI MTN Phase I Year 2014 Series-A	IDR	10 Oct'14	15 Okt'15	300,000,000,000	370 days	8.75	F1+	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
6	BRI MTN Phase I Year 2014 Series-B	IDR	10 Oct'14	10 Okt'16	60,000,000,000	24	9.25	AAA	Fitch Indonesia	
7	BRI MTN Phase I Year 2014 Series-C	IDR	10 Oct'14	10 Okt'17	360,000,000,000	36	9.50	AAA	Fitch Indonesia	
8	BRI MTN Phase II Year 2014	IDR	24 Dec'14	29 Des'15	520,000,000,000	370 days	8.90	F1+	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
9	BRI NCD Year 2014 Series-A	IDR	2 Dec'14	2 Mar'15	165,000,000,000	3	8.00	No Rating NCD	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
10	BRI NCD Year 2014 Series-B	IDR	2 Dec'14	2 Jun'15	790,000,000,000	6	8.60	No Rating NCD	-	
11	BRI NCD II Phase I Year 2015 Series-A	IDR	22 Apr'15	22 Jul'15	595,000,000,000	3	7.10	No Rating NCD	-	
12	BRI NCD II Phase I Year 2015 Series-B	IDR	22 Apr'15	22 Okt'15	1,020,000,000,000	6	8.00	No Rating NCD	-	
13	BRI NCD II Phase I Year 2015 Series-C	IDR	22 Apr'15	22 Jan'16	265,000,000,000	9	8.10	No Rating NCD	-	
14	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-A	IDR	25 Jun'15	7 Jul'16	655,000,000,000	370 days	8.40	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
15	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-B	IDR	25 Jun'15	3 Jul '18	925,000,000,000	36	9.20	AAA	Pefindo	
16	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-A	IDR	19 Jan'16	8 Feb'17	808,000,000,000	370 days	8.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.

Bonds Highlights

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/ Discount Rate	Ratings	Rating Agency	Issuance Main Purpose
17	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-A	IDR	4 Mei'16	30 May'17	1.212.000.000.000	370 days	7.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
18	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-A	IDR	1 Des'16	6 Dec'17	616.000.000.000	370 days	7.25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
19	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-A	IDR	12 Apr'17	16 Apr'18	1.131.000.000.000	370 days	7.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
20	BRI MTN Phase I Year 2016	IDR	16 Sept'16	21 Sept'17	1.925.000.000.000	370 days	7.40	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.

Issued Securities and Outstanding

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/ Discount Rate	Ratings	Rating Agency	Issuance Main Purpose
1	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-C	IDR	25 Jun'15	3 Jul'20	1,420,000,000,000	60	9.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
2	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-B	IDR	19 Jan'16	4 Feb'19	1,018,500,000,000	36	9.25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
3	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-C	IDR	19 Jan'16	4 Feb'21	2,823,500,000,000	60	9.60	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
4	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-B	IDR	4 Mei'16	25 Mei'19	2,437,000,000,000	36	8.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
5	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-C	IDR	4 Mei'16	25 Mei'21	701,000,000,000	60	8.70	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.

Bonds Highlights

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agency	Issuance Main Purpose
6	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-B	IDR	2 Des'16	1 Des'19	964,000,000,000	36	8.00	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
7	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-C	IDR	2 Des'16	1 Des'21	193,000,000,000	60	8.20	AAA	Pefindo	
8	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-D	IDR	2 Dec'16	1 Des'23	477,000,000,000	84	8.65	AAA	Pefindo	
9	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-E	IDR	2 Dec'16	1 Des'26	2,350,000,000,000	120	8.90	AAA	Pefindo	
10	Bank BRI Shelf Registration Bonds II Phase II 2017 Series-B	IDR	12 Apr'17	11 Apr'20	1,743,500,000,000	36	8.10	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
11	Bank BRI Shelf Registration Bonds II Phase II 2017 Series-C	IDR	12 Apr'17	11 Apr'22	925,000,000,000	60	8.30	AAA	Pefindo	
12	Bank BRI Shelf Registration Bonds II Phase II 2017 Series-D	IDR	12 Apr'17	11 Apr'27	1,300,500,000,000	120	8.80	AAA	Pefindo	
13	Bank BRI Shelf Registration Bonds II Phase III 2017 Series-A	IDR	25 Agu'17	24 Aug'20	980,500,000,000	36	7.60	AAA	Pefindo	
14	Bank BRI Shelf Registration Bonds II Phase III 2017 Series-B	IDR	25 Agu'17	24 Aug'22	1,652,500,000,000	60	8.00	AAA	Pefindo	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
15	Bank BRI Shelf Registration Bonds II Phase III 2017 Series-C	IDR	25 Agu'17	24 Aug'24	2,517,000,000,000	84	8.25	AAA	Pefindo	
16	Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-A	IDR	22 Feb'18	21 Feb'23	1,837,000,000,000	60	6.65	AAA	Pefindo	
17	Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-B	IDR	22 Feb'18	21 Feb'25	605,000,000,000	84	6.90	AAA	Pefindo	

Bonds Highlights

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agency	Issuance Main Purpose
18	Bank BRI Registration Bonds III 2018	IDR	27 Jun'18	26 Jun'23	500,000,000,000	60	7.70	AA	Pefindo	Strengthening capital structure according to POJK Recovery Plan and counted as Tier 2 Capital and further will be used to improve earnings assets.
19	Senior Unsecured Notes Due 2023	USD	16 Jul '18	20 Jul '23	500,000,000	60	4.63	Baa3 BBB-	Moodys Fitch	Strengthening General Funding Structure

Corporate Actions

22 February 2018:

Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-A, maturity on 21 February 2023, with nominal value of 1,837,000,000,000 shares and coupon/discount rate of 6.65%, with AAA credit rating from Pefindo.

Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-B, maturity on 21 February 2025, with nominal value of 605,000,000,000 shares and coupon/discount rate of 6.90%, with AAA credit rating from Pefindo.

16 July 2018:

Senior Unsecured Notes BRI Due on 20 July 2023 with a nominal value of USD500,000,000 and coupon rate at 4.63, with Baa3 credit rating from Moodys and BBB- from Fitch.

27 June 2018:

Bank BRI Shelf Registration Bonds III 2018, due on 26 June 2023, with a nominal value of Rp500,000,000,000 and coupon rate at 7.70%, with AA credit rating from Pefindo.

20 December 2018

Take over of Sarana NTT Ventura at 97% ownership amounted to Rp3.1 billion.

21 December 2018

Take over of Danareksa Sekuritas at 67% ownership amounted to Rp447 billion.

20 December 2018

Minority investment in Danareksa Investment Management at 35% ownership amounted to Rp372 billion.

Dividend Payout

GMS Target	Payout Date	Year	Dividend Payout Ratio	Dividend (Rp Billion)	Dividend Per Share
2004	23 July 2004	2003	75.01	990	84.19
2005	5 July 2005	2004	50	1,816	152.88
2006	10 July 2006	2005	50	1,904	156.18
2007	2 July 2007	2006	50	2,129	173.04
2008	7 July 2008	2007	50	2,419	196.34
2009	3 July 2009	2008	35	2,085	168.82
2010	15 July 2010	2009	30	2,192	132.08
2011	15 June 2011	2010	20	2,294	70.04
2012	15 May 2012	2011	20	3,017	122.28
2013	15 April 2013	2012	30	5,556	225.23
2014	4 May 2014	2013	30	6,348	257.22
2015	22 April 2015	2014	30	7,272	294.8
2016	22 April 2016	2015	40	7,619	311.66
2017	13 April 2017	2016	40	10,478	428.61
2018	4 April 2018	2017	45	13,048	106.74*

*) After Stock split 1:5 in October 2017

The dividend amount is stipulated in the AGMS as the company main organ. The dividend payout for the financial year 2017 has been stipulated at the AGMS 2018 amounted to Rp13,048 billion or 45% dividend payout ratio. In determining the ratio, the management has the right to propose the dividend amount by taking into consideration the sustainable business growth projection and taking into account the capital adequacy ratio (CAR). By commencing Basel III since January 2015 which gradually has been fully completed in January 2019, BRI intends to maintain CAR level at above 14.75% in accordance with CAR requirement of Basel III.

Suspension / Delisting

By the publication of this 2018 Annual Report, Bank BRI has not experienced or received any suspension or delisting on the Company's shares.

Event Highlights



3 | JANUARY

BRI of Today's Era

BRI welcomed 2018 by organizing the CEO Speech with the theme "BRI of Today's Era". The President Director of BRI provided the previous year performance evaluation including presenting the 2018 plans and targets.



19 | JANUARY

National Work Plenary in 2018

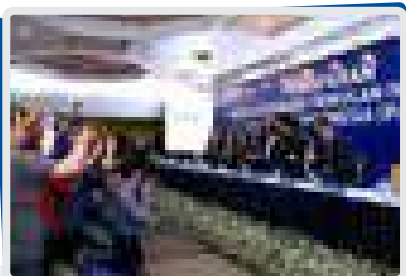
BRI Board of Directors and Executive Vice Presidents organized the National Work Plenary at the beginning of the year to harmonize vision and mission in addressing the 2018 challenges and strategies.



20 | JANUARY

SABRINA, BRI New Digital Banking Service Innovation

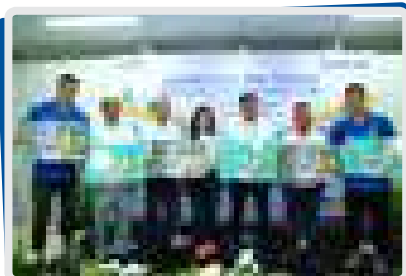
To enhance its customer service BRI launched Sabrina, an Artificial Intelligence as New Assistance to facilitate the customers in getting information on the Bank.



24 | JANUARY

Analyst Meeting Quarter 4-2017

BRI strengthened its position as the biggest bank in Indonesia by recording profit of Rp29.04 trillion and assets of Rp1,076 trillion at the end of 2017. This made BRI as the bank with the largest profit in Indonesia during 13 consecutive years and the largest assets since 2015.



26 | JANUARY

Welcoming the 2018 Asian Games, BRI Launched Special Edition Credit Card

BRI again introduced new innovation in welcoming the 2018 Asian Games by launching BRI Touch Credit Card Special Edition for 2018 Asian Games. BRI is an official prestige partner for this 2018 Asian Games event.

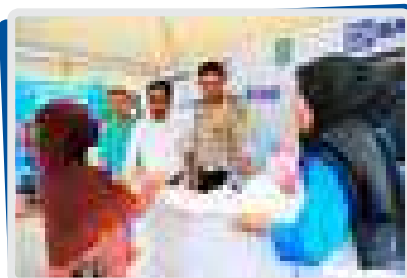


30 | JANUARY

Nusantara Cerdas Scholarship for Group 4, BRI Commitment in Enhancing Education in Indonesia

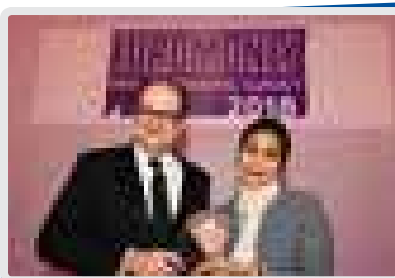
BRI organized the CSR activity at the beginning of 2018 – BRI Peduli for Education. BRI with the Ministry of Education and Culture of the Republic of Indonesia held the Nusantara Cerdas Scholarship Program event for Group 4 in Building A, the Ministry of Education and Culture of the Republic of Indonesia, Jakarta.

Event Highlights


11 | FEBRUARY

Targeting Millenials, BRI Holds 'BRI-Bekasi Today's Era'

BRI in cooperation with the Traffic Corps (Korlantas) POLRI and Bekasi Municipality held the event for millenials "BRI-Bekasi Today's Era" in Bekasi. The event targeting 200,000 visitors with the main target of millenials, was held to present the creativepreneur concept and people's gathering for all BRI customers, in particular MSME sector.


22 | FEBRUARY

BRI Received Prestigious Award from Euromoney

BRI received an international award from the Euromoney economy magazine as "The Best Bank in Indonesia for Private Banking: Succession Planning Advice and Trust". The award was received by BRI Director, Handayani in London.


28 | FEBRUARY

Encourage Go Digital for MSME, BRI Cooperates with Lazada

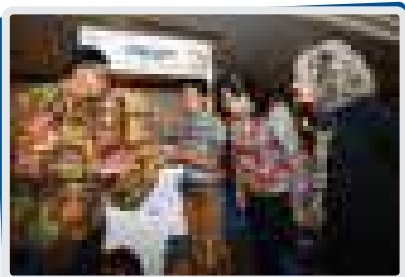
BRI continually strengthened the micro, small and medium enterprises (MSME) segment by cooperating with Lazada for MSME development in Indonesia. The cooperation is carried out through the signing of Memorandum of Understanding (MoU) between BRI and Lazada on Banking Services and Event Support titled as UGRADEUKM.


2 | MARCH

BRIsat Roles in Fostering One Price Fuel Program in Papua

The operation of BRIsat is inteded to assist BRILink Agents in assisting the area that are not yet reached by the cellular providers, namely the Arfak Mountain, West Papua, Jayapura. This is aimed at facilitating financial access to the communities in Arfak Mountain that previously has to travel 4 hours to the nearest banking units in Trafi Sub District. This initiative also supports the government policy of 1 price Fuel launched by the President of Republic of Indonesia Joko Widodo.

Event Highlights



5 | MARCH

Fostering the MSME Export, BRI Organizes BRICRAFT 2018

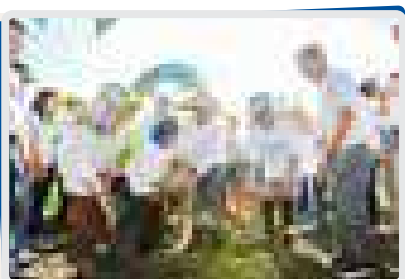
BRI held the event to foster the Micro, Small and Medium Enterprises (MSME) exports in Indonesia. In this event, BRI held the Handycraft Entrepreneurs Training to Become MSME Players of Export Oriented themed BRICRAFT 2018 in Jakarta 5-6 March 2018. The BRICRAFT 2018 was organized as BRI commitment in the development of handicraft business globally through the SOE Creative House.



22 | MARCH

BRI Holds the Annual General Meeting of Shareholders

The Resolution of BRI Annual General Meeting of Shareholders 2018 stipulated the changes in BRI management. Achmad Solichin L, Supari, and Osbal Saragi R were appointed as BRI Board of Directors members. In addition Rofikoh Rohim was also appointed as the Bank's Commissioner.



24 | MARCH

Strengthening the Rural Economy, BRI Implements Padat Karya Tunai Program in Klaten

One of BRI distinct contributions in Padat Karya Tunai Program is the implementation of CSR activity BRI Care for Environment, which is the road compaction and normalization of irrigation channel for Dukuh Pilangsari, Gondang Village, Kebonarum Sub District, Klaten Regency, Central Java. This activity was directly attended by the Minister of SOE Rini M. Soemarno.



21 | MARCH

Respond on the President's Instruction, BRI Launched Student Loan "BRIGUNA Education"

Responding to the directive of the President Joko Widodo, BRI launched BRIGuna Education for students intended to continue studying for Master Degree.



2 | APRIL

BRI Launched Indonesia Mall and Renewed the Official Corporate Website

In an effort to upgrade the MSME class, BRI encouraged the MSME to go digital by launching Indonesia Mall, cooperated with the market place startups thereby providing the MSME communities the opportunities to sell their products in wider market.

Event Highlights



3 | APRIL

BRI Village-Owned Enterprises Partners Go Global

BRI is continually committed to upgrade the class of Micro, Small and Medium Enterprises communities by promoting the local products to international markets. As such, BRI invited its Village-Owned Enterprises Partners to participate in the Indonesia Archipelago Exhibition (ARCHEX) 2018 held at the Embassy of the Republic of Indonesia in Kuala Lumpur, Malaysia.



20 | APRIL

BRI the First Bank in Indonesia that Applies Digital Signature for Authentication

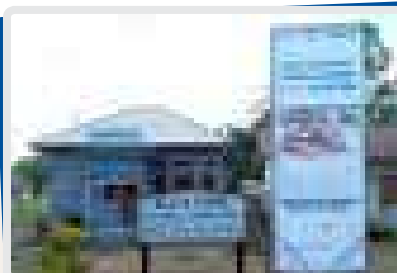
In cooperation with the State Cyber and Code Agency, BRI becomes the first bank in Indonesia that applies the Digital Signature thereby it is expected to increase the legality, protection and security of the customers accounts.



4 | MEI

Innauguration of Money Changer at the Malaysian Border, BRI Efforts in Protecting Rupiah Sovereignty

As a tangible commitment to become prominent financial institution that participate in protecting the Rupiah sovereignty at the border areas, BRI inaugurated the money changer service at Teras BRI Aji Kuning, the nearest region with point 3 border of Sebatik Island.



8 | MAY

BRIsat Improved the Rural Economy at West Halmahera

BRI again extended its financial inclusion and literacy penetration by utilizing technology innovation. As such, BRI encouraged the economic growth of West Halmahera village by connecting its three Village-Owned Enterprises Mentoring Partners that are also served as BRILink Agents with BRIsat communication network. They are located at Golago Kusuma Village, Sidodadi Village and Pasalulu Village which covered under the blankspot area in West Halmahera.

Event Highlights



8 | JUNE

BRI and HIMBARA Hold Break-Fasting with Thousands of Orphanages

In conjunction with Ramadhan 1439 H, BRI and HIMBARA organized series of activities such as Break-Fasting with 3,500 orphanages at JCC, Distribution of 64,000 basic foods packages across Indonesia, and BRI Homecoming Trip for 12,200 families to several regions in Indonesia with 4 transportation modes.



24 | JULY

BRI Celebrates the Torch Parade of Asian Games 2018 in Denpasar

In welcoming the Asian Games 2018, BRI organized the Torch Parade in Denpasar attended by BRI President Commissioner Andrinof A. Chaniago as the Torch Bearer and BRI Consumer Director Handayani as the Torch Bearer in Jakarta.



17 | AUGUST

BRI's Appreciation to the PASKIBRAKA National 2018 Team Performance

BRI's appreciation to the National Paskibraka Team in conjunction with the 73th Anniversary of Republic of Indonesia by rendering BRItama savings amounted to Rp241 million for 68 Paskibraka members and 42 mentoring team.



20 | AUGUST

BRI Congratulates the National Team U-16 for Winning at the AFF 2018 Championship

BRI as the PSSI official banking partner, appreciated the Indonesian National Team U-16 for winning the AFF 2018 Championship in a form of BRItama savings at Rp840 million for 23 players, 1 head coach, 3 coaches, and 11 official team.

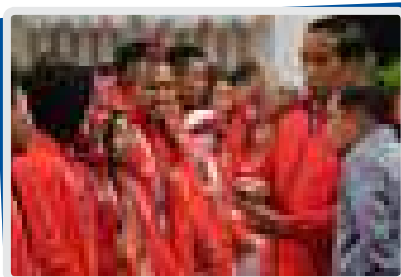


30 | AUGUST

BRI Digital Innovation Recognized Globally and Received 6 International Awards

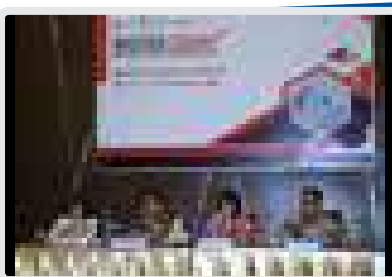
BRI Digital Innovation is recognized globally by receiving 6 awards. The 5 awards are The Indonesia Country Awards 2018 from the Asian Bankers Awards 2018 and 1 award from the International Data Corporation (IDC) Digital Transformation Awards 2018.

Event Highlights


3 | SEPTEMBER

Jokowi Presents BritAma Savings for the Athletes, Coaches and Official Team of Asian Games

BRI as the Official Prestige Partner in Asian Games 2018, and the official banking partner for Indonesian Team, is trusted to present the incentives for Indonesian athletes that are excelled in Asian Games.


6 | SEPTEMBER

BRI Holds Public Expose in Semarang

BRI held the public expose in Semarang, which was attended by BRI Senior Executive Vice President (SEVP) Treasury & Global Services Listiarini Dewajanti, BRI Head of Investor Relations Achmad Royadi, and BRI Head of Regional Office Semarang Fidri Arnaldy. This is a second public expose by BRI during 2018, which previously has been held in Jakarta (29/8) and will be continuing in Makassar.


13 | SEPTEMBER

BRI Supports the Indonesian Women Congress National Meeting and International Council of Women (ICW)

BRI fully supported the Indonesian Women Congress National Meeting (Kowani) and International Council of Women (ICW) held on 13-18 September 2018 in Yogyakarta. The event launched by President Joko Widodo was attended by more than 1,000 women from grouped organizations under Kowani, BKOW, GOW and other women organizations across Indonesia, as well as 200 delegations from 80 ICW grouped countries.


17 | SEPTEMBER

BRI Builds 300 House and 375 Public Sanitary for Lombok Earthquake Victims

BRI strives to contribute in assisting the communities impacted by the earthquake in Lombok island. BRI provided temporary shelter of 300 housing and build 375 public sanitary. The presentation was attended by SOE Minister Rini M Soemarno and BRI Network and Services Director Osbal Saragi Rumahorbo.


23 | SEPTEMBER

BRI Sponsors the Asian Paragames 2018 and Celebrates Momo Parade

BRI as the Official Prestige Partner of Asian Paragames 2018 participate in celebrating the Momo Parade organized by Indonesia Asian Para Games Official Committee (INAPGOC) at the National Monumen. Attended at the event was the Minister of Youth and Sports of RI Imam Nahrawi, DKI Jakarta Governor Anies Baswedan, BRI Consumer Director Handayani, Chairman of INAPGOC Raja Sapta Oktohari, and Chief Executive Officer (CEO) Asian Paralympic Committee (APC) Tarek Souei.

Event Highlights



25 | SEPTEMBER

BRI Launched Money Changer Outlet, the Only Facility in Komodo Labuan Bajo Airport

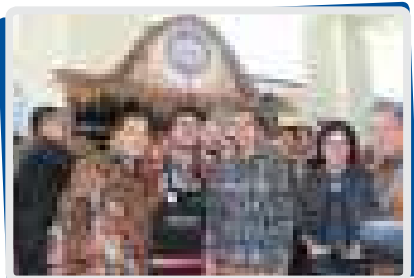
BRI inaugurated the opening of newest money changer outlet in Komodo Airport, Labuan Bajo, East Nusa Tenggara. The ceremony was held at the Arrival Terminal of Labuan Bajo Airport on 18 September 2018 attended by the Deputy Head of Regional Office BRI Denpasar Dwi Harsono and Head of Komodo Airport Djarot Subianto. With this inauguration, BRI becomes the only financial institution that provide Money Changer service in the Komodo Labuan Bajo Airport.



2 | OCTOBER

BRI Grants Assistance for the Disaster Victims in Palu and Donggala

BRI actively granted assistance for the earthquake and tsunami victims in the Central Sulawesi. BRI recorded a value of Rp2 billion contribution consists of basic foods, medicines, emergency tents, tarpaulins, clothings, fast foods and beverages as well as other daily amenities. BRI also provided public kitchen for the earthquake and tsunami victims in Palu located at BRI Branch Office Palu.



5 | OCTOBER

BRI Participates in Promoting Indonesian Coffee and Donates through 'a Cup for Solidarity' Program

BRI participated at the IMF-WB Annual Meeting Forum by presenting "a Cup For Solidarity" campaign through BRIKopi aimed at promoting Indonesian coffee to the international delegations specifically the participants of IMF-WB Meeting Forum. The coffee was presented by Indonesia's best baristas. This initiative was well responded by the President Jokowi and its ministries as they went to visit and enjoyed the coffee. For every cup enjoyed will be equally converted to Rp100,000 by BRI. The initiative was successful in generating more than Rp1.5 billion which will be distributed to help the earthquake victims in Lombok and Palu.



13 | OCTOBER

BRI Received the Best Bank In Indonesia award for 3 Consecutive Years from the Global Finance

BRI received the Best Bank in Indonesia award from the Global Finance Magazine. This recognition led BRI as the best Bank in Indonesia for 3 consecutive years.

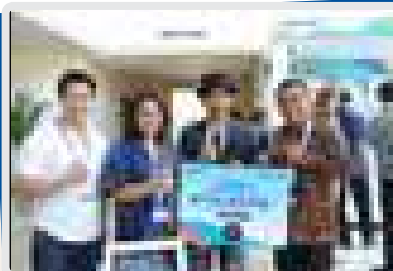
Event Highlights



13 | OCTOBER

Jokowi Officially Presented the BritAma Savings Incentives to Para Games Asean 2018 Athletes

BRI becomes the official prestige partner for the Asian Paragames 2018 event and is again given the trust to contribute the incentives for Indonesian athletes that excel in the Asian Paragames.



29 | OCTOBER

BRI Promotes Indonesian Coffee and Donates to Marine Conservation at the Our Ocean Conference (OOC) 2018 Event

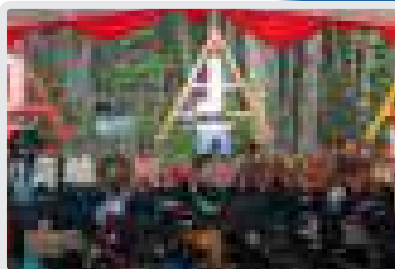
The campaign of "a Cup for Solidarity" by BRIKopi is continued, this time at the Our Ocean Conference event in Bali. BRI succeeded in converting every cup enjoyed by the delegations at the event with a total of Rp150 million contributed to the Pandu Laut for the ocean conservation in Indonesia.



29 | OCTOBER

BRI SOE Creative House Awarded as the Best SOE Creative House

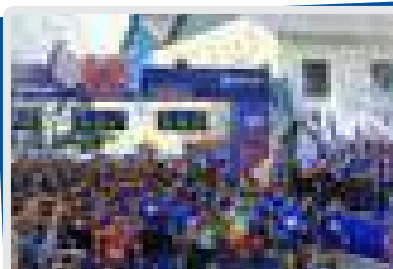
The SOE Minister Rini M Soemarno presented the Best SOE Creative House award to BRI President Director Suprajarto. The SOE Creative House owned by BRI is awarded as the Best SOE Creative House by the SOE Ministry that was presented at the SOE for the Nation Awards 2018. The appreciation is a recognition towards BRI consistent commitment in the empowerment of MSME communities through the SOE Creative House.



11 | NOVEMBER

BRI Supports the Success of Social Forestry Program in West Java

BRI continually supports the success of government program on the distribution of access to land for social forestry in Indonesia, specifically in West Java. Attended by the President Joko Widodo, BRI and HIMBARA fully support the contribution of Social Forestry program for People's Forestry Park, Bandung, West Java.

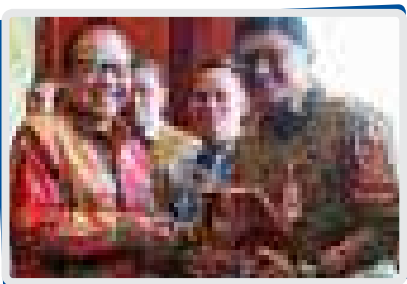


21 | NOVEMBER

Celebrating BRI 123th Anniversary BRIRUN 2018 Solo Series Targeting 10,000 Participants

BRI organized the BRI Run 2018 Solo Series that involved 10,000 runners as part of BRI 123th Anniversary series of events. BRI Run 2018 Solo Series becomes the Biggest Free Running Event in Indonesia.

Event Highlights



22 | NOVEMBER

BRI Received the Government Award as the Best Bank in KUR Loan Disbursement

The Coordinating Ministry for Economic Affairs of the Republic of Indonesia presented the award to BRI as the 1st Place Best Bank in KUR Business Loan Disbursement 2018. Witnessed by the Coordinating Minister for Economic Affairs of RI Darmin Nasution, the award was directly presented by the Minister of Cooperatives and Micro, Small and Medium Enterprises (MSME) of RI Anak Agung Gede Ngurah Puspayoga to BRI Micro and Small Director Priyastomo in Jakarta.



28 | NOVEMBER

BRI Receives the Best Bank in MSME Development Award from Bank Indonesia

Bank Indonesia awarded BRI as the Best Bank in Fostering the MSME sector. The award was presented during Bank Indonesia Annual Meeting 2018 held at JCC Senayan, Jakarta. The event was attended by the President of the Republic of Indonesia Joko Widodo, BI Governor Perry Warjiyo, and BRI President Director Suprajarto.



16 | DECEMBER

Celebrating BRI 123th Anniversary, 65,000 of BRI Extended Families Participate in BRIFEST 2018

BRI concluded its 123th Anniversary events by simultaneously holding the BRI Family Festival 2018 (BRIFEST 2018) across Indonesia as the Bank's appreciation to all employees and their families. The BRIFEST 2018 of Jabodetabek area was held at the Jakarta Convention Center attended by more than 65,000 families.

KEBEBASAN BERTRANSAKSI SELALU ADA DI JARIMU

Komana pun, di mana pun dan kapan pun mobile banking BRI selalu hadir memberi kemudahan di setiap transaksi dengan layanan perbankan tanpa batas menggunakan jarimu.

e-Banking BRI

Cepat, Mudah, Aman dan Nyaman





Management Reports

FOR 2018, OUR FOCUS AND ASPIRATION WAS TO BECOME THE LEADING MSME SERVICE PROVIDER AND ACHIEVE OPERATIONAL EXCELLENCE THROUGH DIGITAL BANKING. BY CONSISTENTLY BUILDING ITS COMPETENCIES OF ITS CORE EXCELLENCE IN THE MSME SECTOR AND WITH THE SUPPORT OF TODAY'S TECHNOLOGY, BRI HAS CONTINUED PROMOTING FINANCIAL INCLUSION AND MICRO BUSINESS EMPOWERMENT. AS A RESULT, BRI DISBURSED A TOTAL OF RP611.67 TRILLION OF MICRO CREDIT TO 11.36 MILLION CUSTOMERS THROUGHOUT INDONESIA. MOREOVER, ALIGNED WITH ITS ROLE AS AN AGENT OF DEVELOPMENT BRI CONTINUED TO SUPPORT THE GOVERNMENT'S PROGRAMS.





BOARD OF COMMISSIONERS' REPORT

Assalamu'alaikum Wr. Wb.

We bequeath our gratitude to God Almighty, for the grace and blessing bestowed upon us, hence we are able to journeyed the dynamic period in 2018, with improved and encouraging results. PT. Bank Rakyat Indonesia (Pesero) Tbk, hereinafter referred to as the "Company", successfully delivered its achievements, not only from a banking business perspective but also in carrying out its role as an agent of development thereby able to provide optimum added value for all stakeholders. As such, we believe to realize in the near future our vision that has been established to be the Most Valuable Bank in South East Asia & Home to The Best Talent.

UNTIL THE END OF 2018, THE COMPANY HAS DISBURSED PEOPLE'S BUSINESS LOANS (KUR) TO MORE THAN 3.9 MILLION DEBTORS AMOUNTED TO RP80.2 TRILLION, 3 MILLION KARTU TANI, KELUARGA HARAPAN PROGRAM (PKH) TO AROUND 3.8 MILLION POVERTY-STRICKEN HOUSEHOLDS (RTSM) AND NON-CASH FOOD AID (BPNT) TO 2.6 MILLION BENEFICIARY FAMILIES (KPM) AS WELL AS MANAGED THE VILLAGE-OWNED ENTERPRISE (BUMDES) IN 125 CITIES/REGENCIES. THE COMPANY ALSO MANAGED 53 SOE CREATIVE HOUSES (RKB) WITH 302,942 MENTORING PARTNERS FROM MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES).



Andrinof A. Chaniago

President Commissioner/Independent Commissioner

Board of Commissioners' Report

At the end of 2018, the Company consolidated assets of Rp1,296.99 trillion have placed the Company as the largest financial conglomerate. The profit of Rp32.42 trillion is also the highest and consecutive for the last 13 years. Throughout 2018, the Company is able to maintain liquidity at a safe level and is able to manage credit quality with a non-performing loan (NPL) of 2.27%. The Company's capital is also stronger, which is reflected in the Capital Adequacy Ratio of 21.21%, far above the regulatory requirements. In general, the Company's financial performance in 2018 has met the set targets and/or delivers positive growth in all the main indicators.

The Company's participation in improving the people's economy, whether independently implemented or in collaboration with the Government agencies and other parties, is a notable endeavour. At least until the end of 2018, the Company has disbursed People's Business Loans (KUR) to more than 3.9 million debtors amounted to Rp80.2 trillion, 3 million *Kartu Tani, Keluarga Harapan* Program (PKH) to around 3.8 million Poverty-Stricken Households (RTSM) and Non-Cash Food Aid (BPNT) to 2.6 million Beneficiary Families (KPM) as well as managed

the BUMDES in 125 cities/regencies. The Company also managed 53 SOE Creative Houses (RKB) with 302,942 mentoring partners from Micro, Small and Medium Enterprises (MSMEs). Through the BRI RKB, the Company with the support of the Financial Services Authority initiated BRI incubator to provide assistance, create and facilitate MSMEs to become well literate and may upgrade its class. In addition, also active in Bank Indonesia's branchless banking program and financial inclusion of the Financial Services Authority, by opening 401,550 BRILink agents across Indonesia.

The Company has also implemented a consistent and sustainable social responsibility, in both activities and budgets. Various activities have been carried out throughout 2018 in order to empower the community social conditions through seven clusters of community development programs namely Indonesia Peduli, Indonesia Cerdas, Indonesia Sehat, Indonesia Membangun, Indonesia Takwa, Indonesia Lestari, and Indonesia Sejahtera. BRI Peduli is a commitment of the Company in fostering the achievement of Indonesia's Sustainable Development Goals (SDGs).

The Company in its capacity as the main entity of the Bank Rakyat Indonesia financial conglomerate, through proper business planning and building synergies in all aspects with effective oversight, has successfully improved the performance of all subsidiaries. During 2018, the Board of Commissioners has approved seven corporate actions which included additional equity investment in subsidiaries, acquisitions of other companies, and other strategic plans. The corporate action through the acquisition and becoming the majority shareholder of PT. Danareksa Securities and PT. BRI Ventura Investama has made the Company to obtain seven subsidiaries, hence the Bank Rakyat Indonesia financial conglomerate is increasingly more comprehensive in providing financial services. As such, the aim to become an integrated financial solution for all customers segments with a variety of financial service needs may be met conveniently, expeditiously and efficiently.

During 2018, the Company launched various new products and services, enriched the business model and refined the business process, both in order to maintain existing customers and acquire new customers, including

Board of Commissioners' Report

the millennials. Not only limited in the context of the Company as an intermediary institution but also a reliable, trusted and efficient payment system service provider. Supported by the development of information technology systems that lead to digital banking on all products and activities will enhance the Company's competitiveness amidst the increasingly complex demands and rapid of today's environmental dynamics. Aligned with the improvement of competency-based human resource management and internalization of the Company's core values (Integrity, Professionalism, Trust, Innovation and Customer Centric), we are confident that the Company will be able to attain the competition and grow sustainably. Our confidence is enhanced with the recognition and appreciation on the Company's performance results and achievements by various credible institutions, both at home and abroad.

Board of Commissioners' Active Oversight

The Board of Commissioners conducts active oversight on the Company's management by the Board of Directors as mandated in the Company's Articles of Association and the prevailing laws

and regulations. In implementing its duties and responsibilities, the Board of Commissioners is assisted by the Audit Committee, the Risk Management Supervisory Committee, the Nomination and Remuneration Committee and the Integrated Governance Committee. The membership structure and composition of the Board of Commissioners and the committees are in accordance with applicable regulations. As a guideline in every action and certainty of accountability, the Board of Commissioners prepares various Work Policies and Regulations, which are continually adjusted to the regulatory changes and conditions.

The Board of Commissioners' active oversight, which includes obtaining information, analysis and evaluation, decisions making and provide recommendations, is directly carried out through meeting forums and visits to the Company's work units and indirectly through reports. During 2018, the Board of Commissioners Meetings, Board of Commissioners Committee Meetings, Board of Commissioners Meetings with the Board of Directors, Board of Commissioners Meetings with related Directors, and Board of Commissioners meetings with certain Company executives and other

relevant parties were convened. The visit to the work unit is also aimed to directly review the implementation of policies at the operational level and its issues, which include work units at the Head Office, Regional Offices, Regional Internal Audit Offices, Branch Offices, Sub-Branch Offices, Cash Offices, BRI Units and BRILink Agents as well as subsidiaries. The Board of Commissioners receives reports from the Company's internal and external parties, including letters from regulators, authorities and the public.

The materials taken for the active oversight of the Board of Commissioners on the Company's management throughout 2018 includes but not limited to matters related to the financial performance, supporting activities, prudential principles and transparency, risk management, good corporate governance, compliance functions, internal control, anti fraud strategy, internal control and whistleblowing system. Meanwhile, the active oversight of the Board of Commissioners in the Company's capacity as the main entity of the Bank Rakyat Indonesia financial conglomerate, mainly refers to the stipulations of the Financial Services Authority Regulation.

Board of Commissioners' Report

Risk Control

Business achievements, roles as agent of development and social responsibility as stated above, are simultaneously accompanied by the success in managing the Company's risk. The risk self assessment results in all Company's functional activities in the fourth quarter of 2018 are not different compared to the previous periods, namely a composite rating of 2 or low to moderate, a combination of inherent risk factors rated as low to moderate and KPMR factors assessed as satisfactory.

The Company's risk management has complied with the prevailing regulations and also adopted best practices supported by an adequate risk management information system, hence the assessment accuracy can be trusted, both inherent risk factors and the quality of risk management (KPMR) implementation factors. The parameters and thresholds set for each type of risk in 2018 are adequate to reflect the precautionary principle application, with a measured risk appetite and risk tolerance and improvements to several aspects of KPMR. The risk determination is discussed and stipulated in the Risk Management Committee forum, which is held quarterly and delivered in the Risk Management Supervisory Committee meeting forum with the relevant Directors.

Good Corporate Governance

The implementation of Good Corporate Governance (GCG), which consists of governance structure, governance process and governance outcome has assured and delivered proper day to day operations over 11 (eleven) GCG factors as stipulated by the regulators. The Company also adopts the generally applicable GCG best practices standards and principles, including banking such as the Corporate Governance Principles by the Organization for Economic Co-Operational Development (OECD), ASEAN Corporate Governance Scorecard (ACGS) and Indonesian GCG General Guidelines and Indonesian Banking GCG Guidelines by the Governance Policy National Committee (KNKG).

Improvements upon improvement are continuously carried out in order to enhance GCG policies and ensure its implementation are aligned with the demands of changes and challenges encountered by the Company, including working with the ACGS to obtain assessments and input in the past few years. The discussion on GCG quality is not only limited to the Company's scope but is also jointly carried out periodically with subsidiaries in the context of the Bank Rakyat Indonesia financial conglomerate, which is followed by the main entity's oversight.

Compliance Functions Implementation

The Company committed to ensuring that policies, guidelines, systems and procedures as well as the implementation of each Company's functional activities shall be in accordance with the laws and regulations. The Board of Commissioners and the Board of Directors continue to sustain the compliance function improvements at all levels of the organization and functions, among others by building and refinement of systems and dissemination. Mistakes in reporting to the regulators that have an impact on the imposition of sanctions for payment obligations, resulted by human error and system weaknesses, shall be prevented.

Internal Control

The first line of defense, the second line of defense and the third line of defense within the Company's internal control framework, have generally functioned effectively to provide adequate confidence. Several matters related to the implementation of this function, namely business units, operations and support have been provided with work guidelines and system support. The risk management unit has monitored and provided input and the internal control unit has conducted proper supervision and audits.

Board of Commissioners' Report

The audit findings, whether conducted by supervisory authorities, public accountants or the Internal Audit Unit (IAU) and follow-up by the Company, are periodically reported to the Board of Commissioners. The audit findings that have not yet been followed up, are continuously monitored by the Board of Commissioners through the Audit Committee hence it can be properly resolved in accordance with the auditor's recommendations. The audit findings are also one of the evaluation materials for the audit appropriateness and effectiveness and are used as a basis to appoint the Public Accounting Firm to audit the Company as stipulated in the Company's Articles of Association.

Anti Fraud and Gratification Control Strategy

Over the past year, fraud has been carried out by the Company's internal personnel, external parties and the cooperation of both with an increasingly varied mode, both in the conventional method and with the support of information and digital technology facilities. The frequency of incidents and losses incurred is a serious concern for the Company's Board of Commissioners and Board of Directors, which related to the reputation risk and maintaining public trust, given that the targeted and disadvantaged parties are the Company and the Company's customers.

The fraud control is continued being implemented through the improvement of 4 (four) pillars of strategy that are interrelated with one another, namely prevention; detection; investigation, reporting and sanctions; as well as monitoring, evaluation and follow-up. The early detection systems developed by the Company through information system technology devices and various methodologies, which basically directed toward complete and accurate knowledge of the Company's employee and customer profiles under the principle of Know Your Employee and Know Your Customer, are very important. At the same time, consistent application of law enforcement accompanied by strict punishment to those fraud perpetrators, are expected to lead to zero fraud.

The Company disallows the giving and receiving of gratification in any form and with anyone in accordance with the prevailing laws. The Company continues its commitment to prohibit gratification, one of which is by submitting an announcement letter regarding the prohibition on giving and receiving gratuities to all Company management and employees ahead of religious holidays. Furthermore, to support this, the Company has established BRI Gratuity Control Unit that provides information and reporting services on gratuities.

Whistleblowing System Management

The Company's whistleblowing system management has been in place since 2013 and the system continues to be improved for effective implementation as a means of supporting the Company's good governance. All parties, both internal and external, can use the provided communication channels, namely telephone, sms, e-mail and the Company's website to convey information to the whistleblowing system manager, in this case the Internal Audit Unit.

The views on the Company's Whistleblowing system management have been carried out independently. The evaluation of its management is always carried out hence improving its enforcement in the Company.

Every quarter, the Board of Commissioners monitors to ensure the effective management of whistleblowing system, including its follow-up, through reports and discussions with the Internal Audit Unit. All information received through whistleblowing system during 2018 has been properly followed up, including incorrect information.

Board of Commissioners' Report

Work Plan in 2019

The Board of Commissioners approves the Company's 2019 Work Plan that is realistically developed based on relevant macro assumptions and refers to the estimated figures issued by the Government, Bank Indonesia and the Financial Services Authority. The Board of Commissioners is confident that the financial and non-financial performance targets will be achieved considering that the Company has historically always been able to achieve the set targets, supported by the strategic initiatives in each functional activity for the accomplishment of such targets.

The strategic initiative was built according to the destination statement that has been set every year with stages conforming the corporate plans for the achievement of the vision to become the Most Valuable Bank in South East Asia & Home to The Best Talent in 2022. The 2019 destination statement of becoming the Leading Consumer Banking in Indonesia is very relevant to the current environmental changes and stakeholders expectations, including the Company's role as an agent of development.

Recommendations

Based on the results and achievements in 2018 and targets set in the Company's 2019 Work Plan and taking into account the prediction of economic conditions and challenges including the increasingly complex stakeholders' demands and rapid environmental changes, the Board of Commissioners suggests that there is still room for the Company's performance improvements, among others:

- Continue innovating in the development of business model and business process including strengthening of the Company's core values in order to be able to address the challenges and provide solution in this digital era;

- Improve transactional banking activities in particular of digital-based, which in turn will expand the current account-saving account (CASA) share thereby reducing cost of funds and increase fee based income;
- Reducing non-performing loans, more selective in loan restructuring and improve loan recovery that has been written-off;
- Enhancing business synergies with subsidiaries and inter-subsidiaries hence their contribution to the Bank Rakyat Indonesia financial conglomeration will increase; and
- Controlling operational risk and credit risk;
- Making the Partnership and Community Development Program to be more effective and optimum in upgrading the class of targeted groups.

Changes of Members of the Board of Commissioners Composition

The Annual General Meeting of Shareholders (AGMS) dated 22 March 2018 decided to approve and ratify the honorable termination of Vincentius Sonny Loho as Commissioner and the appointment of Hadiyanto as the Company's Commissioner. Furthermore, the Meeting approved the resignation of Jeffry J. Wurugian due to his becoming permanent member of legislative, which take effect since the acceptance of his resignation by the Company on 20 September 2018.

As such, the Company's Board of Commissioners' composition as of 31 December 2018 consists of President Commissioner/Independent Commissioner, Vice President Commissioner, two members of Commissioner and 4 members of Independent Commissioner, in accordance with the prevailing laws.

Board of Commissioners' Report

Conclusion

On behalf of the Board of Commissioners, I would like to express our highest appreciation to the Board of Directors for the achievement of the Company's performance hence it becomes the prominent entity and able to contribute to the economy, particularly the people's economy including proper implementation of social responsibility. The Company's business and the Bank Rakyat Indonesia financial conglomerate are able to encouragingly growing amidst the moderate national economic growth and a sluggish global economy accompanied by uncertain financial markets that remain high. We also convey our appreciation to the Board of Directors for the good collaboration.

To all Company's employees, from the Head Office to the work units located in remote areas, in the desolated areas and at the border, I would like to express our highest appreciation and gratitude for the dedication and hard work in advancing the Company and maintaining the public trust. I also convey our appreciation to all stakeholders that have given their trust and good cooperation with the Company.

Jakarta, 9 April 2019

On Behalf of the Board of Commissioners

Andrinof A. Chaniago

President Commissioner/Independent

BOARD OF COMMISSIONERS



1.

A. Sonny Keraf
Independent Commissioner

2.

Andrinof A. Chaniago
President Commissioner/Independent Commissioner

3.

Hadiyanto
Commissioner

4.

Rofikoh Rokhim
Independent Commissioner

Board of Commissioners



5.
A. Fuad Rahmany
Independent Commissioner

6.
Gatot Trihargo
Vice President Commissioner/
Commissioner

7.
Nicolaus Teguh Budi Harjanto
Commissioner

8.
Mahmud
Independent Commissioner



Suprajarto
President Director

BOARD OF DIRECTORS' REPORT

OUR FOCUS AND ASPIRATION IN 2018 WAS TO BECOME THE LEADING MSME SERVICE PROVIDER AND ACHIEVE OPERATIONAL EXCELLENCE THROUGH DIGITAL BANKING. BY CONSISTENTLY BUILDING COMPETENCIES OF ITS CORE EXCELLENCE IN THE MSME SECTOR AND WITH THE SUPPORT OF TODAY'S TECHNOLOGY, BRI HAS CONTINUED PROMOTING FINANCIAL INCLUSION AND MICRO BUSINESS EMPOWERMENT. AS A RESULT, BRI DISBURSED A TOTAL OF RP611.67 TRILLION OF MICRO CREDIT TO 11.36 MILLION CUSTOMERS THROUGHOUT INDONESIA. MOREOVER, ALIGNED WITH ITS ROLE AS AN AGENT OF DEVELOPMENT BRI CONTINUED TO SUPPORT THE GOVERNMENT'S PROGRAMS.

Assalamu'alaikum Wr Wb,

Dear Esteemed shareholders,

First of all please let us extend our gratitude to God Almighty for the blessings and protection in 2018. We are proud to report that all of the endeavors that BRI exerted during the year delivered positive and sustainable results as evidenced by our overall performance indicators. BRI, through its various initiatives, has continued to strengthen its role as the institution that empowers micro, small, and medium enterprises (MSMEs) in Indonesia. Please allow us to take the opportunity in presenting to you the BRI's achievements in 2018.

MACROECONOMICS CONDITIONS

The Global Economic Conditions in 2018 are strongly influenced by the benchmark interest rates normalization policy of the United States Central Bank (Fed Fund Rate) as well as trade conflicts between the United States (US) and China. Improved economic growth and the achievement of inflation target in the US has prompted the US Central Bank to continue its benchmark interest rates normalization policy by increasing the interest rates four times to 2.25-2.5%. Meanwhile, the trade protectionist policy adopted by the US in the mid of 2018 followed by the adoption of the same policy by China led to higher trade war tension.

Board of Directors' Report

Amidst the increasing global economic volatility, Indonesia's economic growth remains able to maintain an upward trend. Maintained purchasing power and investment, which respectively grew by 5.05% and 6.67%, has sustained Indonesia's economic growth in 2018 to 5.17% (yoy), the highest achievement in the last five years. The inflation rate was also maintained at a level of 3.13%, which is in accordance with the government's target in the range of 3.5% \pm 1%. Meanwhile, the realization of state revenues in 2018 was at Rp1,924.3 trillion or reaching 102.52% of the 2018 state budget and the 2018 state budget deficit decreased to 1.76% of GDP from 2.51% in 2017.

Going forward, the impact of the trade war remains one of the global risks that shall be taken into account, however on the other hand the financial market uncertainty eased slightly following the US Fed's monetary policy direction was more dovish by lowering the rate increase in the Fed Fund Rate (FFR). Indonesian economy in 2019 is estimated to be relatively improved, or able to grow around 5.1%-5.3%, it remained supported by consumption and investment.

NATIONAL BANKING CONDITIONS

During 2018, the banking industry condition was notably quite dynamic. Bank Indonesia has increased its benchmark interest rate, BI 7 Day Reverse Repo Rate, 6 (six) times with a total increase of 175 bps. The move was carried out as the pre-emptive and ahead of the curve step of Bank Indonesia to strengthen the exchange rate stability in anticipation of increasing US interest rates as well as increased risk on global financial markets.

Even though the benchmark interest rate increased, maintained purchasing power and investment was able to increase the industry credit growth. In 2018, the banking industry's credit growth reached 11.75% (yoy), increased from 2017 of 8.24% (yoy).

On the other hand, fund acquisition was stagnant. At the end of 2018, growth of third party funds was only 6.45% or slower compared to 9.35% of third party funds growth in 2017. With credit growth above the growth of third party funds, the loan to deposits ratio (LDR) increased by 94.04% in 2018 compared to 90.04% in 2017.

The banking industry stability is maintained, as seen from the capital adequacy ratio (CAR) at a sound level of 22.97% and the non-performing loans (NPL) ratio decreased from 2.59% in 2017 to 2.37% in 2018. Banking business processes were performing more efficiently, seen from the operating expenses to operating income (BOPO) ratio that improved, from the previous 78.64% in 2017 to 77.86% in 2018.

BRI STRATEGIES AND PERFORMANCE

BRI's business endeavors fully adhered to long-term strategic business focus of each of its business segment and subsidiaries. BRI will grow and maintain its market share in the micro segment, become the leading salary-based loan provider in the consumer segment, acquire at least 21% of the retail and medium business market share, boost the profitability of the corporate banking segment, and will continue to encourage the contribution of its subsidiaries. For 2018, the working theme was to become the leading MSME service provider and achieve operational excellence through digital banking.

Overall, BRI recorded strong consolidated performance equally across different indicators: year-on-year, net interest and sharia income grew 6.37% to Rp77.67 trillion in 2018 from Rp73.02 trillion in 2017, other operating income grew 21.56% to Rp23.43 trillion from Rp19.27 trillion making BRI operating income to increase by 13.36% to Rp41.73 trillion from the previous year of Rp36.81 trillion. With BRI improved efficiency, other operating expense was moderately increased by 8.74% in 2018 to Rp41.99 trillion from the previous year of

Board of Directors' Report

Rp38.61 trillion. BRI maintained credit quality at 2.14% which enabling BRI to record low increase of provision fees by 4.7% to Rp17.79 trillion, thereby net profit grew 11.61% to Rp32.42 trillion from Rp29.05 trillion.

On BRI balance sheet, total assets grew 15.03% year-on-year (yoy) to Rp1,296.9 trillion from Rp1,127.45 trillion supported by loan growth of 14.1% from Rp739.34 trillion to Rp843.6 trillion. From Third Party Funds acquisition, deposits grew 12.19% to Rp944.27 trillion from the previous year of Rp841.66 trillion, while BRI equity grew 10.28% yoy to Rp185.28 trillion from Rp168.01 trillion in 2017.

Compared to industry, BRI performance (bank only) was notably excelled in several main parameters, such as lending growth, credit quality (gross NPL), third party funds acquisition, as well as operations efficiency improvement, which may be seen from the improved Operating Expense to Operating Income (BOPO) ratio.

On business segment performance, consistent with BRI's strength in MSME segment particularly micro business segment, BRI micro lending to 10 million micro customers grew 15.33% yoy with credit outstanding reaching Rp291.62 trillion from the previous figure of Rp252.85 trillion. BRI micro loan growth is supported by BRI success in disbursing People's Business Loans (KUR) during 2018 amounted to Rp80.18 trillion to 3.94 million KUR customers, thereby BRI KUR outstanding at the end of 2018 reached Rp77.69 trillion. The achievement made BRI as the largest KUR disbursement in Indonesia by portfolio of 64.9% of the total disbursement target of KUR national in 2018 at Rp123.56 trillion.

In retail segment, BRI credit grew 18.27% to Rp320.05 trillion from Rp270.6 trillion. Business expansion in this segment is supported by the growth of retail commercial loan and consumer loan. Mortgage loan grew 22.6% from Rp22.12 trillion to Rp27.12 trillion. From this segment, BRI also recorded retail third party funds of Rp341.33 trillion or increased by 12.12% and fee-based income from retail transactions amounted to Rp6.81 trillion.

Further on Corporate segment, BRI recorded loan outstanding amounted to Rp192.68 trillion increased by 4.4% from Rp184.55 in the previous year. For this segment, BRI targeted an increase of profitability, by expanding banking services that may be enjoyed by BRI corporate customers. The results of this strategy can be seen from the increase of fee-based income of corporate business that reached Rp2.36 trillion or increased by 39.1% (yoy) and directly fostered the growth of low cost funds, particularly demand deposits from BRI corporate customers.

In consistency with our 2018 strategy theme, our achievements were strongly underpinned by the digital infrastructure that the Bank has been developing and implementing. Applications such as BRISPOT Micro that has been implemented in all micro work units proven to accelerate micro loan processing time from previously 3-5 days process to only 1-2 days. In addition, the development of BRILink Web apps has significantly bolstered BRI branchless banking expansion. BRILink Agent was notably increased by 121,800 agents during 2018, thereby by the end of 2018 BRI has in place 401,550 thousand of BRILink Agents.

Optimization of large customer data base and banking transactions owned by BRI has also been implemented through big data technology. Furthermore, BRI current big data operations has been complemented with ISO 27001 certification, hence it is expected that information processing will be more measured, secured and accountable. Owned use cases such as Fraud Detection System, Credit Risk Scoring and Merchant Assessment apps are intensively applied to support BRI operations.

BRI Supports the Government Programs

With the presence of BRI throughout Indonesia, making BRI as one of the main entities in supporting the MSMEs empowerment as well as promoting people's economy. This can be seen from the role of BRI in disbursing People's Business Loans (KUR) since 2015, which reached Rp235.45 trillion to 12.56 million of MSMEs communities. BRI's support for people's economic empowerment

Board of Directors' Report

was also demonstrated by the success of increasing the economic capacity of the KUR debtors. Cumulatively for the Micro KUR segment, we notably able to upgrade the class of 2.15 million debtors with a total loan of Rp52.7 trillion.

BRI has always been committed to contributing to financial inclusion in Indonesia. This can be seen not only from the infrastructure of 9,600 networks supported by 3 (three) BRI Teras Kapal to serve customers in remote areas, such as in the Thousand Island, Labuan Bajo and South Halmahera, as well as 371 BRI units located in Abandoned, Isolated and Desolated (3T) areas in Indonesia but also with the support of 401,550 BRILink agents that consistently work to open access to financial services to the Indonesian people wherever they are. Throughout 2018, BRILink agent transactions reached Rp512.69 trillion with 378.72 million financial transactions. The high value of this transaction indicates the community increased trust to the existency of the bank agents in their vicinity.

Moreover, in order to bring financial access closer to farmers, BRI has distributed more than 3.03 million kartu tani. BRI also distributes non-cash social assistance to the Keluarga Harapan Program, where Phase 1-4 has been 100% completed with the Beneficiary Families (KPM) reaching 3.85 million. For Non-Cash Food Aid (BPNT), the 1-12 stages have been 100% completed, distributed to 2.67 million beneficiaries.

Committed to develop the MSME segment, BRI has actively established 53 BUMN Creative Houses (RKB) with trained members of 302,942 MSMEs. BRI also collaborates with the Ministry of Cooperatives & SMEs, the Ministry of Home Affairs and the Ministry of Trade to develop a Micro and Small Business Permit Application System (IUMK) as well as an IUMK co-branding card, which has the function as IUMK ID. By the end of 2018, BRI has disbursed loans to 60,367 IUMK card holders with a total outstanding of Rp1.32 trillion.

BRI mentoring partners, the Village-Owned Enterprises (BUMDes) have reached to 125 cities/regencies with the total BUMDes operational of 17,545 accounts. In an effort to introduce One Stop Services in the Village, BRI synergized with other SOEs by establishing the BUMN Shop. The BUMN Shop is a synergy to improve the rural economy through BUMDes, where BUMDes will be used as BRILink agents, RPK agents for Bulog, Pertashop, fertilizer agents and Wifi Corner.

Subsidiaries Performance

In 2018, the Subsidiaries' profitability reached Rp716.51 trillion, increased by 24.44% compared to Rp575.81 trillion in 2017.

- BRIsyariah booked net profit of Rp106.59 billion or increased by 5.45% yoy from Rp101.09 billion in 2017.
- BRI Agro posted an increase of net profit by 45.2% yoy to Rp204.21 billion from Rp140.49 billion in 2017.
- BRI Life booked net profit of Rp600.34 billion or increased by 82.91% from Rp328.22 billion in 2017.
- BRI Finance booked net profit of Rp62.86 billion or increased by 25.19% from Rp50.21 billion in 2017.
- BRI Remittance posted an increase of net profit by 114.52% yoy to Rp314.08 million from Rp146.41 million in 2017.

On 9 May 2018, BRIsyariah has exercised the Initial Public Offering (IPO), where BRIsyariah becomes the first subsidiary of SOE in sharia field that conducted an IPO. From the IPO results, BRIsyariah acquired total fund of Rp1.34 trillion and it will be allocated for business expansion.

At the end of 2018, BRI has carried out the acquisition of 2 (two) companies to become BRI Subsidiary, namely PT Danareksa Sekuritas engage as Securities Company with 67% ownership and PT BRI Ventura Investama engage as Venture Capital Company with 97.61% ownership.

Board of Directors' Report

With the acquisition of Danareksa Sekuritas, BRI aims to increase the customer portions of Danareksa Sekuritas from retail segment. BRI is able to provide significant growth potential due to its presence throughout Indonesia. Thereby the BRI office network access and mobile application are extensively available. This is expected to improve economies of scale for Danareksa Sekuritas business in the future. On institutional business, there are many institutions being served by BRI that also are served by Danareksa Sekuritas, particularly SOE customers. We will optimize current business and cooperation potential with those institution customers.

The take over of PT BRI Ventura Investama (formerly PT Sarana NTT Ventura) or as we call BRI Ventures is expected to assist BRI in the investment of Fintech or Financial Enablers that aligned with BRI needs to deliver financial services innovation to the customers.

With the addition of 2 companies, BRI Group total subsidiary currently consists of 7 (seven), namely BRIsyariah, BRI Agro, BRI Life, BRI Finance, BRI Remittance, BRI Venture and Danareksa Sekuritas. This shown BRI efforts to become an integrated financial solutions for the customers. As such, all BRI Subsidiaries are increasingly aligned in providing comprehensive and variety of services.

Moreover, in 2018, BRI also exercised equity investment in PT Danareksa Investment Management (DIM) that engage in Securities Company as Investment Manager with 35% ownership. To improve DIM economies of scale, BRI will maximize business growth potential for DIM through both BRI wealth management business development as well as placement of Asset Under Management (AUM) from BRI Group.

Target Realization

Amount of Bank Only

Description	2016 Target	2016 Realization	Achievement (%)	2017 Target	2017 Realization	Achievement (%)	2018 Target	2018 Realization	Achievement (%)
Assets	964.55	964.00	99.94	1,054.98	1,076.44	102.03	1,213,156	1,234,200	101.73
Net Profit	25.44	25.75	101.22	27.76	28.47	102.56	31,608	31,701	100.29
Loans	653.70	635.29	97.18	715.29	708.00	98.98	796,627	804,338	100.97
Third Party Funds	719.00	723.85	100.67	787.12	803.33	102.06	900,738	898,033	99.70
BOPO	71.30%	68.69%	97.71	69.62%	69.14%	100.69	68.41%	68.48%	99.90
LDR	90.92%	87.77%	96.54	90.88%	88.13%	96.97	88.44%	89.57%	101.28
NPL (Gross)	2.16%	2.03%	93.98	2.11%	2.10%	100.47	2.35%	2.14%	109.10
NPL (Net)	1.25%	1.09%	87.20	1.18%	0.88%	125.42	1.05%	0.92%	112.20
NIM	8.09%	8.00%	98.89	7.85%	7.93%	101.02	7.57%	7.45%	98.39
CAR	21.92%	22.91%	104.52	21.29%	22.96%	107.84	21.39%	21.21%	99.16

Board of Directors' Report

In general, BRI performance (Bank only) has met the set targets in the Bank Business Plan. From ten performance indicators as illustrated on the table, six performance indicators reached or even exceeding the targets. Four indicators, Third Party Funds, BOPO, NIM and Capital Adequacy Ratio (CAR) have not fully delivered, however indicating slightly less from the target.

In relation to the achievement of Third Party Funds (TPF), BRI considers its TPF growth of 11.78% is far higher than the industry growth of 6.45%. The challenges macroeconomics condition in 2018 put pressures on the TPF growth in the banking industry. Going forward, BRI will optimize its competitive advantage, such as networking and TPF product features to become more expansive in acquiring public funds, specifically CASA.

CASA growth will directly impact on the achievement of BRI NIM and BOPO. In 2018, the constraint in achieving NIM and BOPO was closely related to the increase of B17DRR by 175 bps, which brought about sufficient pressures to interest expense. With the improvement of CASA composition, the pressure on interest expense is expected to reduce. Complemented with Business Process Re-engineering strategy implemented by BRI, such as the development of BRISPOT apps, it is therefore expected to enhance efficiency in BRI and subsequently improving BOPO.

On CAR ratio, BRI current capital amount is indeed not a constraint for BRI. With 21.21% CAR, BRI capital is in a secure positioning, because is far higher than the minimum CAR that shall be maintained at 14.75%, hence BRI still has sufficient room for business expansion. To that end, BRI will implement the strategy to optimize its current capital.

Going forward, we surely confident that through enhanced efforts, we may be able to achieve each target of all performance indicators.

Challenges

The moderate macroeconomic growth amid global pressures influenced business expansion decisions of many corporations. The Bank also anticipated other issues such as the ASEAN free-trade implementation and the government's plan of establishing an SOE holding company for the banking and financial services sector.

These issues create not only challenges but also opportunities for the banking sector. The Bank therefore needs to strengthen its asset and liability structures, actively innovating in products and services, and continues the digitalization process to stay prepared in the face of challenges and to capture new opportunities.

BUSINESS OUTLOOK

The formulation of our business outlook and strategies ahead has always taken into consideration multiple issues. Indonesia's demographic profile, the government's policy direction, the integration of the ASEAN Economic Community (AEC) that would affect the competition between banks, and the customers' preference to digital technology that enables them to enjoy more efficient and practical banking experiences are some of the things we take into account when we plan for BRI strategies in 2019.

In considering the above and in line with BRI's long-term plan, our theme for 2019 is **Leading Consumer Banking in Indonesia**. Representing BRI's expanded focus on its other business segment, the theme summarizes BRI's aspiration to become the leader in consumer credit on back of IT development and business process re-engineering. To pursue this theme, BRI has identified several focus areas, namely increasing the market share of consumer segment, maintaining asset quality, increasing low-cost funds and CASA composition, implementing operational excellence, and building the synergy between SOEs to improve competitiveness.

With this strategy, the Company business prospects provide sustainable business growth optimism and deliver added value for shareholders and stakeholders.

Board of Directors' Report

HUMAN CAPITAL MANAGEMENT

In addressing competition and heightened business demands, BRI has made accelerating and equitably expanding human capital development a priority. The Bank also articulated human capital destination statement for 2018, namely Build and Deliver Compelling Employee Value Proposition. This aligns with the Bank's transformation process and its 2022 vision of becoming the Home to the Best Talent. As such, the human capital management focus in 2018 was policy refinement, implementation of talent management system, career development program expansion, sharpening performance assessment system, and penetration of work culture among all employees..

As such, BRI undertook several innovations and breakthroughs in human capital management in 2018, among others the e-recruitment system applies comprehensively to the overall recruitment process, including video-based assessment and online test features that allow candidates to participate in our selection process conveniently from their home base. With better access, BRI's system was able to pool around 250 thousand CVs from interested applicants. Another breakthrough was the online performance management system (PMS) revitalization, where specifically individually targeted for BRI's marketers. Thereby can be easily monitored by each employee..

We also automated human capital business process through BRISTARS application, a web-based app that is accessible to all employees. BRI also attained ISO 9001:2015 certification for quality management in HC related to data management, communication, and compensation and benefit payment using fast, effective, and accurate technology-based services. Furthermore, BRI is pleased to report that BRI Corporate University was able to accomplish its target of being The Best Corporate University in Indonesia in 2018 or ahead of its initial target of 2021.

BRI's commitment to human capital is vital to business continuity, especially as the Bank is supported by a vast number of employees throughout Indonesia. As of 2018, BRI manages a total of 123,929 employees compared to 130,787 employees in the previous year. The Bank's success in its efforts of providing the best professional environment possible to its employees is reflected from the scores obtained through an internal employee survey. The level of engagement stood at 76% compared to 71.9% in 2017, while the level of employee satisfaction stood at 90%.

BUILDING INFORMATION TECHNOLOGY AS THE SERVICE BACKBONE

Rapid technology development demands for innovative banking products and services that are integrated to the digital system. The ability to be technologically adept and adaptive is encouraged not only by the changing behavior of customers in general, but also the competition in the financial services market that is now seeing the emergence of new players whose services are underpinned by technology, namely the financial technology companies or fin-tech.

In order to be able to continuously provide the best and most comprehensive services to all customers, BRI has established three-strategy framework: core digitization, digital ecosystem, and new digital proposition. BRI also founded the Division of Technology Cooperation in June 2018, a strategic step that would ensure BRI's IT development can be fully implemented and can support the set up of a business ecosystem that involves all of BRI's business segments.

To address challenges relating to digital disruption, BRI has solidified its position in the market by developing digital banking products that meet the current business challenges. Other than BRISPOT mentioned above, in 2018 BRI also launched customer-centric products such as BRIMOLA that supports the distribution of 3kg LPG that is integrated with cashless payment solution BRIVA,

Board of Directors' Report

JUNIO SMART that is a platform of web-based education management system, BRI Store to serve the needs of retail companies, and BRI Billing Management that provides a convenient option for business players to manage their receivables. To drive technology optimization in products and services, in 2018 BRI developed an IT Enterprise Architecture (ITEA) 2018-2022, which maps strategic IT development activities for the next five years.

Technology benefits aside, data security and confidentiality have become a risk that BRI must take into account. Committed to protecting its customers, BRI will continue to develop strategic initiatives with respect to data security, such as building Enterprise Security Architecture, Enterprise Fraud Detection System, and implementing Biometrics Authentication.

CORPORATE GOVERNANCE

The implementation of good corporate governance (GCG) principles is a commitment shared by all members of the Board of Commissioners and Board of Directors as well as employees of BRI. Every individual in BRI also adheres to their tasks and responsibilities as stated in company rules and policies, and complies fully with the laws and regulations.

We realize that the adherence has contributed to our achievements in 2018. Knowing the important role of GCG, BRI consistently tries to improve its GCG implementation from year to year. In 2018, we strengthened our GCG activities by, among others, signing the GCG commitment by all BRI employees, disseminating anti-fraud strategy implementation in the BRI Performance Development Forum, and signing BRI's commitment on gratification and financial conglomerate.

BRI also regularly measures its GCG performance. In addition to self-assessments, we also participate in third-party assessments. Our score from the Corporate Governance Performance Index (CGPI) was 89.06 that recognized as the Most Trusted Company. In addition, BRI received The Best Overall Good Corporate Governance Award resulted from the assessment conducted by the Indonesian Institute for Corporate Directorship (IICD).

CORPORATE SOCIAL RESPONSIBILITY

BRI's commitment to always prioritizing its services to the people is realized not only through banking activities but also through the implementation of its corporate social responsibility. Our CSR activities are grouped under "BRI Peduli" program, whose vision is to become the leader in CSR to generate sustainable values and benefits for the stakeholders".

BRI Peduli has identified seven sectors as its activity areas, namely disaster response, education, health, public facility development, religious facility development, environmental preservation, and social assistance for poverty elimination. In total, BRI disbursed funds of Rp163.63 billion in 2018 for BRI Peduli Program activities.

BRI also observes OJK Regulation No. 51/POJK.03/2017 regarding the Implementation of Sustainable Financial Services for Financial Service Companies, Stock Issuers, and Public Companies; for BRI as a bank in the BUKU 4 category, the regulation determines that BRI has to fully apply sustainable principles as of January 2019. To integrate social environmental risk and governance into its business aspects, in 2018, BRI has developed a BRI Sustainability Policy where it has been regulated on the BRI Sustainability Framework from Assets, Liabilities as well as Operations and Human Capital, which then also continues to prepare BRI Sustainability Financial Action Plans (RAKB) for 2019-2023. Further, BRI has also implemented certain credit policies for customers engaged in the exploration of natural resources. In addition, we are able to report that, in reporting for example, we have been releasing Sustainability Report books from 2012 that we compile according to the the Global Reporting Initiative (GRI) reporting framework.

Board of Directors' Report

BRI's corporate social responsibility extends to its employees and customers. By managing good industrial relations, not only BRI is able to record high satisfaction level among its employees, BRI's turnover rate is very low at 2.97% or significantly lower than the turnover rate industry at 12%. In terms of customers, according to an independent institution Financial Wealth Group BRI's customer-centric services generated 96.3% customer satisfaction level from 94.1% in the previous year.

CHANGES IN THE BOARD OF DIRECTORS COMPOSITION

In the Annual General Meeting of Shareholders of BRI held on 22 March 2018, the Bank honorably discharged Donosuwan Simatupang from his position as the Director of Risk Management and Susy Liestiowaty as Director of Compliance. Additionally, the Meeting approved the following addition and changes in the nomenclature of BRI's directorship as follows:

Previous nomenclature	To become
Director of Medium, Corporate & SOE Loans	Director of Corporate Banking
	Director of Retail and Intermediate
Director of Micro and Retail Loans	Director of Micro and Small Business
Director of Business Strategy & Finance	Director of Finance
Director of Digital Banking and Information Technology	Director of Information Technology and Operations
-	Director of Compliance

The Meeting subsequently appointed the following individuals to assume the new nomenclatures:

Name	Previous position	New position
Kuswiyoto	Director of Medium, Corporate & SOE Loans	Director of Corporate Banking
Priyastomo	Director of Micro and Retail Loans	Director of Micro and Small Business
Haru Koesmahargyo	Director of Business Strategy & Finance	Director of Finance
Indra Utoyo	Director of Digital Banking and Information Technology	Director of Information Technology and Operations
Mohammad Irfan	Director of Network and Services	Director of Risk Management
Ahmad Solichin Lutfiyanto	-	Director of Compliance

Board of Directors' Report

The Meeting also appointed Supari, Osbal Saragi Rumarhorbo, and Ahmad Solichin Lutfiyanto as Director of Retail and Intermediate, Director of Network and Services, and Director of Compliance, respectively.

As such, the complete composition of the Board of Directors as of the closing of the AGMS on 22 March 2018 is as follows:

Name	Position
Suprajarto	President Director
Kuswiyoto	Director of Corporate Banking
Supari	Director of Retail and Intermediate
Priyastomo	Director of Micro and Small Business
Handayani	Director of Consumer
Osbal Saragi Rumarhorbo	Director of Network and Services
Haru Koesmahargyo	Director of Finance
Indra Utoyo	Director of Information Technology and Operations
Sis Apik Wijayanto	Director of Institutional Relations
R. Sophia Aliza	Director of Human Capital
Mohammad Irfan	Director of Risk Management
Ahmad Solichin Lutfiyanto	Director of Compliance

On 3 January 2019, BRI held an Extraordinary General Meeting of Shareholders. The EGMS resolved to honorably discharge Kuswiyoto as Director of Corporate Banking, added the nomenclature of Vice President, and appointed Sunarso to assume the new nomenclature.

As such, the complete composition of the Board of Directors as of the closing of the EGMS on 3 January 2019 is as follows:

Name	Position
Suprajarto	President Director
Sunarso	Vice President Director
Supari	Director of Retail and Intermediate
Priyastomo	Director of Micro and Small Business
Handayani	Director of Consumer
Osbal Saragi Rumarhorbo	Director of Network and Services
Haru Koesmahargyo	Director of Finance
Indra Utoyo	Director of Information Technology and Operations
Sis Apik Wijayanto	Director of Institutional Relations
R. Sophia Aliza	Director of Human Capital
Mohammad Irfan	Director of Risk Management
Ahmad Solichin Lutfiyanto	Director of Compliance

We would like to express our deepest appreciation to our former colleagues for their contribution and insights. We also extend a warm welcome to the new members of the Board of Directors. We are confident that they will carry the spirit of advancing BRI for Indonesia.

Board of Directors' Report

APPRECIATION

On behalf of the Board of Directors, I wish to convey our highest appreciation to all BRI employees for their commitment and dedication. We also express our appreciation to the Board of Commissioners for their insights and guidance. We appreciate all customers, business partners, shareholders, and stakeholders for their continued support to BRI. The synergy of BRI and all parties is the source of energy that we draw from in order to continue providing extensive services to all Indonesian people..

Jakarta, 9 April 2019
On Behalf of the Board of Directors

Suprajarto
President Director

BOARD OF DIRECTORS



1.

Supari

Director of Retail and Intermediate

2.

R. Sophia Alizsa

Director of Human Capital

3.

Suprajarto

President Director

4.

Osbal Saragi Rumahorbo

Director of Network and Services

5.

Sis Apik Wijayanto

Director of Institutional Relations

6.

Kuswiyoto

Director of Corporate Banking

Board of Directors



7.
Mohammad Irfan
Director of Risk Management

8.
Ahmad Solichin Lutfiyanto
Director of Compliance

9.
Haru Koesmahargyo
Director of Finance

10.
Priyastomo
Director of Micro and Small Business

11.
Indra Utoyo
Director of Information Technology and Operations

12.
Handayani
Director of Consumer

STATEMENTS OF ACCOUNTABILITY FOR 2018 ANNUAL REPORT BY THE BOARD OF COMMISSIONERS OF PT BANK RAKYAT INDONESIA (PERSERO) TBK

We, the signatories, hereby stated that all information contained in the 2018 Annual Report of PT Bank Rakyat Indonesia (Persero) Tbk has been comprehensively presented and that we are fully accountable for the accuracy of the contents of PT Bank Rakyat Indonesia (Persero) Tbk Annual Report.

This statement is made truthfully.
Jakarta, 9 April 2019

BOARD OF COMMISSIONERS



Andrinof A. Chaniago
President Commissioner/Independent Commissioner



Gatot Trihargo
Vice President Commissioner/Commissioner



A. Fuad Rahmany
Independent Commissioner



A. Sonny Keraf
Independent Commissioner



Mahmud
Independent Commissioner



Rofikoh Rokhim
Independent Commissioner



Nicolaus Teguh Budi Harjanto
Commissioner



Hadiyanto
Commissioner

STATEMENTS OF ACCOUNTABILITY FOR 2018 ANNUAL REPORT BY THE BOARD OF DIRECTORS OF PT BANK RAKYAT INDONESIA (PERSERO) TBK

We, the signatories, hereby stated that all information contained in the 2018 Annual Report of PT Bank Rakyat Indonesia (Persero) Tbk has been comprehensively presented and that we are fully accountable for the accuracy of the contents of PT Bank Rakyat Indonesia (Persero) Tbk Annual Report.

This statement is made truthfully.
Jakarta, 9 April 2019

BOARD OF DIRECTORS

Suprajarto
President Director

Haru Koesmahargyo
Director of Finance

Ahmad Solichin Lutfiyanto
Director of Compliance

Mohammad Irfan
Director of Risk Management

Kuswiyoto)**
Director of Corporate Banking

Priyastomo
Director of Micro and Small Business

Sis Apik Wijayanto
Director of Institutional Relations

Indra Utoyo
Director of Information Technology and Operations

R. Sophia Alizsa
Director of Human Capital

Handayani
Director of Consumer

Supari
Director of Retail and Intermediate

Osbal Saragi R.
Director of Network and Services

Note:

***) On 03 January 2019, He was effectively no longer served as Director of Corporate Banking of BRI





Company Profile

BRI INTEGRATES ALL OPERATING NETWORKS THAT ENCOMPASSING BRANCHES, SUB-BRANCHES, BRI UNITS, CASH OFFICES, TERAS BRI AND TERAS MOBILE, INCLUDING MORE THAN 309,776 E-CHANNEL NETWORKS, COVERING 24,684 ATM, 284,426 EDC, AS WELL AS 401,550 BRILINK NETWORKS. THIS IS AIMED AT FOSTERING THE FINANCIAL ECOSYSTEM THAT IS ABLE TO REACH ACROSS THE NATION TO ENSURE THE ACHIEVEMENT OF FINANCIAL INCLUSION.



Corporate Identity

 <p>NAME OF COMPANY PT Bank Rakyat Indonesia (Persero) Tbk</p>	 <p>LINE OF BUSINESS Banking</p>	 <p>BUSINESS SEGMENT</p> <ul style="list-style-type: none"> • Micro Business • Retail Business • Corporate Business • Subsidiary Business
 <p>BASIC LAW ESTABLISHMENT Undang-Undang No 21 Tahun 1968</p>	 <p>FULLY PAID-IN CAPITAL Rp6,167,290,500,000</p> <p>STATUTORY CAPITAL Rp15,000,000,000,000</p>	 <p>NETWORK</p> <ul style="list-style-type: none"> • 1 Head Office • 19 Regional Office • 468 Branch Office (Include Special Branch Office and Overseas Branch Office) • 609 Sub-Branch Office • 5,381 BRI Unit • 964 Cash Office • 2,069 Teras BRI • 133 Mobile Teras BRI
 <p>DATE OF ESTABLISHMENT 16 December 1895</p>	 <p>NUMBER OF EMPLOYEE 89.943</p>	 <p>SHAREHOLDERS COMPOSITION</p> <ul style="list-style-type: none"> • Government of RI 56.75% • Public 43.25%
 <p>STOCK EXCHANGE The Company's shares were listed at the Jakarta Stock Exchange (now Indonesia Stock Exchange) on November 10, 2003.</p> <p>TICKER CODE BBRI</p>	 <p>HEAD OFFICE BRI I Building Jl Jend Sudirman Kav 44-46 Jakarta 10210 No. Tel. : (62-21) 251-0244, 251-0254, 251-0264, 251-0269, 251-0279 No. Fax : (62-21) 250-0077 Website : www.bri.co.id</p>	 <p>CORPORATE SECRETARY Corporate Secretary Division BRI 1 Building, 15th Floor Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210 Email : humas@bri.co.id</p> <p>Call center Tel. : (021) 5751966 Fax. : (021) 5700916</p>

Meaning of the Logo



Melayani Dengan Setulus Hati

THE BOARD OF DIRECTORS OF BANK RAKYAT INDONESIA, THROUGH DECISION NO.S.3-DIR/2/1985 DATED FEBRUARY 28, 1985, INAUGURATED THE LOGO OF BANK RAKYAT INDONESIA.

A square shape with rounded edges. The four equal sides denote balance, with the rounded lines signifying a dynamism or flexibility in addressing the changing times.

The bold lettering 'BRI' in capital denotes firmness.

The lines, color and shape of the logotype are firm and simple but precisely measurable, to give impressions that are imaginatively reflective of an excellent management system, conveniences as well as security.

In totality, the simple form is expected to facilitate instant recognition as well as long-term impression.

The firm, regular lines and colour are expected to convey an image of a modern and professional institution, reflecting the characteristics of the banking industry with its emphasis on precision and accuracy. It also gives an impression of the modern management of a national business with an international outlook and a progressive spirit.

The straight-forward display of lines, shape and colouring give an impression of simplicity and firmness, as a reflection of one of BRI's mission statements as the spearhead of the Government's policies to provide banking services to all segments of society, from the smallest and remote communities to the largest urban groups in cities.

The colour blue denotes a feeling of comfort, calmness, and tranquillity. As a provider of financial services, BRI is committed to deliver these conveniences to customers through the provision of secure services, comprehensive and sophisticated facilities, and an extensive service network.

BRI at a Glance

Change of Name of Bank Rakyat Indonesia



1895

De Poerwokertosche
Hulp en Spaarbank der
Inlandsche Hoofden

Hulp en Spaarbank
der Inlandshe Bestuurs
Ambtenareen

De Poerwokertosche
Hulp Spaaren
Landbouw
Credietbank atau
Volksbank

1912

Centrale Kas Voor
Volkscredietwezen
Algemene

1934

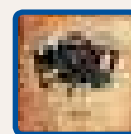
Algemene
Volkscredietbank
(AVB)

1942

Syomin Ginko

1946

Bank Rakyat Indonesia
(BRI)



BRI at a Glance



1960

Bank Koperasi Tani
Nelayan (BKTN)

1968

Bank Rakyat Indonesia
(Bank Umum)

1992

PT Bank Rakyat
Indonesia (Persero)

2003

PT Bank Rakyat
Indonesia (Persero) Tbk
10 November 2003

BRI at a Glance



The history of PT Bank Rakyat Indonesia (Persero) Tbk ("BRI", "Bank", or "Perseroan") began in 1895 in Purwokerto, Central Java, by Raden Aria Wiriatmaja, originally to manage mosques' cash, to be distributed to the public using a simple scheme. Throughout history, various names have been attached to BRI, beginning with "Hulp en Spaarbank der Inlandsche Bestuurs Ambtenaren", Hulp en Spaarbank der Indlandsche Bestuurs Ambtenareen, Syomin Ginko, and finally, officially established as Bank Rakyat Indonesia on 18 December 1968 by virtue of Law No. 21 Year 1968.

In 1992, BRI changed its legal status to PT Bank Rakyat Indonesia (Persero) by virtue of Law of Banking No. 7 Year 1992 and listed its stocks on Jakarta Stock Exchange, now the Indonesia Stock Exchange, on 10 November 2003, with the stock code BBRI. In 2007, BRI undertook strategic steps by acquiring Bank Artha Services (BJA), which was then converted into PT Bank BRISyariah. BRI's Syariah Business Unit then was spun-off from BRI and merged into PT Bank BRISyariah (BRI Syariah) on January 1, 2009, and further on 3 March 2011 BRI acquired the shares of PT Agro Niaga Tbk from Dana Pensiun Perkebunan (Dapenbun).

Since its establishment, BRI consistently focuses on micro, small and medium enterprises (MSME), and became the pioneer of microfinance in Indonesia. The Bank maintains its commitment until today, and with the support of its experience in delivering banking services, especially in the MSME segment, BRI has been able to record the achievement of being the most profitable bank in 13 consecutive years. Such an achievement is the result of hard work of all BRI employees who ceaselessly innovate and develop banking products and services for all business segments.

BRI at a Glance

Through innovation, BRI is able to respond to any developments in society and the business world. One of them is the development of technology. BRI is the first to provide banking self-service in Indonesia through BRI Hybrid Banking in 2013.

BRI also brought its technology-based banking services to every corner of the country, even to the small islands of the archipelago. In 2015, BRI launched Teras BRI Kapal, the world's first ever sea-floating banking service. Then, in 2016, a new history was made. On June 18, 2016 18:38 pm Kourou time, French Guiana, BRI launched BRIsat, making it the first bank in the world that owns and operates its own satellite. The procurement of this satellite was part of BRI's strategic plan to strengthen the supporting infrastructure for digital services of the future, which could offer quality banking technology from the center of the city to the remote areas of the nation.

In order to provide the best service for customers, BRI increased the number of ATM machines up to 22,684 units, the number of EDC of 284,425 units, as well as the number of CRM of 2,609 units, including 401,550 BRILink agents. These E-channel networks spread across Indonesia are the evidence of BRI consistency in reaching the then unreachable..

BRI continues to expand its network. To strengthen its business existence in the global arena, BRI opened overseas units. In 2015, BRI opened an overseas branch office in Singapore, following the existing overseas unit, such as BRI New York Agency, BRI Cayman Island Branch, Hong Kong Representative Office, and BRI Remittance Hong Kong. In 2017, BRI opened a branch office in Timor Leste

To address the market developments and the diversity of people's needs for financial products and services, BRI has a target to become an integrated financial service group, namely a group of companies that provide various financial services to its customers, in banking, insurance, remittance and other financial services.

BRI's elaboration on financing segments became more visible in 2015, as BRI added new members engaging in insurance business by acquiring PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life) and then in 2016 increasing its capital participation in PT BTMU-BRI Finance from 45% to 99% thereby BRI became the controlling shareholder. Upon completion of this process, PT BTMU BRI Finance later renamed as PT BRI Multifinance Indonesia.

Every corporate action and work plan is part of BRI's effort in providing complete banking services to its customers, especially the MSME sector. Following the presence of BRIsat, BRI now can maximize its digital banking services. A number of digital initiatives for MSME have been in operation since 2016, from the development of Teras BRI Digital, e-Pasar, and the launch of co-working space. This is continued in 2017 by launching the Indonesia Mall and organizing the Cowork Festival. All initiatives for MSME are carried out to create superior MSME in the era of digital economy.

BRI also begins operating the Overseas Unit at Timor Leste in 2017, and officially launched Teras BRI Kapal Bahtera Seva II and Teras BRI Kapal Bahtera Seva III to reach the communities in the coastal areas of Labuan Bajo and Halmahera.

In 2017, BRI convened the Extraordinary General Meeting of Shareholders on 18 October 2017 that has approved the stock split from previously Rp250 per share to Rp50 per share (Ratio 1:5). The share was initially traded on 10 November 2017, at the same time of the 14th Anniversary of BRI shares listed at the stock exchange.

BRI at a Glance

To develop the MSME sector, BRI is continually committed to provide convenience in banking services in particular through digital banking innovation. To that end, since 2017 BRI has launched BRISPOT and continuing its performance in 2018. BRISPOT is a mobile-based apps with a one stop service concept developed for Mantri-Loan officers for end-to-end lending process.

In 2018, to enhance services to the customers, BRI launched the Artificial Intelligence called Sabrina as BRI New Assistance to facilitate the customers in obtaining information on Bank BRI.

In addition, BRI encouraged the MSME to go digital by launching the Indonesia Mall, cooperated with the market place startups thereby providing the MSME communities the opportunities to sell their products in wider market. BRI also launched the BRI Institute as real engagement of Bank BRI in the National Capacity Building for MSME segment.

As an entity, BRI Group is a financial group providing comprehensive financial services, from conventional to sharia banking services, insurance and multifinance. This is in line with the BRI corporate plan 2018-2022 to achieve aspirations as an integrated financial services provider.

To accomplish this aspirations, BRI on December 2018 has exercised three new equity investments, which are 2 (two) new subsidiaries – PT BRI Ventura Investama (BRI Venture) and PT Danareksa Sekuritas (DS), as well as in PT Danareksa Investment Management (DIM).

BRI Venture will be developed as the Corporate Venture Capital (CVC) for strategic investment especially toward growth-stage startup companies that have synergy potential with BRI Group and/or capital gain potentials.

On these equity investments, total Subsidiaries of BRI become 7 (seven) Subsidiaries, namely Sharia (BRI Syariah), Conventional Bank (BRI Agro), Remittance (BRI Remittance), Insurance (BRI Life), Multifinance (BRI Finance), Venture Capital (BRI Ventures), and Securities (Danareksa Sekuritas).

These initiatives are undertaken to continue realizing the aspiration to be an excellent banking in the current digital economy.

Line of Business in Accordance with the Articles of Association

BRI's core business, based on the last deed of Amendment No. 81 dated 23 April 2015, approval from the Minister of Justice and Human Rights of the Republic of Indonesia by virtue of decision letter No. AHU-AH.01.03-0926947 dated 23 April 2015, and article 3 paragraph (2) of BRI's Articles of Association, are:

The purpose and objective of the Company is to engage in the activity of banking and optimizing the utilization of the Company's resources to deliver excellent services and strong competitiveness in order to obtain profitability so as to augment the Company's values with due observance to the principles of Limited Liability Company.

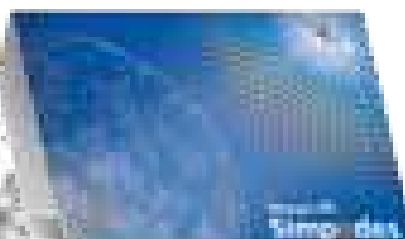
In order to achieve the above purpose and objective, the Company may undertake the following main business:

- a. To collect funds from the public in the form of deposits comprising of clearing account (giro), time deposit, deposit certificate (sertifikat deposito), savings account and/or any other form equivalent to the foregoing;
- b. To provide credits;
- c. To issue debt acknowledgement letters;
- d. To purchase, sell or put encumbrance over, whether at its own risk or for the benefit of and under the instructions of its customers, for the following:
 1. Money order, including bank certified money order, with a validity period not exceeding the normal practice for trading of such money order;
 2. Debt acknowledgement letters and other commercial papers, with a validity period not the exceeding normal practice for trading of such papers;
 3. State treasury notes and government guaranties;
 4. Bank Indonesia Certificates (SBI);
 5. Bonds;
 6. Commercial Papers with a validity period in accordance with the laws and regulations;
 7. Other commercial papers instrument with a validity period in accordance with laws and regulations;
- e. To transfer funds, whether for its own benefit as well as for the benefit of its customers;
- f. To place funds at, to borrow funds from, or to lend funds to other banks, whether by letters, telecommunication facilities, or registered money order, check or other media;
- g. To receive payment of receivable from commercial papers and undertake settlement with or among third parties;
- h. To provide safekeeping for goods or commercial papers;
- i. To engage in a custody activities for the benefit of other party based on a contract;
- j. To conduct a placement of fund from one customer to another customer in the form of commercial papers that are not registered at the stock exchange;
- k. To purchase through an auction or other in the event, collateral whether in whole or in part a debtor fails to meet its obligations to the Company as the Bank, provided that the collateral being purchased shall be liquidated immediately;
- l. To conduct a factoring (anjak piutang), credit card and trusteeship services;
- m. To provide funding and/or any other activities that are based on the Syariah Principles, in accordance with the rules and regulations that are imposed by the competent authority;
- n. To conduct activities in foreign currencies pursuant to the rules and regulations that are imposed by the competent authority;
- o. To conduct capital participation in banks or other financial companies, such as leasing companies, venture capital, securities companies, insurance companies, and a clearance, settlement and depository institutions, subject to rules and regulations that are imposed by the competent authorities;
- p. To conduct temporary capital participation for the purpose of overcoming credit failure or financing failure pursuant to the Syariah principles, provided that such participation shall be eventually withdrawn, subject to rules and regulations that are imposed by the competent authority;
- q. To act as an establisher or management of a pension funds in accordance with the Provisions of laws and regulations;
- r. To conduct other activities normally conducted by banks, provided that the activities shall not contravene with the laws and regulations.

Products and Services



Savings Product



BRI BritAma Savings

BRI Britama Savings comes complete with e-banking facilities for convenient transactions by customers at any place and any time, as well as free personal accident insurance coverage. BritAma also has sub-products to cater to the specific needs of customers, namely BritAma Bisnis, BritAma Rencana, BritAmaX, and the BritAma Valas with a choice of USD, SGD, AUD, EUR, CNY, AED, HKD, GBP, JPY and SAR currencies.

BRI Junio & Junio Savings Plan

BRI Junio is a savings product especially created for children, representing our commitment to introduce banking to children and to nurture the habit of saving from an early age. The BRI Junio savings product comes complete with e-banking features, financial planning features (Junio Rencana), personal accident insurance coverage for children, and a specially-designed Debit Card.

BRI Simpedes Savings

Simpedes Savings is a savings product from BRI, intended for rural people but comes complete with modern features such as an ATM card that provide access through other bank's domestic ATM networks, supported by 24-hour Internet Banking and Mobile Banking services. Variants of Simpedes Savings include the Simpedes TKI, Simpedes Umum, Simpedes Impian and Simpedes Kredit Pangan.

1. Tabunganku
2. SimPel (Student Savings)
3. Hajj Savings
4. Time Deposit (Rupiah and Foreign Exchange)
5. Current Account (Rupiah and Foreign Exchange)

Products and Services



Loan Products



Micro Loans

Kupedes

Kupedes is a loan facility for productive and consumptive purposes for eligible micro enterprises and individuals.

KUR Mikro

KUR Mikro is a loan facility for start-up micro entrepreneurs.

Consumer Loans

- ▶ Mortgages Loan (KPR)
- ▶ Vehicle Loan (KKB)
- ▶ Credit Cards

Retail Commercial Loans

- ▶ Cash Collateral Loan
- ▶ Investment Loan
- ▶ Working Capital Loan
- ▶ Export Loan
- ▶ Construction Loan
- ▶ BO-I Construction Loan
- ▶ Franchise Loan
- ▶ Petrol Station Loan
- ▶ Warehouse Receipt Loan
- ▶ Warehouse Ownership Loan
- ▶ Petrol Station Bridging Loan
- ▶ Pre-Financing Loan
- ▶ Post-Financing Loan
- ▶ Distributor Financing

Program Loans

- ▶ Warehousing (Subsidy & Commercial)
- ▶ Retail KUR
- ▶ Migrant Workers KUR
- ▶ Crops KUR

Medium and Corporate Loans

- ▶ Working Capital Loan (KMK)
- ▶ Working Capital Loan for Export (KMK-E)
- ▶ Working Capital Loan for Import (KMK-I)
- ▶ Working Capital Loan Construction (KMK-K)
- ▶ Investment Loan (KI)
- ▶ Syndicated Loan

BRIGuna

Multipurpose loan for the salaried segment. BRIGuna provides a choice of three products: BRIGuna Karya (for active employees with fixed salaries), BRIGuna Umum (loan for permanent employees and up to retirement age), and the BRIGuna Purna (loan facilities for pensioners).

Products and Services



Banking Services



Cash Management System

BRI's Cash Management services enable corporate customers to directly monitor their financial transactions via an online facility. The Cash Management service also includes a notional pooling facility as an added value service from GiroBRI for the corporate group customers, enabling consolidated balances and borrowing among group members based on the agreed consolidated balance, a corporate virtual account facility as an added value service to facilitate identification of incoming and outgoing funds transactions by the customers in an integrated manner with the Enterprise Resource Planning (ERP) system, and many other cash management services.

Institutional Services

- ▶ Driver's License Online Payment System
- ▶ MPN GII (State Revenue Module Gen II)
- ▶ E-Tax (Electronic Tax)
- ▶ Hospital Online
- ▶ Online Tuition Fee Payment System
- ▶ Visa on Arrival (VoA)
- ▶ Services related to Customer Cooperation Agency (NIK)
- ▶ Services related to Otoritas Jasa Keuangan (OJK)
- ▶ Services related to State Budget Treasury System (SPAN)
- ▶ Multifunction Identity Card (KIM)
- ▶ KTA Elektronik
- ▶ SIM Online
- ▶ E-Samsat
- ▶ E-Tilang (Tilang Online)
- ▶ PDAM Online
- ▶ BPJS-TK Service Point Office

E-Banking

- ▶ ATM BRI
- ▶ Mobile Banking BRI
- ▶ Phone Banking BRI
- ▶ Internet Banking BRI
- ▶ CRM BRI
- ▶ EDC BRI
- ▶ BRIZZI (Electronic Money BRI)

International Business Services

- ▶ Import Services
- ▶ Issuance of Letter of Credit (LC)
- ▶ Issuance of LC Amendment
- ▶ Import Credit Facilities
- ▶ Pre-Import Financing (Import Guarantee)
- ▶ Post-Import Financing (KMKI & Trust Receipt)
- ▶ Export Services
- ▶ Advising LC
- ▶ LC Confirmation
- ▶ Export Billing Service
- ▶ Outward Documentary Collection
- ▶ Outward Clean Collection
- ▶ Pre-Shipment Financing (KMKE)
- ▶ Post-Shipment Financing
- ▶ Negosiasi Wesel Ekspor
- ▶ Diskonto Wesel Ekspor Berjangka
- ▶ Rediskonto Wesel Ekspor Berjangka
- ▶ Refinancing LC
- ▶ Risk Participation

Business & Financial Services

- ▶ Bank Guarantee
- ▶ Clearing
- ▶ Bill Payment
- ▶ Deposit Receipt
- ▶ Online Transactions
- ▶ LLG Transfer and RTGS (Real-Time Gross Settlement)

Products and Services



- ▶ Banker Acceptance
- ▶ USD Local Settlement
- ▶ Guarantee (Standby LC)
- ▶ Surat Kredit Berdokumen Dalam Negeri (SKBDN)
- ▶ Bill Purchase Financing
- ▶ Money Changer

BRIfast Remittance

BRIfast Remittance is BRI's remittance service for outgoing fund remittance to overseas countries and incoming fund remittance from overseas to Indonesia. BRIfast Remittance offers outgoing remittance in 144 currencies all over the world, incoming remittance credited to BRI accounts, incoming remittance credited to other bank accounts, and incoming remittance cash pick-up service (no need for a bank account) that can be withdrawn in all BRI units as well as BRI BRILink agent in Indonesia in real time online.

Treasury Services

- ▶ Foreign Exchange Transaction
- ▶ Swap Transaction
- ▶ Forward Transaction
- ▶ Trustee Services
- ▶ Securities Selling Agent Services
- ▶ Custodian Services
- ▶ BRI Financial Institution
- ▶ Pension Fund (DPLK- BRI) (DPLKBRI)

BRI Priority Banking

BRI's Wealth Management services to cater to the wealth management and financial planning needs of BRI's priority and select customers. Offering a one-stop financial solution concept in the management of customers' financials by professional and certified marketers, BRI Wealth Management services provide mutual funds products, retail government bonds, retail sukuk, retail savings bonds, sukuk savings, DPLK, and bancassurance products.

Operational Areas

Operation Areas, Branch and E-Channel Network

Domestic Regional Office Network

Currently, BRI serves its customers through over 9,647 operating units and 309,776 units in e-channel network and 401.550 BRLink agent across Indonesia.



Operating Units

Outlets	2014	2015	2016	2017	2018
Head Office	1	1	1	1	1
Regional Offices	19	19	19	19	19
Special Branches	461	467	467	468	468
Sub Branches	584	603	609	610	609
BRI Units	5,293	5,360	5,380	5,382	5,381
Cash Offices	971	983	984	992	964
Teras BRI	2,457	2,543	2,545	2,536	2,069
Teras BRI Keliling	610	636	638	638	133
Total	10,396	10,612	10,643	10,646	9,647

Total of Work Units including 5 Overseas Work Units

Operational Areas

BRI operates 8 levels of offices, comprising the Head Office, 19 Regional Offices, 1 Special Branch Office, 468 Branch Offices (including 5 Overseas Operating units), 609 Sub-branch Offices, 964 Cash Offices, 5,381 BRI Units, 2,069 Teras BRI, and 133 Mobile Teras BRI.

International Network



E-Channel

E-Channel	2014	2015	2016	2017	2018
ATM	20,792	22,792	24,292	24,684	22,684
EDC	131,204	187,758	257,712	302,921	284,426
CRM	392	892	1,392	1,992	2,609
E-Buzz	55	57	57	57	57
Total	152,443	211,499	283,453	329,654	309,776
Agen BRllink	-	50,259	84,550	279,750	401,550

Milestone

1895

On 16 December 1895, Raden Aria Wiriatmaja founded De PoerwokertoscheHulp en Spaarbank der Inlandsche Hoofden in Purwokerto as a mosque-fund manager whose function was to manage and disburse funds to the people through a simple scheme. The institution experienced several name changes, from Hulp en Spaarbank derInlandshe Bestuurs Ambtenareen (1895), De Poerwokertosche Hulp Spaar-en Landbouw Credietbank or Volksbank, to Centrale Kas Voor Volkscredietwezen Algemene (1912). In 1934 the name was again changed, to Algemene Volkscredietbank (AVB). During the period of Japanese occupation, AVB was known as Syomin Ginko (1942-1945).

1946

On 22 February 1946, the Government of Indonesia, by virtue of Government Regulation No. 1 of 1946, changed Syomin Ginko into Bank Rakyat Indonesia (BRI), a government-owned bank with the front-line role of supporting national economic development.

1960

The government changed BRI into Bank Koperasi Tani Nelayan (BKTN).

1968

Based on Law No. 21 of 1968, the Government re-established the name Bank Rakyat Indonesia with the status of a commercial bank.

1984

Following the closing of Bimas program by the Government, BRI started to manage its micro business commercially, disbursed through BRI Unit.

1969

BRI was appointed by the Government as the only bank to disburse loan program Mass Assistance (Bimas) and started to establish BRI Unit.

1992

According to Republic of Indonesia Government Regulation No. 21 of 1992, BRI changed its legal status to PT Bank Rakyat Indonesia (Persero).

2003

On 10 November 2003, BRI became a Publicly-listed Company by listing its shares on the Jakarta Stock Exchange (now Indonesia Stock Exchange/IDX) with ticker code "BBRI." Today, BRI is part of the LQ-45 index and also are of the bluechip companies on IDX.

2007

RI acquired Bank Jasa Artha, later changed into PT Bank BRISyariah.

2009

Real-time online interconnection with 6,480 outlets at the time.

2011

- ▶ On 11 January 2011, the Bank exercised a 1:2 ratio stock split
- ▶ On 3 March 2011, the signing of a Deed of Acquisition of shares of PT Bank Agroniaga Tbk between BRI and Dana Pensiun Perkebunan (Dapenbun).
- ▶ On 16 December 2011, the signing of Instrument of Transfer, and Bought and Sold Notes between BRI and PT Asuransi Jiwa BRIIngin Jiwa Sejahtera over the shares of BRIIngin Remittance Co. Ltd. (Hong Kong).

2013

BRI Hybrid Banking, the first self-service banking in Indonesia

2018

- ▶ To enhance its customer service BRI launched Sabrina, an Artificial Intelligence as New Assistance to facilitate the customers in getting information on the Bank.
- ▶ BRI encouraged the MSME to go digital by launching the Indonesia Mall, cooperated with the market place startups thereby providing the MSME communities the opportunities to sell their products in wider market.
- ▶ BRI issued the following bonds:
 - Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-A, maturity on 21 February 2023, with nominal value of 1,837,000,000,000 shares and coupon/discount rate of 6.65%, with AAA credit rating from Pefindo.
 - Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-B, maturity on 21 February 2025, with nominal value of 605,000,000,000 shares and coupon/discount rate of 6.90%, with AAA credit rating from Pefindo.
 - Bank BRI Registration Bonds III 2018, maturity on 21 June 2023, with nominal value of 500,000,000,000 shares and coupon/discount rate of 7.70%, with AA credit rating from Pefindo.
- ▶ BRI has exercised three new equity investments, which are 2 (two) new subsidiaries – PT BRI Ventura Investama (BRI Venture) and PT Danareksa Sekuritas (DS), as well as in PT Danareksa Investment Management (DIM). On these equity investments, total Subsidiaries of BRI become 7 (seven) Subsidiaries, namely Sharia (BRI Syariah), Conventional Bank (BRI Agro), Remittance (BRI Remittance), Insurance (BRI Life), Multifinance (BRI Finance), Venture Capital (BRI Ventures), and Securities (Danareksa Sekuritas).
- ▶ BRI also launched the BRI Institute as real engagement of Bank BRI in the National Capacity Building for MSME segment.

2014

- ▶ BRI's ATM network continues to increase, reaching 20,792 ATM units and 131,204 EDC units – constituting the largest ATM and EDC network in Indonesia.
- ▶ BRI signed its Satellite Procurement and Launcher Agreement of BRI Satellite (BRIsat) with Space System/ Loral (SSL) and Arianespace on 28 April 2014.

2015

- ▶ In 2015, BRI opened Singapore Overseas Unit and acquired PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life).
- ▶ On 4 August 2015, BRI launched Teras BRI Kapal to reach out to people living in coastal areas that are underserved by banking services.
- ▶ BRI also inaugurated BRI Corporate University to provide comprehensive facilities for employee education.

2016

- ▶ BRI's own satellite, the BRIsat, was successfully launched on June 18, 2016, at 18:38 Kourou Time, French Guiana. BRIsat will provide the supporting infrastructure for BRI's digital services.
- ▶ BRI acquired BTMU Finance, a multifinance company, and subsequently changed its name to BRI Finance.
- ▶ BRI inaugurated a full-digital branch at Terminal 3, Soekarno-Hatta Airport, and launched several programs concerning digitalization for SME, such as e-Pasar, Teras BRI Digital. 1 Million Free Domain for MSMEs, and Rumah Kreatif BUMN.

2017

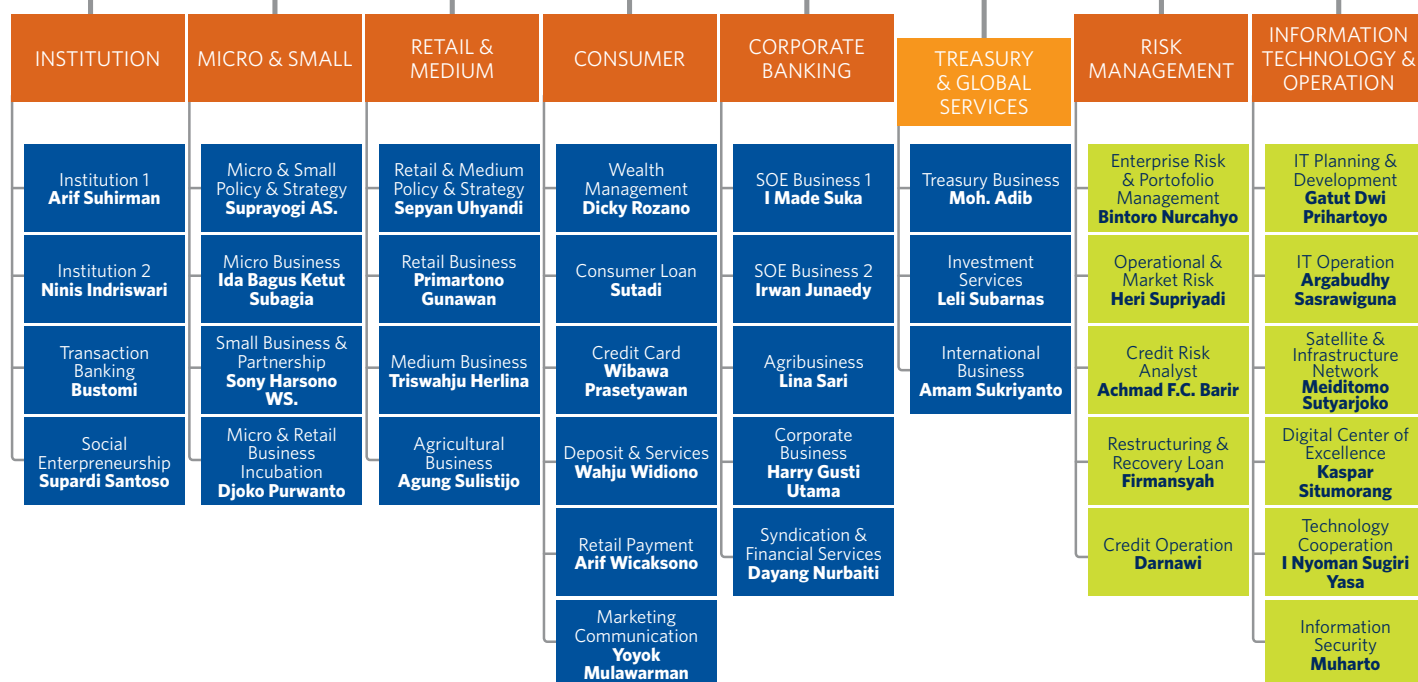
- ▶ BRI began operating Timor Leste Overseas Unit on 14 March 2017
- ▶ On 24 February 2017 BRI officially launched Teras BRI Kapal Bahtera Seva II and Teras BRI Kapal Bahtera Seva III to reach communities in the coastal areas of Labuan Bajo and Halmahera islands
- ▶ BRI Extraordinary General Meeting of Shareholders ("EGMS") held on 18 October 2017 has approved the stock split from Rp 250,- (two hundred fifty Rupiah) per share to Rp 50,- (fifty Rupiah) per share (Ratio 1:5) and began its trading on 10 November 2017, the 14th Anniversary of BRI's listing at the stock exchange.

Organization Structure

GENERAL MEETING OF SHAREHOLDERS

BOARD OF MANAGEMENT

PRESIDENT DIRECTOR



Regional Offices

Special Branches

Overseas Network

Branches

Sub Branches

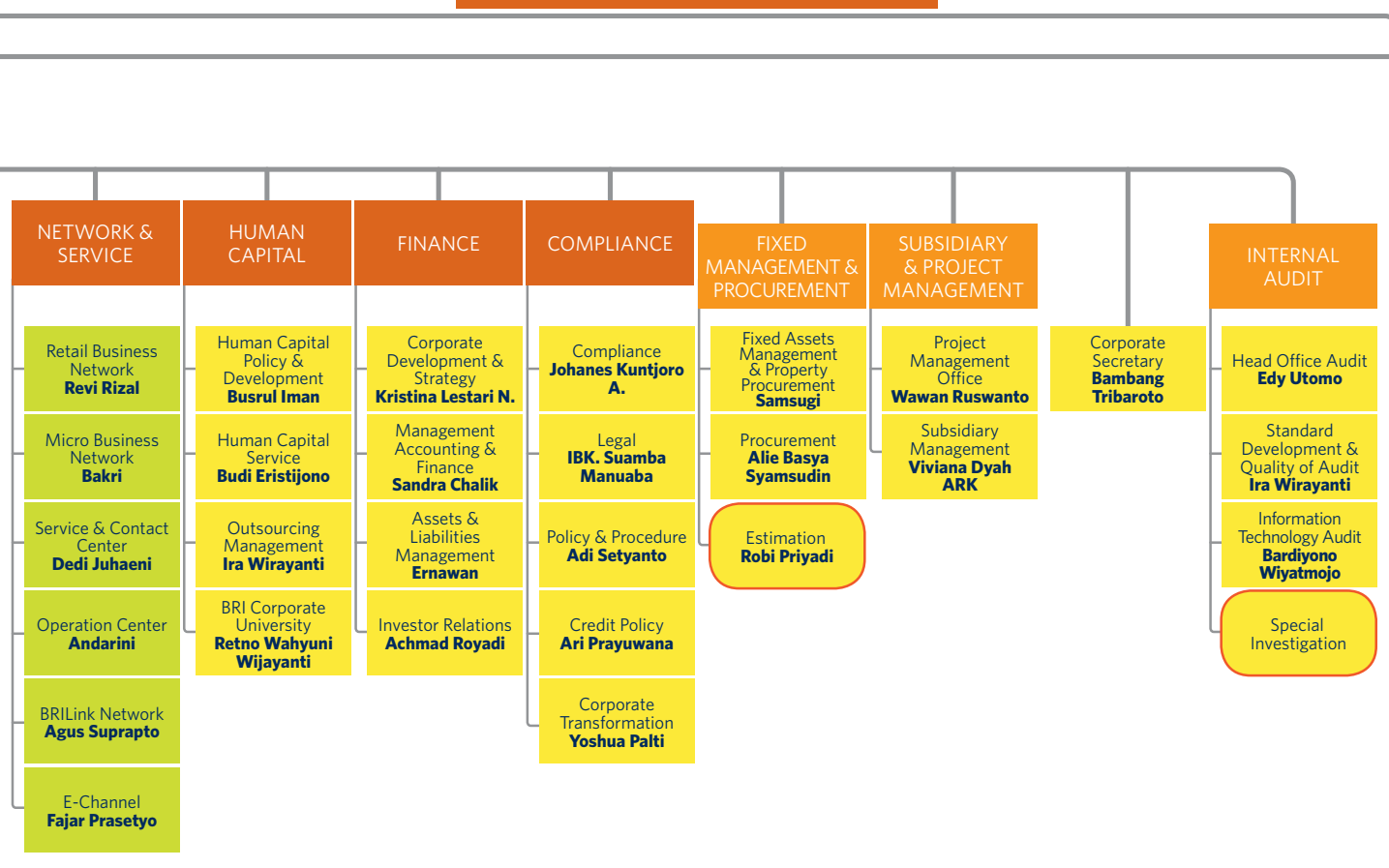
Cash Offices

BRI Unit

Teras BRI

Organization Structure

BOARD OF COMMISSIONERS



Subsidiary

Regional Audit

Board of Commissioners Committee
Directors Committee

: Audit, Nomination & Remuneration, Risk Management Monitoring, Integrated Governance
: Risk Management, Credit Policy, Credit, ALCO, Human Capital Policy, IT, Capital & Investment, Job Evaluation, Product, Project Management Office, Procurement

Directors

SEVP

Business

Business Support

Support

Vision, Mission & Core Values

Visi



Becoming

The Most Valuable Bank

in South East Asia and

Home to the Best Talent

Misi



- ✓ To conduct the best banking practices with a priority to serve micro, small, and medium enterprises in order to support the economy of the people
- ✓ To provide customers with excellent services, delivered through:
 - Professional Human Resources with a performance-driven culture
 - Reliable information technology and future ready
 - Productive conventional and digital networks, while adhering to operational principle and risk management excellence
 - To create optimal values and benefits for stakeholders with due observance to sustainable financial principles and Good Corporate Governance best practices.

Approval of Vision and Mission

The Vision and Mission of the Company has been approved by the Board of Commissioners and Board of Directors pursuant to the Decree No. 403-DIR/CDS/05/2017 dated 16 May 2017.

Vision, Mission & Core Values

Core Values



Integrity

Intellectual, exemplary communication and conduct, upholding honour and abiding by regulations. Integrity is being transparent, honest and sincere, and obeying the rules.



Professionalism

Always committed to work meticulously and accurately with excellent capabilities and responsibilities. Professionalism value is being a continuous learner and fairness.



Trust

Always fostering assurance and trust between stakeholders for the company progress. Trust is being mutually respectful and upholding the company and Nation's interest.



Innovation

Taking advantage of capabilities and skills to find new solution and ideas to create products/policies in resolving issues. Innovation is being visionary and pioneer in transformation.



Customer Centric

Always placing customers as prominent mutually beneficial partners sustainably. Customer centric is providing services beyond customers' expectation wholeheartedly and being collaborative.

Corporate Culture

BRILiaN

BRI culture that is BRILIAN, **10 Code of Conduct, 20 Indicators of Conduct and 20 Corporate Culture** in Practices shows the commitment and determination to make BRI as a leading commercial bank who always put customer satisfaction and leading in building the nation's economy.

BRILiaN (BRI's Five Values) encompasses the following core values:

- ✓ **Integrity**
- ✓ **Professionalism**
- ✓ **Trust**
- ✓ **Innovation**
- ✓ **Customer Centric**

10 (Ten)

Code of Conduct of BRI

Employees are the behavior and conduct expected from each BRI Employees as a reflection of the BRI Corporate Culture (BRILiaN)

1. Honest, trustworthy and obeying the rules
2. Always maintain the honour and reputation, both personally and of the company
3. Reliable, prudent, disciplined and responsible
4. Future oriented
5. Be an unselfish role model

6. Firm in following-up any deviation
7. Provide the best service while considering the interests of the company
8. Skilled, friendly and helpful
9. Treat fellow workers in an open, fair and respectful manner
10. Develop an attitude of cooperation in creating synergies for the benefit of the company

20 (Twenty)

Indicators of Conduct

are the parameters used in measuring the implementation of behavior and conduct of BRI Worker that reflect the core values of the Corporate Culture

1. Putting the Company first
2. Encouraging and appreciating the courage to convey the facts as it is, including irregularities
3. Keeping promises and obeying rules
4. Upholding ethics at work
5. Carrying out tasks with attentiveness, according to the rules, and accept the consequences
6. Optimizing the use of resources
7. Always improve own competences
8. Open to new ideas or better way of working
9. Maintain exemplary behaviour at work or in the society
10. Willing to accept criticism and suggestions for improvement
11. Always act without favouritism
12. Confident and dare to make the right decision
13. Understand and meet customers' needs
14. Provide fast, precise and accurate service with politeness
15. Gladly provide the best solution for the customer
16. Act consistently to maintain service quality for the best interest of the customer
17. Act objectively on the basis of behaviour, attitude and achievement to retain and develop BRI Worker
18. Show respect to colleagues, to superiors and to subordinates
19. Appreciation for high-achieving individual/team
20. Coordination and cooperation to enhance achievements and contributions to the company.

Corporate Culture

20 (Twenty)

Corporate Culture in Practice

represent early success factors in the implementation of BRI Corporate Culture.

1. Perform morning prayer together
2. Being on time and on schedule (office hours, meetings, business meetings, report submission).
3. Honest in performing presentations.
4. Refrain from smoking at the office.
5. Use the telephone, computer and other company facilities for office-work only
6. Effective and efficient use of company facilities
7. Optimum utilization of work hours while taking breaks in accordance with the rules
8. Lend a helping hand to subordinates and colleagues in difficulties
9. Maintain regular dialogue with staff and subordinates for information-sharing and motivational sessions
10. Responding to and resolving complaints at the first opportunity in accordance with its authority
11. Be friendly (smiles & greetings) in providing service to customers (internal & external).
12. Maintain a clean and orderly work environment (work station, prayer room, pantry, toilet).
13. Provide appreciation (not necessarily financial) directly in person to those with good performance or behavior.
14. Improving awareness and understanding to be able to recognize and control risks.
15. Improving awareness towards the availability and condition of service-support facilities.
16. Improving knowledge of BRI's products and of banking products in general.
17. Uphold the correct behavior and appearance as a professional banker in accordance with established service standards.
18. Understand and meet internal and external customers' needs.
19. Develop the competences to meet the demand of the organization and the competition.
20. Maintain effective and efficient coordination with internal and external parties.

Board of Commissioners' Profile



Andrinof A. Chaniago

President Commissioner / Independent Commissioner

Citizenship	Indonesia
Age	56 years old
Domicile	Jakarta
Educational Background	Graduated from Political Science, Social and Political Science Faculty, University of Indonesia (1990), Diploma, The National Development Courses, Fu Hsing Kang College, Taipei, Taiwan (2004), and Master Degree in Planning and Public Policies, from Economics Faculty, University of Indonesia (2004).
Professional Background	He previously served as President Commissioner at PT Angkasa Pura I (2015-2017), Minister of National Development Planning, Ministry of National Development Planning/BAPPENAS (2014-2015), and Executive Director Cirus Surveyors Group (CGS) (2008-2014).
Appointment	Appointed President Commissioner/ Independent of BRI for the first term since 15 March 2017 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-123/PB.12/2017 dated 21 July 2017.
Concurrent Position	Currently active as Lecturer at The Political Science Department, Social and Political Science Faculty, University of Indonesia (2006 – present).
Affiliates	None

Board of Commissioners' Profile



Gatot Trihargo

Vice President Commissioner / Commissioner

Citizenship	Indonesia
Age	58 years old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree Diploma IV in Accounting from State Accounting College (STAN) in 1989; Master of Accounting and Financial Information Systems (MAFIS) from the Cleveland State University, Ohio, United States (1993), and Doctoral Degree in Strategic Management from the University of Padjadjaran, Bandung (2016).
Professional Background	He previously served as Deputy Financial Services Business, Construction and Other Services, SOE Ministry (2014-2015), Commissioner at PT Pertamina (Persero) (2014-2015), Commissioner of PT Telekomunikasi Indonesia (Persero) Tbk (2013-2014), Deputy Services Business, SOE Ministry (2013-2014).
Appointment	Appointed Vice President Commissioner of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-99/D.03/2015 dated 1 June 2015. He also serves as Member of the Nomination and Remuneration Committee, and Member of the Integrated Governance Committee of BRI.
Concurrent Position	Concurrently serves as Deputy of Financial Services, Survey and Consultant Services to The Ministry of State Owned Enterprises (2015-present).
Affiliates	None

Board of Commissioners' Profile



Ahmad Fuad Rahmany

Independent Commissioner

Citizenship	Indonesia
Age	64 years old
Domicily	Depok
Educational Background	Obtained Bachelor Degree in Economics from University of Indonesia, Jakarta (1981), Master of Arts from Duke University, Durham, North Carolina, US (1987), and Doctoral Degree in Economics from Vanderbilt University, Tennessee, US (1997).
Professional Background	He previously served as Commissioner PT Indonesia Asahan Alumunium (Persero) (2014-2015), Member of Non Executive Board of Directors of Indonesian Export Financing Institution (2013-2014), Director General of Taxation, Finance Ministry (2011-2014), Commissioner ex-officio of Indonesia Deposit Insurance Corporation (2009-2014).
Appointment	Appointed Independent Commissioner of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-85/D.03/2015 dated 19 May 2015. He also serves as Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Member of the Risk Management Oversight Committee of BRI.
Concurrent Position	None
Affiliates	None

Board of Commissioners' Profile

**A. Sonny Keraf****Independent Commissioner**

Citizenship	Indonesia
Age	60 years old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Philosophy from Institute of Philosophy Driyarkara, Jakarta (1988), Master in Philosophy from the Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgium (1992), and Doctor (Ph.D.) in Philosophy from the Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgium (1995).
Professional Background	He previously served as Member of the People's Representative Council (2004-2009), and Minister of Environment (1999-2001), and Minister of Environment of the Ministry of Environment (1999-2001), and Adjunct Lecturer of the Doctoral Degree Program, Environmental Studies, University of Indonesia (2001-2014).
Appointment	Appointed Independent Commissioner of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-98/D.03/2015 dated 1 June 2015. He also serves as Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Member of the Risk Management Oversight Committee of BRI.
Concurrent Position	Concurrently serves as Independent Commissioner of PT Gorontalo Sejahtera Mining (2015-present), Member of the National Energy Council (2014-present), and active as Lecturer in Atmajaya Catholic University (1988-present).
Affiliates	None

Board of Commissioners' Profile



Mahmud

Independent Commissioner

Citizenship	Indonesia
Age	60 years old
Domicily	Ciputat, Tangerang Selatan
Educational Background	Obtained Bachelor Degree in Economics from University of Diponegoro, Semarang (1982), and Master of Management from University of Padjajaran, Bandung (2002).
Professional Background	He previously served as Senior Advisor, Strategic Support Group to the Board of Commissioners, Financial Services Authority (OJK) (2016), Head of the Department of Bank Supervision I, Financial Services Authority (2013-2016), and Head of the Department of Bank Supervision I, Bank Indonesia (2013), Head of Bank Indonesia Makassar Representative Office (2012-2013).
Appointment	Appointed Independent Commissioner of BRI for the first term since 23 March 2016 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-40/PB.12/2017 dated 3 March 2017. He also serves as Chairman of the Risk Management Oversight Committee, Chairman of the Integrated Governance, and Member of the Nomination and Remuneration Committee of BRI.
Concurrent Position	Concurrently serves as External Faculty Member, Bank Indonesia Institute (2016-present)
Affiliates	None

Board of Commissioners' Profile

**Rofikoh Rokhim****Independent Commissioner**

Citizenship	Indonesia
Age	47 years old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Economics from the University of Islam Indonesia, Yogyakarta (1993), Bachelor Degree in Political Science from the University of Gajah Mada, Yogyakarta (1990), Master Specialist in Public Finance from French Prime Minister, Institute International d' Administration Publique (IIAP) - Ecole National d' Administration (ENA) (2000), D.E.A (M.Phil) from Université de Paris 1 Panthéon Sorbonne, Paris (2002), and Ph.D. in Economics (Applied Macro and Micro Economics, Development Studies in Finance) from Université de Paris 1 Panthéon Sorbonne, Paris (2005).
Professional Background	Previously served as President Commissioner of PT Hotel Indonesia Natour (Persero) (2015-2017), Service and Membership Committee at BPJS Employment (2016-2017), Organizational Performance and HR at BPJS Employment (2016-2017), Task Force of Municipality, Transmigration and Underdeveloped Regions Ministry (2016-2017), Task Force of Energy and Mineral Resources Ministry (2014-2015), Audit Committee & Risk Committee of PT POS Indonesia (2012-2015) and Head of Bisnis Indonesia Intelligence Unit (2008-2013).
Appointment	Appointed Independent Commissioner of BRI for the first term since 18 October 2017 pursuant to the Extraordinary GMS resolution and has passed the fit and proper test based on OJK Letter No. KEP-15/D.03/2018 dated 24 January 2018. She also serves as Member of the Audit Committee, and Member of the Nomination and Remuneration Committee of BRI.
Concurrent Position	Currently active as Lecturer and Researcher in the Economics and Business Faculty of University of Indonesia (2006-present).
Affiliates	None

Board of Commissioners' Profile



Nicolaus Teguh Budi Harjanto

Commissioner

Citizenship	Indonesia
Age	46 years old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Political Science from University of Gadjah Mada, Yogyakarta (1996), Master Degree from Ohio University, Ohio, USA (2003), and Doctoral Degree in Political Science and International Relations, Northern Illinois University, USA (2010).
Professional Background	Previously served as Commissioner of PT Permodalan Nasional Madani (Persero) (2016-2017), Lecturer of University of Paramadina Jakarta (2016), Chairman of Public Opinion Survey Association (PERSEPI) (2013-2016), Executive Director Populi Center (Public Opinion & Policy Research) (2013-2015).
Appointment	Appointed Commissioner of BRI for the first term since 15 March 2017 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-123/PB.12/2017 dated 21 July 2017.
	He also serves as Member of the Risk Management Oversight Committee, and Member of the Nomination and Remuneration Committee of BRI.
Concurrent Position	Currently serves as Expert staff, State Secretary Political and Institutional Communication (2016- present), and Secretary General of Indonesia Politic Science Association (API) (2015-present).
Affiliates	None

Board of Commissioners' Profile



Hadiyanto

Commissioner

Citizenship	Indonesia
Age	56 years old
Domicile	Jakarta
Educational Background	Obtained Bachelor of Law Degree from University of Padjajaran, Bandung (1986), Certificate International Tax Program, Harvard University, USA (1993), LL.M degree from Harvard University, USA (1993), and Doctoral Degree in Law Science from University of Padjajaran, Bandung (2012).
Professional Background	He previously served as Commissioner PT Bahana Pembiayaan Usaha Indonesia (2006-2008), Supervisory Board of Gelora Bung Karno (2010-2011), Supervisory Board of Harapan Kita Hospital Cardiovascular (2011-2015), President Commissioner PT Garuda Indonesia Tbk (2007-2012), President Commissioner PT Bank Ekspor Indonesia (Persero) (2007-2009), Commissioner PT Tuban Petro (2007-2013), Board of Directors Indonesia LPEI (Eximbank), Director General State Treasury Ministry of Finance (2006-2015), Commissioner of PT Telkom Indonesia (Persero) Tbk (2012-2018).
Appointment	Appointed Commissioner of BRI for the first term since 2018 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-194/PB.12/2018 dated 21 September 2018. He also serves as Member of the Risk Management Supervisory Committee, and Member of the Nomination and Remuneration Committee of BRI.
Concurrent Position	Currently serves as Secretary General of Finance Ministry (2015-present), Chairman of Supervisory Board of Dr. Cipto Mangunkusumo Hospital (2016- present), and Supervisory Board of Educational Fund Management Agency (2015-present).
Affiliates	None

Board of Directors' Profile



Suprajarto

President Director

Citizenship	Indonesia
Age	62 year old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Economics, UPN Yogyakarta (1982), Master of Management, Marketing Management, University of Padjajaran, Bandung (2001), and Doctoral Degree in Business Management, University of Padjajaran, Bandung (2014).
Professional Background	Previously served as Deputy President Director of PT Bank Negara Indonesia (Persero) Tbk (2015-2017), Managing Director of Network and Services at PT Bank Rakyat Indonesia (Persero) Tbk (2007-2015).
Appointment	Appointed President Director of BRI for the first term since 15 March 2017 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-70/PB.12/2017 dated 3 May 2017.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile

**Haru Koesmahargyo****Director of Finance**

Citizenship	Indonesia
Age	51 year old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Technology of Agriculture Industry, University of Brawijaya, Malang (1989), and Master Degree in Business Administration, Investment Banking, Emory University, USA (2000).
Professional Background	Previously served as Director of Business Strategy & Finance PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018), Director of Strategy & Finance PT Bank Rakyat Indonesia (Persero) Tbk (2017), Director of Finance PT Bank Rakyat Indonesia (Persero) Tbk (2015-2017), President Commissioner at PT BTMU BRI Finance (2014-2015), Head of The Treasury Division at PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015), General Manager, New York Branch PT Bank Rakyat Indonesia (Persero) Tbk (2011-2014).
Appointment	Appointed Director of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-109/D.03/2015 dated 8 June 2015. In charge as Director of Finance.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile



Mohammad Irfan

Director of Risk Management

Citizenship	Indonesia
Age	59 year old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Fisheries, Bogor Institute of Agriculture, Bogor (1982), and Master degree in Management, LPPM, Jakarta (1998).
Professional Background	Previously served as Director of Network and Services PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018), Director of Corporate Business at PT Bank Rakyat Indonesia (Persero) Tbk (2017), Director of Micro Business, PT Bank Rakyat Indonesia (Persero) Tbk (2015-2017), Head of The Regional Office, Jakarta I, PT Bank Rakyat Indonesia (Persero) Tbk (2010-2015).
Appointment	Appointed Director of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-100/D.03/2015 dated 1 June 2015. In charge as Director of Risk Management.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile

**Kuswiyoto*****Director of Corporate Banking**

Citizenship	Indonesia
Age	53 year old
Domicile	Jakarta
Educational Background	Obtained Bachelor degree in Economics, University of Airlangga, Surabaya (1986), and Master Degree in Business Administration in Finance, Washington University, USA (1997).
Professional Background	Previously served as Director of Risk Management at PT Bank Rakyat Indonesia (Persero) Tbk (2017), Director of Institutional Relations at PT Bank Rakyat Indonesia (Persero) Tbk (2015-2017), Head of The Regional Office, Jakarta 1, PT Bank Rakyat Indonesia (Persero) Tbk (2015), Head of The Regional Office, Makassar, PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015), and Commissioner of PT Bringin Indotama Sejahtera Finance (2013-2014).
Appointment	Appointed Director of BRI for the first term since 12 August 2015 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-207/D.03/2015 dated 4 November 2015. In charge as Director of Corporate Banking.
Concurrent Position	None
Affiliates	None

*) effective until 03 January 2019

Board of Directors' Profile



Sis Apik Wijayanto

Director of Institutional Relations

Citizenship	Indonesia
Age	57 year old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Business Administration Universitas Brawijaya, Malang (1988), and Master Degree in Management, Airlangga University, Surabaya (2007).
Professional Background	Previously served as Director of Institution PT Bank Rakyat Indonesia (Persero) Tbk (2017), Director of Consumer Business PT Bank Rakyat Indonesia (Persero) Tbk (2016-2017), Director of Funding & Distribution PT Bank Tabungan Negara (Persero) Tbk (2015-2016), Head of The Regional Office, Jakarta II PT Bank Rakyat Indonesia (Persero) Tbk (2015), Head of The Regional Office, Banjarmasin PT Bank Rakyat Indonesia (Persero) Tbk (2015), General Manager of The Special Branch PT Bank Rakyat Indonesia (Persero) Tbk (2012-2014).
Appointment	Appointed Director of BRI for the first term since 23 March 2016 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-85/D.03/2016 dated 20 May 2016. In charge as Director of Institutional Relations.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile

**Priyastomo****Director of Micro and Small Business**

Citizenship	Indonesia
Age	55 year old
Domicile	Tangerang
Educational Background	Obtained Bachelor Degree in Animal Husbandry, University of Gadjah Mada, Yogyakarta (1987), and Master Degree in International Management, University of Gadjah Mada, Yogyakarta (2008).
Professional Background	Previously served as Director of Micro and Retail Business PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018), Director of Human Capital PT Bank Rakyat Indonesia (Persero) Tbk (2017), Director of Compliance PT Bank Rakyat Indonesia (Persero) Tbk (2016), Head of The Regional Office, Bandung PT Bank Rakyat Indonesia (Persero) Tbk (2016), Head of The Regional Office, Yogyakarta PT Bank Rakyat Indonesia (Persero) Tbk (2015), Head of The Retail and Medium Business Division PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015), and Head of The Regional Office, Jayapura PT Bank Rakyat Indonesia (Persero) Tbk (2012-2014).
Appointment	Appointed Director of BRI for the first term since 23 March 2016 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-105/D.03/2016 dated 21 June 2016. In charge as Director of Micro and Small Business.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile



Indra Utoyo

Director of Information Technology & Operations

Citizenship	Indonesia
Age	56 year old
Domicily	Bandung
Educational Background	Obtained Bachelor Degree in Electrical Engineering and Telecommunications, Institute of Technology Bandung, Bandung (1985), Master Degree in Communication & Signal Processing, Imperial College, University of London, UK (1994), and Doctoral Candidate in Strategic Management, University of Indonesia, Jakarta (2014).
Professional Background	Previously served as Director of Digital Banking & Information Technology PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018), Director of Digital & Strategic Portfolio, Telkom Group, PT Telkom (2016-2017), CEO CFU Digital Service, Telkom Group, PT Telkom (2016-2017), President Commissioner, PT Metra Digital Innovation (Telkom MDI) (2016-2017), and President Commissioner, PT Multimedia Nusantara (Telkom Metra) (2009-2016).
Appointment	Appointed Director of BRI for the first term since 15 March 2017 pursuant to the Annual GMS resolution and has passed the fit and proper test based on OJK Letter No. SR-123/PB.12/2017 dated 21 July 2017. In charge as Director of Information Technology & Operations.
Concurrent Position	Supervisory Board Yayasan Pendidikan Telkom (2012-present), and President Commissioner PT Multimedia Nusantara (Telkom Metra) (2009-present).
Affiliates	None

Board of Directors' Profile

**R. Sophia Alizsa****Director of Human Capital**

Citizenship	Indonesia
Age	59 year old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Economics, University of Jember, Jember (1983), and Master Degree in Agribusiness Management, Institut Pertanian Bogor (2004).
Professional Background	Previously served as Director of Operations and Network, Perum Jamkrindo (2015-2017), General Manager of The Special Branch, PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015), and Head of The Retail Business Networks Division at PT Bank Rakyat Indonesia (Persero) Tbk (2011-2014).
Appointment	Appointed Director of BRI for the first term since 18 October 2017 pursuant to the Extraordinary GMS resolution and has passed the fit and proper test based on OJK Letter No. 01.KDK.03/2018 dated 13 April 2018. In charge as Director of Human Capital.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile



Handayani

Director of Consumer

Citizenship	Indonesia
Age	53 year old
Domicily	Jakarta
Educational Background	Obtained Bachelor Degree in Dentistry, University of Airlangga, Surabaya (1988), and Master Degree in Management, University of Padjadjaran, Bandung (2001).
Professional Background	Previously served as Director of Consumer Banking PT Bank Tabungan Negara (Persero) Tbk (2016-2017), Director of Commercial Business, PT Garuda Indonesia Tbk (2014-2016), Director of Marketing & Alternate Distribution, PT AXA Mandiri (2013-2014).
Appointment	Appointed Director of BRI for the first term since 18 October 2017 pursuant to the Extraordinary GMS resolution and has passed the fit and proper test based on OJK Letter No. KEP-44/D.03/2018 dated 14 March 2018. In charge as Director of Consumer.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile



Supari

Director of Retail and Intermediate

Citizenship	Indonesia
Age	52 year old
Domicile	Sidoarjo
Educational Background	Obtained Bachelor Degree in Agricultural Technology from University of Brawijaya, Malang (1989), and Master Degree in Agribusiness from University of Gadjah Mada, Yogyakarta (2005).
Professional Background	Previously served as SEVP BRI Transformation of BRI (2017-2018), SEVP Network Management of BRI (2016-2018), Regional Head of BRI Makassar (2015-2016), and Regional Head of BRI Padang (2014-2015).
Appointment	Appointed Director of BRI for the first term since 22 March 2018 pursuant to the Annual GMS resolution and has passed the fit and proper test from OJK based on the Decree of OJK Board of Commissioners No. KEP-34/KDK.03/2018 dated 04 December 2018. In charge as Director of Retail and Intermediate.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile



Osbal Saragi Rumahorbo

Director of Network and Services

Citizenship	Indonesia
Age	53 year old
Domicily	Pondok Aren, South Tangerang
Educational Background	Obtained Bachelor Degree in Agricultural Social Economy, University of Padjadjaran, Bandung (1989), and Master Degree in Accounting Management, University of Sumatera Utara (2011).
Professional Background	Previously served as Regional Head of BRI Jakarta 2 (2016-2018), Regional Head of BRI Jakarta 3 (2016), and Regional Head of BRI Bandar Lampung (2015-2016).
Appointment	Appointed Director of BRI for the first term since 22 March 2018 pursuant to the Annual GMS resolution and has passed the fit and proper test from OJK based on the Decree of OJK Board of Commissioners No. KEP-150/PB.12/2018 dated 27 July 2018. In charge as Director of Network and Services.
Concurrent Position	None
Affiliates	None

Board of Directors' Profile

**Ahmad Solichin Lutfiyanto****Director of Compliance**

Citizenship	Indonesia
Age	48 year old
Domicile	Serpong, Tangerang Selatan
Educational Background	Obtained Bachelor Degree in Agricultural Technology, University of Jember (1988), and Master degree in Management, Marketing/MIS, UGM Adger Collage University Norway (1999).
Professional Background	Previously served as Division Head of Human Capital Policy & Development BRI (2017-2018), Division Head of Transaction Banking BRI (2016-2017), and Deputy Head Division of Retail Business Network BRI (2021-2016).
Appointment	Appointed Director of BRI for the first term since 22 March 2018 pursuant to the Annual GMS resolution and has passed the fit and proper test from OJK based on the Decree of OJK Board of Commissioners No. KEP-150/PB.12/2018 dated 27 July 2018. In charge as Director of Compliance.
Concurrent Position	None
Affiliates	None

Profile of Senior Executive Vice President (SEVP)

**Gunawan Sulistyo****SEVP Fixed Asset Management & Procurement**

54 years, Indonesian Citizen,
domiciled in Jakarta.

Professional Background

Serves as SEVP Fixed Asset Management & Procurement of PT Bank Rakyat Indonesia (Persero) Tbk, Fixed Asset Management & Procurement Directorate since 1 May 2017 pursuant to the Decree No. 428-DIR/KPS/05/2017 dated 24 May 2017. Previously served as Head of Goods & Services Procurement of PT Bank Rakyat Indonesia (Persero) Tbk, Deputy Chief Learning Officer BRI Corporate University.

Educational Background

Obtained Master Degree in Management of Financial Management from University of Gadjah Mada, Yogyakarta.

**Tri Wintarto****Kepala Audit Intern**

56 years, Indonesian Citizen,
domiciled in Jakarta.

Professional Background

Serves as Head of Internal Audit, Internal Audit Unit of PT Bank Rakyat Indonesia (Persero) Tbk since 1 May 2017 pursuant to the Decree No. 427-DIR/KPS/05/2017 dated 24 May 2017. Previously served as Auditor, Auditor Jakarta Office 1 PT Bank Rakyat Indonesia (Persero) Tbk, Auditor, Auditor Jakarta Office 3 PT Bank Rakyat Indonesia (Persero) Tbk, Head of Food Program and Partnership of PT Bank Rakyat Indonesia (Persero) Tbk, and Regional Head of Bandung of PT Bank Rakyat Indonesia (Persero) Tbk.

Educational Background

Obtained Master Degree in Management from the University of Lampung, Bandar Lampung.

Profile of Senior Executive Vice President (SEVP)



Listirarini

SEVP Treasury & Global Services

53 years, Indonesian Citizen,
domiciled in Jakarta.

Professional Background

Serves as SEVP Treasury & Global Services of PT Bank Rakyat Indonesia (Persero) Tbk, since July 2018. Previously served as Corporate Development and Strategy PT Bank Rakyat Indonesia (Persero) Tbk, General Manager BRI New York Agency, and Head of Investor Relations Desk BRI.

Educational Background

Obtained Bachelor Degree in Agriculture, University of Brawijaya, Malang (1989), and Master of Business (Banking and Finance), Monash University, Melbourne, Australia (1999).

Employees Demographics

Employees based on Organizational Level

Organizational Level	2016	2017	2018
Senior Executive Vice President	4	5	3
Executive Vice President	86	98	103
Vice President	193	209	198
Assistant Vice President	380	345	353
Senior Manager	747	735	766
Manager	1,248	1,331	1,320
Assistant Manager	4,992	5,41	5,599
Officer	12,214	12,003	11,945
Assistant	73,469	72,722	69,656
Total	93,333	92,858	89,943

*excluding outsourcing employee

Employees based on Education Level

Education	2016	2017	2018
Senior High School/ Equivalent	3,133	2,652	2,308
Diploma	12,055	10,134	10,595
Bachelor Degree	76,966	78,867	75,797
Master Degree	1,172	1,202	1,237
Doctoral Degree	7	3	6
Total	93,333	93,679	89,943

*excluding outsourcing employee

Employees based on Employment Status

Status	2016	2017	2018
Pekerja Tetap	58,811	60,764	60,973
Pekerja Kontrak	34,262	31,994	28,970
Trainee	64	100	63
Outsourcing	36,197	37,929	33,949
Total	129,334	130,787	125,039

Employees' Competency Building and Equal Opportunities Provided at Each Organizational Level

Development Program

The educational program for BRI's prospective candidates or employees is aimed at providing competency learning for certain position. This program is divided into 3 (three) elements:

1. Management Development Program
Educational program aimed at improving the employees' competence for preparation to occupy corporate title positions ranging from Assistant position level up to Executive Vice President.
2. Competency Development Program
Educational program developed based on competency analysis results, company's requirements and actual condition at operating units. This program is divided into two major groups, namely hard competency and soft competency for every Job Title.
3. Master & Doctoral Degree Program
Educational program for BRI's employees that aim at enhancing employees' competence through formal education levels such as master degree and doctoral degree.

Employees Demographics

No	Corporate Title	Developing Learning Program	
		Management Developing Learning Program	Competency Development Learning Program
1	Executive Vice President	Executive Vice President Developing Program	Regional Head, Division Head and Auditors
2	Vice President	Vice President Developing Program	Regional Deputy Head, Division Deputy Head, and Vice Inspecto
3	Assistant Vice President	Assistant Vice President Developing Program	Branch Head, Division Head and Group Head
4	Senior Manager	Senior Management Developing Program	
5	Manager	Manager Developing Program	Sub-Branch Head, Division Deputy Head, Priority Banking Manager, Marketing Manager, Operational Manager and Micro Business Manager
6	Assistant Manager	Assistant Manager Developing Program	Operational Assistant Manager, Micro Business Assistant Manager, Fund Marketing Assistant Manager, Loan Marketing Assistant Manager
7	Officer	Supervisor Developing Program	Supervisor, Unit Head, Staff and other Officer equivalent position
8	Assistant	Assistant Developing Program	Loan & Funding Relationship Manager, Mantri, CS, Teller and other Assistant equivalent position

Realization of Training Costs and Total Participants in 2018

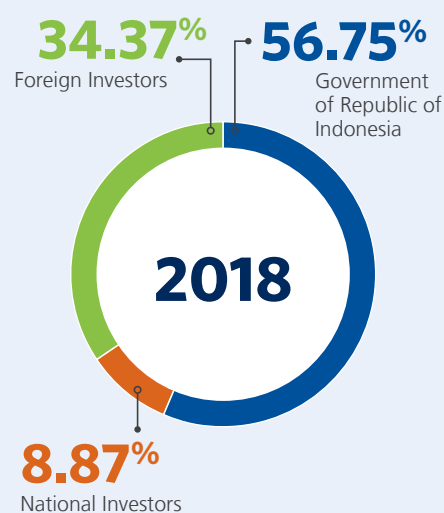
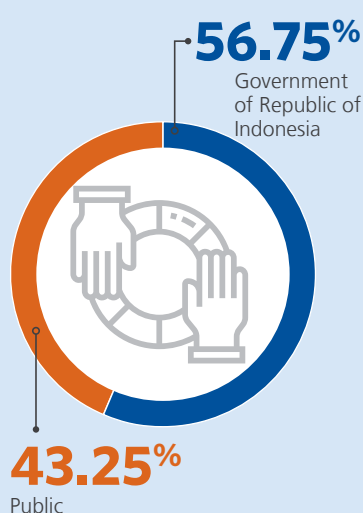
Realization of Costs	Rp603,053 billion
Realization of Participants	131,114 in class participants
	2,672,110 e-learning participants

No	Currency	2018* December Realization (In Million Rupiah)	Realization of the Number of Participants	Realization of Cost/ Participant**) (In Thousand Rupiah)
1	Development	106,678	9,548	11,173
2	Enhancement	323,566	2,793,673	116
3	FPK & FGD	155,736	104,542	1,490
4	Socialization	3,418	61,436	56
5	Literacy	443	3	147,887
6	Support	13,211	-	-
Total		603,053	2,969,202	203
*) In Million Rupiah				
**) In Thousand Rupiah				

Shareholders Composition

At the end of 2018, BRI has a total of 46,403 shareholders consisting of 44,203 national investors and 2,199 foreign investors. BRI majority shareholder is held by the Government of Republic of Indonesia with 56.75% share ownership. The public holds 43.25% shares and there are

no public holding over 5% shares from the total shares as stated in the Share Registrar. Foreign investor holds 34.37% share ownership and the rests are national investors with a portion of 8.87% ownership.



BRI Shareholders Composition as of 31 December 2018

Category	Total Shareholders	Total Shares	Composition
Government of Republic of Indonesia	1	70,000,000,000	56.75%
Public	46,402	53,345,810,000	43.25%
National Investors	44,203	10,945,506,492	8.87%
Individuals	41,935	1,283,300,312	1.04%
Employees	1,511	154,448,600	0.12%
Municipalities	1	1,590,000	0.001%
Banks	2	1,108,667,500	0.89%
Cooperatives	9	3,548,427	0.002%
Foundations	30	121,490,200	0.09%
Pension Funds	164	1,027,553,000	0.83%
Insurance	101	2,814,198,400	2.28%
Limited Liability Companies	109	1,483,083,303	1.20%
Mutual Funds	341	2,947,626,750	2.38%
Foreign Investors	2,199	42,400,303,508	34.37%
Individuals	151	46,156,100	0.04%
Foreign Corporations	2,048	42,354,147,408	34.33%
Total	46,403	123,345,810,000	100%

Shareholders Composition

20 Largest Shareholders of BRI As of 31 December 2018

No	Name	Shares	(%)
1	DJS KETENAGAKERJAAN PROGRAM JHT	1,294,645,300	1.05
2	GIC S/A GOVERNMENT OF SINGAPORE	1,043,573,685	0.85
3	JPMCB NA RE - VANGUARD EMERGING MARKETS	818,636,918	0.66
4	JPMCB NA RE-VANGUARD TOTAL INTERNATIONAL	804,766,701	0.65
5	PT. PRUDENTIAL LIFE ASSURANCE - REF	740,542,500	0.60
6	JPMCB NA AIF CLT RE-STICHTING DEPOSITARY	721,908,900	0.59
7	HSBC BANK PLC S/A SAUDI ARABIAN MONETARY	691,519,295	0.56
8	THE NT TST CO S/A FIDELITY INVESTMENT TR	505,247,900	0.41
9	SSB 2Q27 S/A ISHARES CORE MSCI EMERGING	495,279,400	0.40
10	PT AIA FINL - UL EQUITY	433,051,500	0.35
11	BNYMSANV RE BNYMLB RE EMPLOYEES PROVIDEN	422,848,600	0.34
12	THE NT TST CO S/A HERMES INVESTMENT FUND	415,043,856	0.34
13	THE NORTHERN TRUST CO S/A CANTILLON FUND	394,315,864	0.32
14	BNYM RE VIRTUS VONTOBEL EMERGING MARKETS	392,206,083	0.32
15	NT TST CO S/A GENERATION IM FUND PUBLIC	374,228,100	0.30
16	RBC S/A VONTOBEL FUND - MTX SUITANABLE E	345,299,900	0.28
17	JPMBL SA UCITS CLT RE-JPMORGAN FUNDS	342,378,930	0.28
18	SSB OBIH S/A ISHARES MSCI EMERGING MARKE	337,523,110	0.27
19	JPMORGAN CHASE BANK, N.A.-JPMCB NA RE -	337,222,070	0.27
20	CITIBANK NEW YORK S/A GOVERNMENT OF NORW	334,220,795	0.27

Shareholders Composition

BRI Board of Commissioners Shares Ownership

Name	Position	Ownership			
		31 December 2017		31 December 2018	
		Shares	(%)	Shares	(%)
BOARD OF COMMISSIONERS					
Andrinof Chaniago	President Commissioner/Independent	-	-	-	-
Gatot Trihargo	Vice President Commissioner/ Commissioner	-	-	249,700	0,0002
A Fuad Rahmany	Independent Commissioner	-	-	-	-
A Sony Keraf	Independent Commissioner	-	-	-	-
Mahmud	Independent Commissioner	-	-	-	-
Rofikoh Rohim	Independent Commissioner	-	-	-	-
Vincentius Sonny Loho*	Commissioner	-	-	-	-
Jeffry W. Wurangian	Commissioner	-	-	237,900	0,0002
Nicolaus Teguh Budi Harjanto	Commissioner	-	-	188,700	0,00015
Hadiyanto**	Commissioner	-	-	-	-
*) Effective up to 22 March 2018					
**) Appointed according to the AGMS 22 March 2018					

BRI Board of Directors Shares Ownership

Name	Position	Ownership			
		31 December 2017		31 December 2018	
		Shares	%	Shares	%
BOARD OF DIRECTORS					
Suprajarto	President Director	-	-	466,100	0,00038
Sis Apik Wijayanto	Director	700,000	0,00057	1,328,700	0,00100
Susy Liestyowati *	Director	2,900,000	0,00235		
Donsuwan Simatupang *	Director	142,500	0,00012		
Mohammad Irfan	Director	170,000	0,00014	698,700	0,00057
Haru Koesmahargyo	Director	-	-	528,700	0,00043
Kuswiyoto	Director	-	-	528,700	0,00043
Priyastomo	Director	-	-	528,700	0,00043
Indra Utoyo	Director	-	-	419,500	0,00034
R Sophia Alizsa	Director	25,000	0,00002	142,100	0,00010
Handayani	Director	-	-	106,600	0,00008
Ahmad Solichin Lutfiyanto**	Director	-	-	585,000	0,00047
Supari**	Director	-	-	-	-
Osbal Saragi R**	Director	-	-	410,500	0,0003
*) Effective up to 22 March 2018					
**) Appointed according to the AGMS 22 March 2018					

Corporate Structure



Associates

PT Bahana Artha Ventura 35.00% Associates	PT Danareksa Investment Management 35.00% Associates	PT Sarana Bersama Pengembangan Indonesia 8.00% Associates	PT Kustodian Sentral Efek Indonesia 3.00% Associates	PT Pemeringkat Efek Indonesia 0.21% Associates
---	--	---	--	--

List of Subsidiaries and/or Associates

SUBSIDIARIES

Company Name	Business Lines	BRI Investment Date	Total Assets	Ownership %	Commencing Operations	Address
PT Bank BRIsyariah Tbk (BRIsyariah)	Sharia Commercial Banks	19 December 2007	Rp 37.92 trillion	73.00%	16 October 2008 Masih Beroperasi	Jl. Abdul Muis No. 2-4, Jakarta 10160
PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)	National Commercial Banks	3 March 2011	Rp 23.33 trillion	87.10%	8 February 1990 Masih Beroperasi	Gedung BRI Agro Jl. Warung Jati Barat No. 139 Jakarta 12740
PT BRI Multifinance Indonesia (BRI Finance)	Financing	16 December 2011	Rp 3.62 trillion	99.00%	7 April 2005 Masih Beroperasi	Wisma 46 Lantai 10-Kota BNI, Jalan Jenderal Sudirman Kav. 1 Jakarta
PT Asuransi BRI Life (BRI Life)	Life Insurance Company	14 December 2015	Rp 9.38 trillion	91.00%	28 October 1987 Masih Beroperasi	Graha Irama Lt.2,5,7,11 & 15, Jl. H.R.Rasuna Said Blok X-1 Kav 1 & 2, Jakarta 12950, Indonesia
PT Danareksa Sekuritas (DS)	Securities Underwriters and Securities Brokers	21 December 2018	Rp 869.1 billion	67.00%	1 July 1992 Masih Beroperasi	Gedung Danareksa Lantai 2, Jl. Medan Merdeka Selatan No. 14 , Jakarta 10110
PT BRI Ventura Investama (BRI Ventures)	Venture Capital Company	20 December 2018	Rp 7.20 billion	97.61%	22 January 1998 Masih Beroperasi	Gedung Ad Premier Lt 6 Jl. TB Simatupang No.5, RT.5/RW.7, Ragunan, Ps. Minggu, Jakarta 12550
BRI Remittance Co. Ltd. (BRI Remittance)	Remittance	1 August 1983	Rp 6.86 billion	100.00%	1 August 1983 Masih Beroperasi	Room 1115, 11/F, Lippo Center, Tower II, 89 Queensway, Admiralty, Hong Kong

List of Subsidiaries and/or Associates

ASSOCIATES

Company Name	Business Lines	BRI Investment Date	Total Assets	Ownership %	Commencing Operations	Address
PT Bahana Artha Ventura (BAV)	Venture Capital	21 November 2017	Rp 1.82 triliun	35.00%	5 August 1992 still operating	Wisma Prima Lantai 5, Jl. Kapten P. Tendean No. 34, Jakarta Selatan 12790
PT Danareksa Investment Management (DIM)	Securities Investment Managers	20 December 2018	Rp 216.63 miliar	35.00%	9 October 1992 still operating	Gedung Danareksa Lantai 1, Jl. Medan Merdeka Selatan No. 14, Jakarta 10110
PT Sarana Bersama Pengembangan Indonesia (SBPI)	Investment	1 June 1981	Rp 169.45 miliar	8.00%	27 October 1981 still operating	Setiabudi 2 Building, Suite 502A Jl. HR Rasuna Said Kav 62 Kuningan Jakarta Selatan 12920
PT Kustodian Sentral Efek Indonesia (KSEI)	Securities Settlement Institution	5 December 1997	Rp 2 triliun	3.00%	11 November 1998 still operating	Gedung Bursa Efek Jakarta Tower I, 5th Floor, Jl. Jend Sudirman Kav 52-53, Jakarta 12190
PT Pemeringkat Efek Indonesia (Pefindo)	Securities Rating	15 June 1995	Rp 185.05 miliar	0.21%	21 December 1993 still operating	Panin Tower Senayan City, 17th Floor, Jl. Asia Afrika Lot.19, Gelora, Jakarta 12220

Shares Listing Chronology

BRI exercised Initial Public Offering on 31 October 2003 with a total of 3,811,765,000 Registered Ordinary Shares Series B to domestic and foreign investors. The total shares was a divestment of 2,047,060,000 shares of the Republic of Indonesia and 1,764,705,000 shares issued from the portfolio.

The initial public offering was in accordance with the effective registration statement issued by Bapepam - now OJK (Letter of

Bapepam Chairman No. S-2646/PM/2003) dated 31 October 2003. The shares were offered at a nominal value of Rp500.00 per share, traded on 10 November 2003 and registered in Jakarta Stock Exchange (now Indonesia Stock Exchange).

Following the initial public offering, BRI issued two types of shares: Golden Shares Series A and Ordinary Shares Series B. Golden Shares Series A are issued and owned by the Republic of Indonesia and are not transferable to any parties.

On 10 November 2003 BRI exercised oversubscription option of 381,176,000 Ordinary Shares Series B of the Republic of Indonesia (divestment) and over-allotment option of 571,764,000 Ordinary Shares Series B of the Republic of Indonesia (divestment) on 3 December 2003. The divestment was listed at the Jakarta Stock Exchange (now Indonesia Stock Exchange).

Subsequent to BRI IPO, oversubscription option, and over allotment option, the Republic of Indonesia owned 59.50% BRI shares.

IPO Proceeds Allocation

No.	Proceed IPO Allocation (Rp billion)	Plan	2004	2005	2006	2007	2008	2009	Achievement
1	Core banking & IT System Upgrade	883.27	196.24	564.35	646.96	698.87	723.36	883.27	100%
2	Network Expansion	441.63	213.68	419.34	441.63	441.63	441.63	441.63	100%
3	Product Research and Development	147.21	147.21	147.21	147.21	147.21	147.21	147.21	100%
	Total Proceed	1.472.11	557.13	1.130.90	1.235.80	1.287.71	1.312.20	1.472.11	100%

Shares Listing Chronology

Management Stock Option Plan (MSOP)

Pursuant to the resolution of the Extraordinary GMS on 3 October 2003, BRI shareholders approved the Management Stock Option Plan (MSOP).

Under the MSOP, BRI issued a total of 588,235,250 shares. The MSOP was exercised in three tranches; MSOP Tranches I and II were completed on

9 November 2008 and 9 November 2009, respectively, while MSOP Tranche III was completed on 9 November 2010.

The three MSOP tranches refer to the Regulation of Bapepam-LK No. IX.D.4 and IDX Regulation No.1-A, Attachment to the Decree of IDX Board of Directors No.Kep.305/BEJ/07-2004 regarding Shares Listing.

In total, there were 569,876,000 shares exercised until the completion of all MSOP phases. Until the end of exercise period, there were 18.3 million unexercised shares that consist of 4.3 million unexercised shares from MSOP Tranche I; 5.2 million unexercised shares from MSOP Tranche II; and 8.8 million unexercised shares from MSOP Tranche III.

MSOP Phases	Total MSOP Shares	Beginning Date of MSOP	Ending Date of MSOP	Prices	Exercised Shares
Phase I	235,294,100	10 November 2003	9 November 2008	Rp962.50	230,999,000
Phase II	235,294,100	10 November 2004	9 November 2009	Rp1,750.00	230,047,000
Phase III	117,647,050	10 November 2005	9 November 2010	Rp20,907 - Rp8,649*)	108,830,000
Total	588,235,250				569,876,000

*) MSOP phase III was executed 8 periods with price according to Bapepam-LK and IDX rules

There were a total of 588,235,250 shares allocated for MSOP Tranche I, II, and III, where until the end of MSOP period, a total of 569,876,000 shares were exercised. The MSOP generated additional equity for the Bank at Rp1,366,089,110,750.00.

No.	Description	Phase I	Phase II	Phase III	Total
1	Paid-Up Capital	115,500	115,024	54,415	284,938
2	Premium	106,837	287,559	474,490	686,886
3	Other Capital (Share x Option Value)	27,117	80,889	10,259	212,265
	Total	249,454	483,471	633,164	1,366,089

With the completion of exercised MSOP in 2010, the government share ownership was recorded at 56.75%.

Shares Listing Chronology

Year	Shares Ownership				Nominal (Rp)	Total Shares Issued at the End of Period	Equity Value Issued at the End of Period (Rp Million)	Corporate Actions
	Government		Public					
	Total	%	Total	%				
2003	7,000,000,000	59.50	4,764,705,000	40.50	500	11,764,705,000	5,882,353	IPO dated 10 November 2003 Total shares post IPO 11.764.705.000 (listed in BEJ)
2004	7,000,000,000	59.07	4,850,090,500	40.93	500	11,850,090,500	5,925,045	Exercise MSOP 85.385.500
2005	7,000,000,000	58.16	5,035,700,500	41.84	500	12,035,700,500	6,017,850	Exercise MSOP 185.610.000
2006	7,000,000,000	56.97	5,286,421,500	43.03	500	12,286,421,500	6,143,211	Exercise MSOP 250.721.000
2007	7,000,000,000	56.83	5,317,800,500	43.17	500	12,317,800,500	6,158,900	Exercise MSOP 31.379.000
2008	7,000,000,000	56.79	5,325,299,500	43.21	500	12,325,299,500	6,162,650	Exercise MSOP 7.499.000
2009	7,000,000,000	56.77	5,329,852,500	43.23	500	12,329,852,500	6,164,926	Exercise MSOP 4.553.000
2010	7,000,000,000	56.75	5,334,581,000	43.25	500	12,334,581,000	6,167,291	Exercise MSOP 4.728.500
2011	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291	Stock Split 1:2 dated 11 January 2011
2012	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291	
2013	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291	
2014	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291	
2015	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291	
2016	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291	
2017	70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000	6,167,291	Stock Split 1:5 dated 10 November 2017
2018	70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000	6,167,291	

Stock Split

With the completion of exercised MSOP in 2010, the government share ownership was recorded at 56.75%. In 2017, BRI does not exercised outstanding ESOP/MSOP Program.

Up to 31 December 2017, BRI has exercised two times stock split namely in 2011 and 2017.

Stock Split in 2011

Based on the Bank's Extraordinary General Meeting of Shareholders ("EGMS") held on 24 November 2011, the shareholders has approved to exercise a stock split from previously Rp500,- (Five hundred rupiah) per share to Rp 250,- (Two hundred fifty rupiah) per share (Ratio 1:2).

The share price prior to stock split on 10 January 2011 was Rp9,300.00,- and changed to Rp4,800,- at the

closing of trading on 11 January 2011. With such stock split, as of 11 January 2011 the total shares outstanding prior to and at the stock split was 12.334.581.000 shares and 24.669.162.000 shares. There was no changes on the shares ownership composition by the Government or Public prior to and after the stock split.

Shares Listing Chronology

Stock Split in 2017

Pursuant to the Extraordinary General Meeting of Shareholders ("EGMS") convened on 18 October 2017, the shareholders approved a stock split from previously Rp 250,- (two hundred fifty Rupiah) per shares to Rp 50,- (fifty Rupiah) per shares (Ratio 1:5).

The share price prior to stock split on 9 November 2017 was Rp16,450,- and changed to Rp3,280,- at the closing of trading on 10 November 2017. With such stock split, as of 10 November 2017 the total shares outstanding prior to and at the stock split was 24,669,162,000 shares and 123,945,810,000 shares. There were no changes on the shares ownership composition by the Government or Public prior to and after the stock split.

The shares listing chronology in relation with this corporate action are as follows:

Stock Split in 2011

Description	Shareholders (Total Shares Outstanding)					Total Shares Outstanding
	Government		Public		Nominal	
	Total	%	Total	%	Rp	
Prior to Stock Split	7,000,000,000	56.75	5,334,581,000	43.25	500	12,334,581,000
Post Stock Split	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000

Stock Split in 2017

Description	Shareholders (Total Shares Outstanding)					Total Shares Outstanding
	Government		Public		Nominal	
	Total	%	Total	%	Rp	
Sebelum Stock Split	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000
Setelah Stock Split	70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000

Stock Buy Back

No stock buy back during 2017. The Bank has exercised a stock buy back in 2015-2016. BRI exercised the buy back for three months starting 12 October 2015 to 12 January 2016, with the total buy back costs of Rp2.419 trillion. The initial buy back target was Rp2.5 trillion, with the rules that BRI buy back shares should not exceed 20% of total paid-up capital and shares outstanding should be at a minimum 7.5% of paid-up capital.

Stock Buy Back Shares in 2015-2016

Total Shares	Average Buying Price	Improved Earnings Per Share
221,718,000 shares	Rp 10,910/share	Rp9.5/share

*before stock split 1:5

Shares Listing Chronology

In performing the stock buy back and/or bonds, the Bank complies with the prevailing external regulations, among others:

- Law No. 40 of 2007 on Limited Liability Company
- OJK Regulation No. 2/POJK.04/2013 on Stock Buyback by Issuers or Public Companies in Significantly Fluctuating Market Conditions
- OJK Circular No. 22/SEOJK.04/2013 on Other Conditions as Significantly Fluctuating Market Conditions of Stock Buyback by Issuers or Public Companies in Significantly Fluctuating Market Conditions
- Bank Indonesia Regulation No. 15/12/DASP/2013 regarding the Procedures for the Auction of Government Securities in the Primary Market and the Administration of Government Securities.

The source of buyback funds was the Bank's internal cash and there was an assurance that the funds would not impact the Bank's financial condition required to finance its activities. All buy back transactions have been administered to the OJK on 13 January 2016. The buyback shares are planned to be used in MSOP/ESOP (Management Stock Option/ Employee Stock Option).

Bond Buy Back

Up to 31 December 2018, the Bank has not exercised any bonds buy back.

Suspension/ Delisting

Up to 31 December 2018 there were no suspension and/or delisting on BRI' shares.

Other Securities Listing Chronology

Issued Securities and Due

No	Bonds	Currencies	Issuance Date	Maturity	Nominal Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
1	Subordinate Notes due 2013	USD	25 Sept'03	30 Oct'13	150,000,000	120	7.75	B3	Moody's	Strengthening capital structure
2	Bank BRI Subordinated Bonds I Year 2004	IDR	9 Jan'04	9 Jan'14	500,000,000,000	120	13.50	AA+	Pefindo	Strengthening capital structure
3	Bank BRI Subordinated Bonds II Year 2009	IDR	22 Dec'09	22 Dec'14	2,000,000,000,000	60	10.95	AA+	Pefindo	Strengthening capital structure
4	Senior Notes due 2018	USD	28-Mar-13	28-Mar-18	500,000,000	60	2.95	Baa3	Moody's	Loan disbursement with prudential banking and good corporate governance principles
5	BRI MTN Phase I Year 2014 Series-A	IDR	10 Oct'14	15 Oct'15	300,000,000,000	370 days	8.75	F1+	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
6	MTN BRI Phase I Year 2014 Series B	IDR	10 Oct'14	10 Oct'16	60,000,000,000	24	9.25	AAA	Fitch Indonesia	
7	MTN BRI Phase I Year 2014 Series C	IDR	10 Oct'14	10 Oct'17	360,000,000,000	36	9.50	AAA	Fitch Indonesia	
8	MTN BRI Phase II Year 2014	IDR	24 Dec'14	24 Dec'15	520,000,000,000	370 days	8.90	F1+	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
9	NCD BRI Year 2014 Series A	IDR	2 Dec'14	2 Mar'15	165,000,000,000	3	8.00	No Rating	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
10	NCD BRI Year 2014 Series B	IDR	2 Dec'14	2 Jun'15	790,000,000,000	6	8.60	No Rating	-	
11	NCD II Bank BRI Phase I Year 2015 Series A	IDR	22 Apr'15	22 Jul'15	595,000,000,000	3	7.10	No Rating	-	
12	NCD II Bank BRI Phase I Year 2015 Series B	IDR	22 Apr'15	22 Oct'15	1,020,000,000,000	6	8.00	No Rating	-	
13	NCD II Bank BRI Phase I Year 2015 Series C	IDR	22 Apr'15	22 Jan'16	265,000,000,000	9	8.10	No Rating	-	

Other Securities Listing Chronology

Issued Securities and Due

No	Bonds	Currencies	Issuance Date	Maturity	Nominal Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
14	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-A	IDR	2 Jul'15	7 Jul'16	655,000,000,000	370 days	8.40	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
15	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-B	IDR	2-Jul-15	3-Jul-18	925,000,000,000	36	9.20	AAA	Pefindo	
16	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-A	IDR	5 Feb'16	8 Feb'17	808,000,000,000	370 days	8.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
17	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-A	IDR	25 May'16	30 May'17	1,212,000,000,000	370 days	7.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
18	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-A	IDR	1 Dec'16	6 Dec'17	616,000,000,000	370 days	7.25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
19	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-A	IDR	11-Apr-17	16-Apr-18	1,131,000,000,000	370 days	7.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
20	MTN Bank BRI Phase I Year 2016	IDR	16 Sept'16	21 Sept17	1,925,000,000,000	370 days	7.40	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.

Other Securities Listing Chronology

Issued Securities and Outstanding

No	Bonds	Currencies	Issuance Date	Maturity	Nominal Value	Tenor (Month)	Coupon/Discount Rates	Ratings	Rating Agencies	Issuance Main Purpose
1	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-C	IDR	2 Jul'15	3 Jul'20	1,420,000,000,000	60	9.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
2	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-B	IDR	5 Feb'16	4 Feb'19	1,018,500,000,000	36	9.25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
3	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-C	IDR	5 Feb'16	4 Feb'21	2,823,500,000,000	60	9.60	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
4	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-B	IDR	25 May'16	25 May'19	2,437,000,000,000	36	8.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
5	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-C	IDR	25 May'16	25 May'21	701,000,000,000	60	8.70	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
6	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-B	IDR	1 Dec'16	1 Dec'19	964,000,000,000	36	8.00	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
7	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-C	IDR	1 Dec'16	1 Dec'21	193,000,000,000	60	8.20	AAA	Pefindo	
8	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-D	IDR	1 Dec'16	1 Dec'23	477,000,000,000	84	8.65	AAA	Pefindo	
9	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-E	IDR	1 Dec'16	1 Dec'26	2,350,000,000,000	120	8.90	AAA	Pefindo	

Other Securities Listing Chronology

Issued Securities and Outstanding

No	Bonds	Currencies	Issuance Date	Maturity	Nominal Value	Tenor (Month)	Coupon/Discount Rates	Ratings	Rating Agencies	Issuance Main Purpose
10	Bank BRI Shelf Registration Bonds II Phase II 2017 Series-B	IDR	11 Apr'17	11 Apr'20	1,743,500,000,000	36	8.10	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles.
11	Bank BRI Shelf Registration Bonds II Phase II 2017 Series-C	IDR	11 Apr'17	11 Apr'22	925,000,000,000	60	8.30	AAA	Pefindo	
12	Bank BRI Shelf Registration Bonds II Phase II 2017 Series-D	IDR	11 Apr'17	11 Apr'27	1,300,500,000,000	120	8.80	AAA	Pefindo	
13	Bank BRI Shelf Registration Bonds II Phase III 2017 Series-A	IDR	24 Aug'17	24 Aug'20	980,500,000,000	36	7.60	AAA	Pefindo	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
14	Bank BRI Shelf Registration Bonds II Phase III 2017 Series-B	IDR	24 Aug'17	24 Aug'22	1,652,500,000,000	60	8.00	AAA	Pefindo	
15	Bank BRI Shelf Registration Bonds II Phase III 2017 Series-C	IDR	24 Aug'17	24 Aug'24	2,517,000,000,000	84	8.25	AAA	Pefindo	
16	Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-A	IDR	21-Feb-18	21-Feb-23	1,837,000,000,000	60	6.65	AAA	Pefindo	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
17	Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-B	IDR	21-Feb-18	21-Feb-25	605,000,000,000	84	6.90	AAA	Pefindo	
18	Bank BRI Registration Bonds III 2018	IDR	21-Jun-18	21-Jun-23	500,000,000,000	60	7.70	AA	Pefindo	Strengthening capital structure according to POJK Recovery Plan and calculated as Tier 2 Capital and will further utilize for increasing earning assets.

Names and Addresses of Capital Market Institutions & Professions

Name & Address	Services	Fees (Rp)	Assignment Period
PT Bursa Efek Indonesia Gedung Bursa Efek Indonesia, Tower I Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190 – Indonesia Tel. (62-21) 5150515 Fax. (62-21) 5150330 E-mail: callcenter@idx.co.id	Capital Market Institution <ul style="list-style-type: none"> ▶ Organizer and provider of securities trading systems and facilities ▶ Provider of dissemination of information ▶ Supervisor of fair trade transactions 	Rp160,875,000	since 2003 - 2018
PT Kustodian Sentral Efek Indonesia Indonesia Stock Exchange Building Tower I, Lantai 5 Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190 Tel. (62-21) 5299 1003 Fax. (62-21) 5299 1129 Website: www.ksei.co.id	Custodian <ul style="list-style-type: none"> ▶ Securities deposit in electronic form services ▶ Settlement of securities transactions services ▶ Securities administration services ▶ Distribution of corporate action services 	Rp424,277,235	2018
PT Datindo Entrycom Jl. Jend. Sudirman Kav. 34-35 Jakarta 10220 Tel. (62-21) 570 9009	Shares Registrar <ul style="list-style-type: none"> ▶ Securities Administration Services ▶ Organizer of AGM Services ▶ Dividend Payment Services 	Rp413,959,700	2018
PT Pemeringkat Efek Indonesia (Pefindo) Panin Tower Senayan City Lantai 17 Jl. Asia Afrika Kav. 19 Jakarta	Rating Agency	Rp1,174,500,000	2018
PT Fitch Rating Indonesia Prudential Tower Lantai 20 Jl. Jend Sudirman Kav. 79 Jakarta 12190 Tel. (62-21) 5795 7755 Fax. (62-21) 5795 7750	Rating Agency	Rp704,430,400	2018
Moody's Singapore Pte. Ltd. 50th Raffles Place #23-06 Singapore Land Tower Singapore 048623	Rating Agency	Rp1,232,250,000	2018
Standard & Poors 30 Cecil Street #17-01/08 Prudential Tower Singapore 049712 Tel. (65) 6438 2881 Fax. (65) 6438 2321	Rating Agency	Rp811,666,000	2018
Purwanto, Sungkoro, & Surja (Ernst & Young) Indonesian Stock Exchange Building Tower 2, Lantai 7 Jl. Jend. Sudirman Kav. 52-53 Jakarta 12190 Tel. (62-21) 5289 5000 Fax. (62-21) 5289 4100	Public Accounting Firm <ul style="list-style-type: none"> ▶ Financial Statement Audit Services ▶ Limited Audit Review Services 	Rp13,545,000,000	2018

Awards and Certifications

NATIONAL AWARDS



.1



.2



.4



.1

CSR Award

25 January 2018

Sindo Weekly

Best CSR Kategori Pendidikan

Jakarta



.2

Indonesia CSR Award

23 February 2018

Economic Review

Predikat Platinum

Jakarta



.3

Indonesia Netizen Brand Choice Award

23 February 2018

Warta Ekonomi

Bank Buku IV

Jakarta



.4

Indonesia Top Digital Public Relation Award (ITDPA) 2018

25 January 2018

Tras N Co Indonesia

Bank

Jakarta



.5

The Big-7

23 February 2018

Economic Review

The Best Of The Best CSR of The Year 2018

Jakarta



.6

Indonesia Corsec & Corp. Comm Award (ICCA)

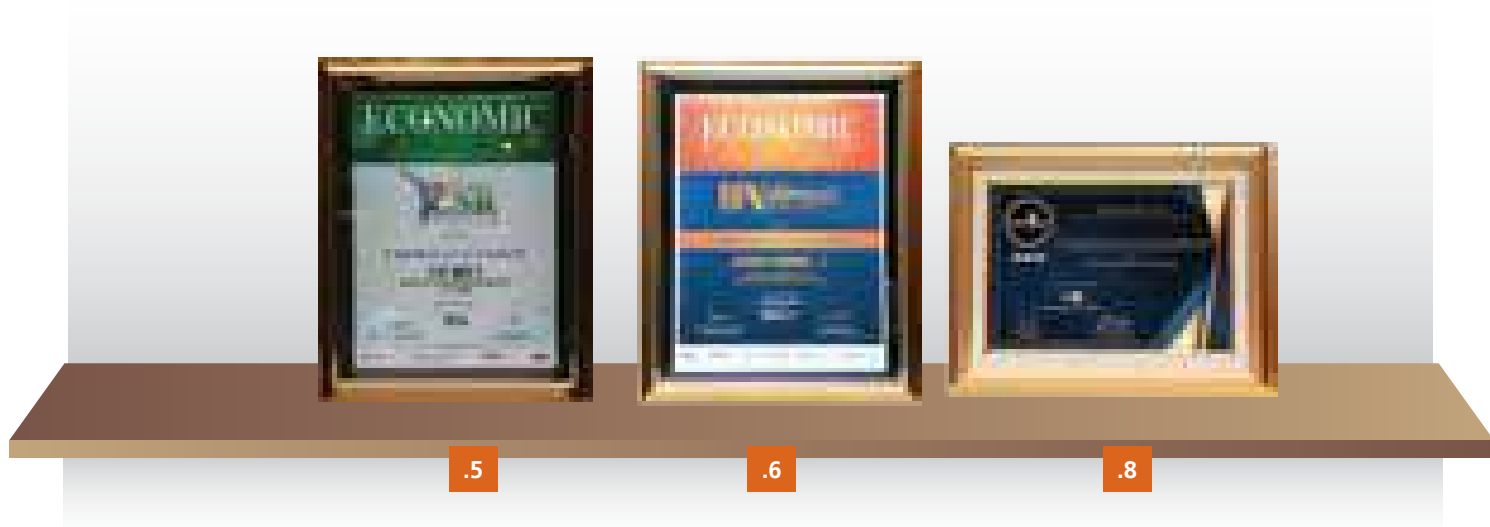
2 March 2018

Economic Review

Best Corporate Secretary

Jakarta

Awards and Certifications



.7

Indonesia Information Technology Award

2 March 2018

Economic Review**Best IT**

Jakarta



.8

Obsession Media Group Award

22 March 2018

Obsession Media Group**Best Achiever in Company**

Jakarta



.9

Jawara Finansial Award 2018

29 March 2018

Warta Ekonomi

Top Used Bank in Commercial Bank Based on Business Activities/Buku 4 & Top Saving Account Product & Top Saving Deposit Product & Top Digital Banking Product & Top Credit Card Product

Jakarta



.10

Indonesia Wow Brand Champion

8 March 2018

PT Markplus Indonesia**Gold Kategori Tabungan/ Saving Account**

Jakarta



.11

Award PR Indonesia

29 March 2018

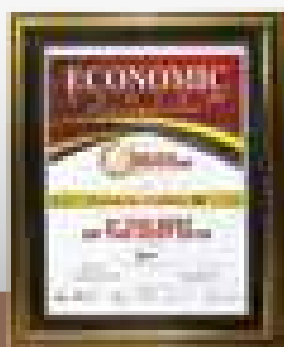
PR Indonesia**Best PR**

Surabaya

Awards and Certifications



.12



.13



.12

The Big-4

13 April 2018

Economic Review

Bank

Jakarta



.14

.19

.20



.13

3rd The Best of The Best 2018

13 April 2018

Economic Review

Bank

Jakarta



.14

Economic Review Award 3rd Best of The Best 2018

13 April 2018

Economic Review (ISMA)

Finance

Jakarta



.15

100 Best Listed Companies 2018

14 May 2018

Investor Magazine

Banking

Jakarta



.16

Economic Review 1st Legal Award 2018

13 April 2018

Economic Review (ILA)

Finance

Jakarta



.17

Indonesia Most Admired Companies

9 May 2018

Warta Ekonomi

Banking

Jakarta



.18

Top 100 Enterprises 2018






29 June 2018

Warta Ekonomi

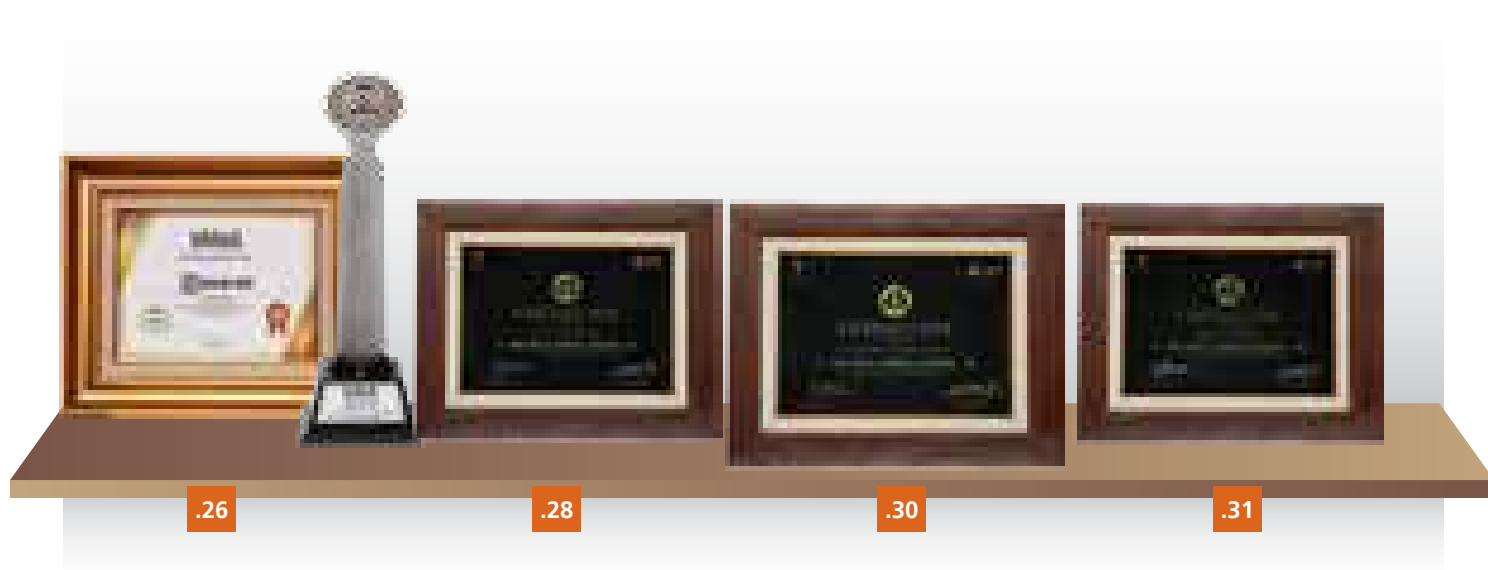
Banking

Jakarta

Awards and Certifications

 <p>.21</p>	 <p>.22</p>	 <p>.23</p>  <p>.25</p>
 <p>.20</p> <p>Indonesia Green Company & Sri Kehati Award 11 July 2018 Kehati Banking Jakarta</p>	 <p>.21</p> <p>Asean Best Public Companies 26 July 2018 SWA 1st Place Indonesian Best Public Companies Jakarta</p>	 <p>.22</p> <p>Infobank The Highest Tax Payer State Owned Enterprises In Banking Sector 26 September 2018 Infobank Finance Jakarta</p>
 <p>.23</p> <p>As a Constituent of Sustainable Responsible Investment 11 July 2018 Kehati Banking Jakarta</p>	 <p>.24</p> <p>Asean Best Public Companies 26 July 2018 SWA 2nd Place Asean Best Public Companies Jakarta</p>	 <p>.25</p> <p>InfoBank The Most Profitable State Owned Enterprises In Banking 26 September 2018 Infobank Finance Jakarta</p>

Awards and Certifications



.26

Infobank Atas Kinerja Keuangan "Sangat Bagus"

26 September 2018

Infobank

Finance

Jakarta



.27

Diversity Of The Board (Kategori Bank Konvensional)

26 September 2018

Indonesia Banking School

(TEMPO)

Banking

Jakarta



.28

The Best Parenting Bank

26 September 2018

Indonesia Banking School

(TEMPO)

Banking

Jakarta



.29

RED HAT Innovation Awards APAC 2018 (Digital Transformation)

26 September 2018

Red Hat (APAC)

Finance

Jakarta



.30

The Best Bank In Digital Services

26 September 2018

Indonesia Banking School

(TEMPO)

Banking

Jakarta



.31

The Most Efficient Bank

26 September 2018

Indonesia Banking School

(TEMPO)

Banking

Jakarta

Awards and Certifications



.32

Indonesia Living Legend Award

11 October 2018

SWA

Banking

Jakarta



.33

The Most Favourite Leadership 2018 (Perbankan)

21 November 2018

Property Bank

Grand Property Award



.34

The Top 50 Companies Forbes 2018

29 November 2018

Indonesia Forbes

Best Of The Best Awards 2018

Jakarta



.35

Economic Challenges Awards 2018

13 November 2018

Metro TV

Banking Industry

Jakarta



.36

Sebagai Penyalur KUR 2018 Terbaik I

22 November 2018

Kementrian Koordinator

Bidang Perekonomian Republik

Indonesia

KUR Award

Jakarta



.37

Emitmen Dengan Penambahan Investor Karyawan Tertinggi 2018

December

IDX (Indonesia Stock Exchange)

Finance

Jakarta

INTERNATIONAL AWARDS



.1

2017 Asia Sustainability Reporting Awards

06 February 2018

ASRA (Asia Sustainability Reporting Awards)

Asia's Best Reporting on the SDG's

Singapore



.2

Asia's Best CFO

8 June 2018

Corporate Governance Asia Finance

Hongkong



.3

National Winner For Marketing 3.0 Awardee of The Year 2018

18 September 2018

Asia Marketing Excellence Award

 Banking
China


.4

Euro Money Award

22 February 2018

Euro Money

The Best Bank in Indonesia For Private Banking: Succession Advice and Trust

London



.5

Best Investor Relations Company

8 June 2018

Corporate Governance Asia Finance

Hongkong



.6

Award Asia Excellent Marketing, Guangzhou

18 September 2018

AMF

 Finance
Guangzhou


.7

Asia's Best CEO

8 June 2018

Corporate Governance Asia Finance

Hongkong



.8

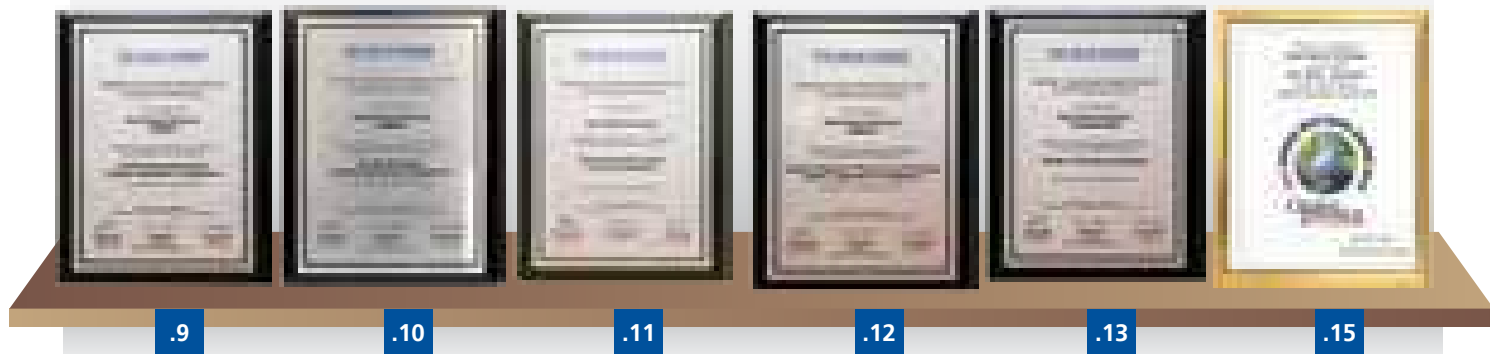
Best CSR

18 September 2018

Asia Money Perbankan

China

Awards and Certifications



.9

The Best Automated Advisory Initiative, Application or Programme : SABRINA

30 August 2018

Asian Bankers

Banking

Jakarta



.10

The Best Frictionless Customer Relationship Management: SABRINA

30 August 2018

Asian Bankers

Banking

Jakarta



.11

The Best Innovation Centre by Financial Institution

30 August 2018

Asian Bankers

Banking

Jakarta



.12

The Best Productivity, Efficiency and Automation Initiative, Application or Programme : BRISPOT

30 August 2018

Asian Bankers

Banking

Jakarta



.13

The Best E-Commerce Proposition: Indonesian Mall

30 August 2018

Asian Bankers

Banking

Jakarta



.14

Best Operating Model Master

30 August 2018

International Data Corporation (IDC)

Banking

Jakarta



.15

Best Bank Indonesia In The Global Finance

16 October 2018

Global Finance

Finance

Bali

Certification

ISO 9001:2015



The Accounting and Financial Management Division received the ISO 9001:2015 certification with the scopes of "Design of Accounting Policy & Accounting Control, Preparation and Verification of Published Financial Statements, Budget Planning and Control, and Corporate Financial & Tax Compliance" from Certifications Institution PT SGS Indonesia. This is a testament of continuous improvement in quality development and monitoring of Accounting Policy by the Division to address the needs of BRI stakeholders to ensure fairness of the Financial Statements.

Asset & Liabilities Management Division successfully attained the ISO 9001:2015 certificate from Certification Institution SGS Indonesia which valid since 6 May 2018 up to 6 May 2021 with the scope of Preparation of Data for Financial Statement and Provision of External Report (Commercial Banks Monthly Report). This is proved that BRI always improve the quality of data preparation for financial statements, hence improving the quality of financial statements presented by BRI.

The Operation Center Division of BRI received the ISO 9001:2015 certification with 8 (eight) scopes: "Operation Centre System for RTGS, Clearing, Remittance, Card Perso Processing, Payment System Reconciliation, ATM Reconciliation, Treasury and e-Banking Settlement, Cash and Trade Finance" from Certifications Institution PT Lloyd's

Register Indonesia. This achievement is expected to continually improve the transaction process in BRI hence resulting in improved customer satisfaction.

The Goods and Service Procurement Division received the ISO 9001:2015 certifications from PT Lloyd's Register Indonesia in relations with "Provision of Inventory, Purchase Payment and Archiving Service". This certification is recognized in both nationally and internationally by the National Accreditation Committee and United Kingdom Accreditation Services (UKAS) Management System.

BRI Corporate University received the ISO 9001:2015 from the certification institute Lloyd's Register. This certification recognized the management System Standard of BRI Corporate University regarding the "Provision of Banking Training Services". This is a testament that BRI Corporate University strives to improve its education operational quality and upholding learners satisfaction.

The International Business Division received the ISO 9001:2015 certification from Lloyd's Register Indonesia. This certification recognized the management System Standard within the International Business Division in terms of "Provision of Trade Processing Centre Service Including Supporting Function of Policy and Development & Monitoring Trade Finance". This

is a testament that BRI strives to enhance its operational quality hence becoming the trusted intermediaries.

BRI Human Capital Operations Division has received ISO 9001:2015 certificate from Certification Institution SGS Indonesia that valid since 19 September 2018 up to 9 November 2021. This shown BRI commitment in developing and providing best services to employees. This ISO certificate is provided for quality management system in data management, communication, and compensation payment and benefit of Human Capital with technology-based services that are fast, proper and accurate.

ISO 27001:2013



Digital Center of Excellence Division has also received ISO 27001:2013 certificate that valid since 14 December 2018 up to 13 December 2021 from BSI Institution with the scope of the management of information security in provision of big data dan analytics. This shown BRI seriousness to developing big data technology that will support BRI business development strategy in the future.

BRI Credit Ratings

FITCH

Long Term Foreign Currency IDR	BBB-, Stable Outlook
Short Term Foreign Currency IDR	F3
Support Rating Floor	BBB-
Support Rating	2
Viability Rating	bbb-
National Long-Term Rating	AAA (idn), Stable Outlook
Rupiah Subordinated Debt	A+ (idn)
Senior Unsecured Notes	BBB-

Standard and Poor's

Outlook	Positive
Long Term Foreign Issuer Credit	BB+
Long Term Local Issuer Credit	BB+
Short Term Foreign Issuer Credit	B
Short Term Local Issuer Credit	B

MOODY'S

Outlook	Stable
Bank Deposit	Baa2/P-2
Bank Financial Strength	D+
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)

PEFINDO

National Rating	id AAA, Stable Outlook
-----------------	------------------------

PERINGKAT NEGARA INDONESIA

Standard and Poor's	BBB-, Stable Outlook
Fitch	BBB, Stable Outlook
Moody's	Baa2, Stable Outlook
Japan Credit Rating Agency	BBB, Stable Outlook

Office Addresses and/or Branch Offices or Representative Offices

OFFICE NETWORK

HEAD OFFICE

BRI Building I and II,
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210
Tel. : (021) 2510244, 2510254, 2510264
Fax. : (021) 2500065, 2500077

REGIONAL OFFICES

Banda Aceh

Jl. Cut Meutia No. 17
Banda Aceh
Tel. : (0651) 22822
Fax. : (0651) 23487, 22352

Bandar Lampung

Jl. Raden Intan No.51 Tanjung Karang, Bandar
Lampung 35118
Tel. : (0721) 259340
Fax. : (0721) 259397

Bandung

Gedung Menara BRI Lt.4, Jl. Asia Afrika 57 - 59,
Bandung
Tel. : (022) 4200363, 4207977
Fax. : (022) 4236710

Banjarmasin

Jalan Jend A. Yani KM 3,5 No 151 Banjarmasin
Tel. : (0511) 3252056, 3257057, 3251647, 3251649
Fax. : (0511) 3252992, 32521649

Denpasar

Jalan Hayam Wuruk No 123, Denpasar
Tel. : (0361) 228715
Fax. : (0361) 225402

Jakarta 1

Jl. Veteran No.8, Jakarta Pusat
Tel. : (021) 3840802
Fax. : (021) 3453685

Jakarta 2

Jl. Gatot Subroto Kav.9-11
Gedung Mulia Lt.2 No. 72,
Jakarta Selatan 13330
Tel. : (021) 52920581, 52920585
Fax. : (021) 52920586, 52920587

Jakarta 3

Jl. Kapten Soebianto Djojokusumo Kav CBD II No.I, Kel.
Lengkong Gudang, Kec.Serpong
Tel. : (021) 29703751 ex 52
Fax. : (021) 7255732

Jayapura

Gedung BRI
Jl. Pasifik Permai, Kompleks Ruko Dok II, Kel.
Bhayangkara, Distrik Jayapura Utara, Kota Jayapura,
Papua 99112
Tel. : (0967) 524652, 524453
Fax. : (0967) 524862, 537191

Makassar

Jl. Jend. Urip Sumoharjo KM 4, Kel.Karuwisi Utara, Kec.
Panakukkang, Kota Makassar
Tel. : (0411) 312498, 323507
Fax. : (0411) 312731

Malang

Jl. Laksmana Martadinata 80 Lt. 4, Malang
Tel. : (0341) 555422, 555425, 555620, 555423,
555420
Fax. : (0341) 555421

Office Addresses and/or Branch Offices or Representative Offices

Manado

Jl. Sarapung No.4-6, Manado
Tel. : (0431) 863592, 863378
Fax. : (0431) 862779, 866966

Medan

Jalan Putri Hijau No 2A, Medan
Tel. : (061) 45256666, 4528323
Fax. : (061) 4536082

Padang

Jl Bagindo Azis Chan No. 30 Padang
Tel. : (0751) 7052111, 7052528 / (Sementara) (0751)
71045, 778910 892311, 892312
Fax. : (0751) 7054995 / (0751) 72653

Palembang

Jl. Kapten A. Rivai No.15, Palembang
Tel. : (0711) 310173, 310178
Fax. : (0711) 312343

Pekanbaru

Jl. Jenderal Sudirman No. 11-11A
Rt. 01/RW 01 Simpang Tiga, Pekanbaru
Tel. : (0761) 7865016 - 18
Fax. : (0761) 7865019

Semarang

Jl. Teuku Umar No. 24 Semarang
Tel. : (024) 8311110
Fax. : (024) 8318436

Surabaya

Jalan Jend Basuki Rahmat No 122-138 Gedung BRI
Tower Lt 20, Surabaya
Tel. : (031) 5324230

Yogyakarta

Jl. Cik Di Tiro No.3 Terban, Gondokusuman, Kota
Yogyakarta
Tel. : (0274) 510850,520268
Fax. : (0274) 514166, 584883

SPECIAL BRANCH OFFICE

Gedung BRI II
Jl. Jend. Sudirman Kav. No
Tel. : (021) 5709060
Fax. : (021) 5713181

OVERSEAS BRANCH OFFICES

New York Agency

140 Broadway 30th Floor
New York, NY 10005
Tel. : +1 212 3793840
Fax. : +1 212 3793850

Hong Kong Representative

Room 2211, 22/F Lippo Center Tower 2
89 Queensway, Hong Kong
Tel. : (852) 25271318
Fax. : (852) 28623693

Singapore Branch

50 Collyer Quay, #08-06,
Que Bayfront, Singapore 049321
Tel. : +65 68050686

Cayman Island

Cayman Island Branch
190 Elgin Avenue Grand Cayman,
KY1-9005, Cayman Island

BRI Timor-Leste Branch

Grand Diocese Colmera Complex,
Rua Nicolau Dos Reis Lobato
Colmera Dili, Timor Leste
Tel. : +6703311372

Office Addresses and/or Branch Offices or Representative Offices

Regional Offices and Operating Units under the mentoring of Regional Offices

Regional Offices	Branch Offices	Sub-Branch Office	Cash Offices	BRI Units	Teras BRI	Teras BRI Keliling	Teras BRI Kapal
Banda Aceh	11	15	9	141	35	1	-
Bandar Lampung	14	16	13	188	60	-	-
Bandung	30	45	61	608	233	26	-
Banjarmasin	31	31	23	290	124	7	-
Denpasar	31	27	19	297	159	4	1
Jakarta 1	26	54	73	96	70	21	-
Jakarta 2	32	69	66	191	77	-	-
Jakarta 3	36	55	42	260	107	-	1
Jayapura	13	13	12	86	40	1	-
Makassar	36	28	22	348	132	-	-
Malang	24	36	21	528	205	5	-
Manado	17	18	16	205	53	43	1
Medan	24	34	27	270	105	15	-
Padang	14	8	11	157	54	-	-
Palembang	21	29	14	234	94	-	-
Pekanbaru	22	20	19	171	100	1	-
Semarang	22	38	45	421	144	-	-
Surabaya	25	39	24	290	125	8	-
Yogyakarta	33	34	58	600	152	1	-
Special Branch Offices	-	-	5	-	-	-	-

Office Addresses and/or Branch Offices or Representative Offices

Subsidiaries

PT Bank BRISyariah (BRI Syariah)

Jl. Abdul Muis No. 2-4,
Jakarta 10160
Tel. : (021) 3450226, 3450227
Fax. : (021) 3513812

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

BRI Agro Building
Jl. Warung Jati Barat No. 139
Jakarta 12740
Tel. : (021) 79199980
Fax. : (021) 79199950

BRI Remittance Company Ltd Hongkong (BRI Remittance)

Flat 22 G/F Bay View 33
Moreton Terrace
Causeway Bay,
Hong Kong
Tel. : +852 25271318
Fax. : +852 28613693

PT Asuransi BRI Life (BRI Life)

Head Office BRI Life
Graha Irama Building
Lt. 2, 5, 7, 11 & 15,
Jl. HR Rasuna Said Blok X-1 Kav. 1 & 2, Jakarta 12950
Tel. : (021) 5261260, 5261261
Fax. : (021) 5261258, 5261472

PT BRI Multifinance Indonesia (BRI Finance)

Wisma 46 Lt. 10 Jl. Jend. Sudirman Kav. 1
Jakarta
Tel. : (021) 5745333
Fax. : (021) 5745444

PT Danareksa Sekuritas (DS)

Danareksa Building 2nd Floor,
Jl. Medan Merdeka Selatan No. 14, Jakarta 10110

PT BRI Ventura Investama (BRI Ventures)

Ad Premier Building 6th Floor
Jl. TB Simatupang No.5, RT.5/RW.7, Ragunan,
Ps. Minggu, Jakarta 12550



Corporate Website Information

As the public company, Bank BRI facilitates information access to all stakeholders through its official website: www.bri.co.id. This is referring to the OJK regulation No. 8/POJK.04/2015, which requires the issuers to provide information such as:

1. General information of issuers or public companies;
2. Information for investors;
3. Information on Corporate Governance; and
4. Information on Corporate Social Responsibility

Moreover, in general based on the transparency principle and disclosures, BRI website covers:

- Company sites;
- Career;
- Investor Relations;
- Subsidiaries;
- GCG; and
- CSR BRI.

The information on company sites, consist of:

- General information on BRI comprising of: BRI History, Vision and Mission, General Information for Issuers, Management and Information for Investors.
- Information on Deposits products, such as Saving Deposits, Time Deposits and Current Accounts of BRI.

- Information on Loans product consist of Micro Loan, Retail Commercial and Middle Loans, and BRI Guna.
- Information on International products, consisting of BRI Trade Finance & Services, BRI Fast Remittance, Financial Institution, BRI Money Changer, Overseas Unit.
- Information on Bank's Services consist of Business Services, Financial Services, Institution, E-Banking and Treasury.
- Information on Consumer Product, consisting of Credit Card, Mortgage Loan, and Vehicle Loans.
- Information on Banking Investment, consist of Pension Fund, Government Bonds & SR, Trustee, Custodian Services.
- Information on Prioritas Services, consist of Services & Privileges, Mutual Fund, BRI Prioritas Card, Outlets, Customers Criteria.
- Information on Auction, consist of Assets Auction, Procurement Auction.
- Information on GCG, consist of General Meeting of Shareholders, Articles of Association, GCG Structure and Policy, Code of Conduct, Asean Corporate Governance Scorecard, Audit Committee including Audit Committee Charter, Nomination and Remuneration Committee, Whistleblowing System, and Shareholders Rights.

- On Career, BRI welcomes career opportunities for public interested in joining as employee through BRI e-recruitment portal.
- While Investor Relations elaborates the overview, financial information, GCG, services to Shareholders, Event and News.
- Furthermore at the subsidiary section, provide general information on subsidiaries and can be linked with each subsidiary website.
- In addition to the above, BRI Website has covered the Company Group Structure, Profile of the Board of Commissioners and Directors, as well as information for the shareholders.

BRI Website is also fulfilling the ASEAN Corporate Governance Scorecard (ACGS) that includes:

- Part A. Rights of Shareholders
- Part B. Equitable Treatment of Shareholders
- Part C. Role of Stakeholder
- Part D. Disclosure & Transparency
- Part E. Responsibilities of the Board

Overall, BRI Website has reflected BRI's commitment in upholding transparency principles.

Workshops and Trainings of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Workshop / Trainings of the Board of Commissioners/or Board of Commissioners Committee Members in 2018

Commissioners	Venue	Date	Organizers	Description
Andrinof A. Chaniago	New York	29-30 August 2018	Harvard Extension School	Leadership Coaching Strategies
A. Sonny Keraf	New York	16-20 April 2018	SRW & Co.	Asean global leadership program
	Jerman	02-09 July 2018	LPPI	Risk Management as Performance Enabler
Mahmud	Jerman	02-09 July 2018	LPPI	Risk Management as Performance Enabler
Rofikoh Rokhim	Philadelphia	23 -26 April 2018	Wharton	Leveraging Neuroscience for business impact
	Amerika Serikat	19-24 August 2018	Stanford Business School	People, Culture, and Performance: Strategies From Silicon Valley
Nicolaus TB Harjanto	Roma and Milan	06-14 October 2018	LPPI - IBI	International Risk Management & Treasury Dealer Refreshment Program For Executives
Handayani	Frankfurt and Paris	22-29 July 2018	CWMA	The 4th international CWM Executive Europe Program 2018
Jeffrey J. Wurangian	Boston	11-17 March 2018	Harvard Business School	Executive education finance : Launching New Ventures

Workshop / Trainings of the Board of Directors/or Board of Directors Committee Members in 2018

No	Name of Participant	Trainings	Date	Venue
1	Handayani Director of Consumer	The 4th international CWM Executive Europe Program 2018	22.07.2018	Frankfurt dan Paris
2	Priyastomo Director of Micro and Small Business	Risk Management Certification Refresher Program For Banks Executives "Strategic Bank Management" Workshop	07.08.2018	Amsterdam, Belanda
3	Priyastomo Director of Micro and Small Business	Enterprise Risk Management Sebagai Upaya Meminimalisir Risiko Perusahaan	15.08.2018	Jakarta
4	Sis Apik Wijayanto Director of Institutional Relations	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	06.12.2018	Batam
5	Indra Utoyo Director of Information Technology & Operations	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	06.12.2018	Batam

Workshops and Trainings of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Board of Directors and Board of Commissioners Certification in 2018

Name	Position	Certification /Refreshment MR		
		Institutions	Level	Date
Supari	Director of Retail and Intermediate	LSPP	Level 5	11 January 2018
Osbal Saragi R	Director of Network and Services	BSMR	Level 5	06 April 2018
R. Sophia Alizsa	Director of Human Capital	BSMR	Level 5	06 January 2018
Ahmad Solichin	Director of Compliance	BSMR	Level 5	06 April 2018
Hadiyanto	Commissioner	LSPP	Level 1	14 May 2018

Workshop/Trainings Participated by Members of Audit Committee in 2018

Please refer to the section of the Board of Commissioners workshop and trainings in 2018.

Workshop/Trainings Participated by Members of Nomination and Remuneration Committee in 2018

Please refer to the section of the Board of Commissioners workshop and trainings in 2018.

Workshop/Trainings Participated by Corporate Secretary in 2018

No	Trainings	Date & Location	Organizers
1.	Enhancement Special Request Sekretaris Direksi dan Dewan Komisaris Tahun 2018	6 -7 October 2018 Denpasar	BRI Corporate University
2.	Understanding Media Policies in Digital Era & Creative Writing For Corporate Publication	5 – 7 February 2018, Padang	PR Indonesia
3.	Public Relation Certification	6 – 7 March 2018, Jakarta	PERHUMAS
4.	Social Media Summit	1 – 2 March 2018, Bali	Social Bakers
5.	Corporate Governance Officer Intermediate 1	12 – 13 September 2018, Jakarta	Indonesian Corporate Secretary Association
6.	Corporate Governance Leadership Program	15 – 16 November 2018, Yogyakarta	Indonesia Institute For Corporate Directorship

Workshop/Trainings Participated by Members of Internal Audit in 2018

No	Trainings	Date & Location	Organizers
1.	In House Training Special Request on Danger in Narcotics	8 January 2018, Jakarta	BRI Corporate University
2.	Special Request for Inspector of BRI Selindo Inspection Office	18 January 2018, Jakarta	BRI Corporate University
3.	Trainer of Trainer (TOT) Awareness ISO 9001:2015	1 – 2 February 2018, Jakarta	BRI Corporate University
4.	Special Request Internal Audit ISO 9001:2015 member of SKAI in the PSKA field	31 January 2018, Jakarta	BRI Corporate University
5.	Special Request For Auditors of the Inspection Office of Selindo Material Risk Indicators Fraud	12 – 14 March 2018, Jakarta	BRI Corporate University

Workshops and Trainings of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Workshop/Trainings Participated by Members of Internal Audit in 2018

No	Trainings	Date & Location	Organizers
6.	Special Request For the Inspector Office of the 2nd Inspection of BRI in 2018	26 March 2018, Jakarta	BRI Corporate University
7.	Training of IHT BRISpot Retail Workers at the Jakarta Regional Office 2	23 April 2018, Jakarta	BRI Corporate University
8.	LHC - In House Training Assessment Center Assessor Certification (ACAC)	23 – 27 April 2018, Jakarta	BRI Corporate University
9.	Special Request Data Analytics & Continuous Audit	27 April 2018, Jakarta	BRI Corporate University
10.	Special Request Secure Code Training (PCI-DSS)	21 – 25 May 2018, Jakarta	BRI Corporate University
11.	Special Request Bagi Wakil Kepala Audit Intern BRI Selindo	30 – 31 July 2018, Jakarta	BRI Corporate University
12.	Special Request AS/400	15 – 26 October 2018, Jakarta	BRI Corporate University
13.	Enhancement Training of Special Request In House Micro Loan Application Training (BRISpot) and New Business Process Loans for Phase 1 and 2	2 September 2018, Jakarta	BRI Corporate University
14.	Special Request Auditor BRI Inspection Office Padang	19 – 20 April 2018, Padang	BRI Corporate University
15.	Special Request Auditor BRI Inspection Office Pekanbaru	7 – 9 March 2018, Padang	BRI Corporate University
16.	TOS - Enhancement Special Request Implementation of APU PPT 2018	17 – 18 April 2018, Jakarta; 5 – 7 July 2018, Padang; 3 – 4 May 2018, Bandung; 7 – 8 May 2018, Yogyakarta; 9 – 10 July 2018, Medan; 16 – 17 July, Surabaya; 27 – 28 August 2018, Makassar;	BRI Corporate University
17.	RCA - Enhancement Program Special Request MyBRI 2018_RAK Application	18 April 2018, Makassar & Surabaya; 19 – 20 April 2018, Jakarta & Bandung; 22 – 23 May 2018, Yogyakarta; 17 – 18 July 2018, Padang; 18 July 2018, Medan	BRI Corporate University
18.	Training Enhancement Special Request Material for Taxation in 2018	15 – 16 October 2018, Padang	BRI Corporate University
19.	Special Request Auditor AIW BRI Jakarta 3	14 – 15 December 2018, Jakarta	BRI Corporate University
20.	Special Request Auditor Kanins BRI Palembang Tahun 2018	23 – 27 April 2018, Jakarta	BRI Corporate University
21.	RCA - Enhancement Program Special Request Aplikasi MyBRI 2018_RAK	19 – 20 April, Bandung;	BRI Corporate University
22.	Enhancement Special Request Auditor Jakarta 3 BRI Inspection Office West Kalimantan Cluster 2018	25 – 30 April 2018, Jakarta	BRI Corporate University

Workshops and Trainings of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Workshop/Trainings Participated by Members of Internal Audit in 2018

No	Trainings	Date & Location	Organizers
23.	Special Request BRI Lampung inspection office	24 – 25 May 2018, Jakarta	BRI Corporate University
24.	Enhancement Special Request Auditor Jakarta BRI Inspection Office 3 Jakarta and Banten Clusters	30 – 31 July 2018, Jakarta	BRI Corporate University
26.	Special Request Auditor Jakarta 1 BRI inspection office in 2018	7 – 8 August 2018, Jakarta	BRI Corporate University
27.	Special Request Auditor, Jakarta 2nd BRI Inspection Office 2018	4 – 25 April 2018, Bandung	BRI Corporate University
28.	TOS - Jakarta Regional Internal Audit Auditor 2	30 July 2018, Bandung	BRI Corporate University
29.	Special Request BRI Bandung inspection office in 2018	1 – 3 August 2018, Bandung	BRI Corporate University
30.	Training Enhancement Special Request Auditor Bandung BRI inspection office in 2018	3 – 7 December 2018, Bandung	BRI Corporate University
31.	Special Request Auditor Kanins BRI Yogyakarta ke-1 Tahun 2018	1 – 2 March 2018, Yogyakarta	BRI Corporate University
32.	Enhancement Special Request for RAU Semarang BRI inspection office in 2018	25 – 27 April 2018, Yogyakarta	BRI Corporate University
33.	Special Request Auditor Yogyakarta Inspection Office Yogyakarta Data Search Material Using BRI Data Center Tools	21 September 2018, Yogyakarta	BRI Corporate University
34.	Workshop of Salary Structure and Wage Scale	5 – 6 February 2018, Jakarta	Kontan Academy
35.	Gain Foundational Knowledge of Cyber Security With Cybersecurity	21 – 23 May 2018, Jakarta	ISACA Indonesia
36.	Workshop Digital Forensic	3 – 5 July 2018, Bogor	ACFE
37.	National Anti Fraud Conference (NAFC) in 2018	19 – 20 July 2018, Bandung	ACFE
38.	3rd National Conference of Communication Forum for Internal Supervisory Unit (FKSPI) in 2018 (Role of Internal Auditors in Improving Governance, Risk and Control (GRC) in Disruptive Era)	9 – 10 August 2018, Solo	Forum Komunikasi Satuan Pengawas Intern (FKSPI)
39.	National Conference in 2018 (Nurturing Agile Internal Auditors in Disruptive Times)	28 – 29 August 2018, Bali	IIA

Workshops and Trainings of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Workshop/Trainings Participated by Members of Internal Audit in 2018

No	Trainings	Date & Location	Organizers
40.	IAIB X National Conference in 2018 (Fostering an Innovative Internal Auditing as a Key Element in Innovative Banking)	8 – 9 November 2018, Yogyakarta	IAIB
41.	Workshop "Fraud in Securities Investments (Fraud Securities in Indonesia)"	7 – 8 November 2018, Surabaya	ACFE
42.	Workshop "Mobile Forensic Investigation Course"	21 – 22 November 2018, Bogor	ACFE
43.	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	6 – 7 December 2018, Batam	BARA
44.	Fraud Risk Management	5 – 6 September 2018, Semarang	ACFE
45.	Logistic And Supply Chain Management Concept, Strategy and Implementation	25 – 27 September 2018, Yogyakarta	Yogya Smart Indotama
46.	Computer Hacking Forensic Investigator	17 – 21 September 2018, Jakarta	Inovasi Informatika Indonesia
47.	Anti Corruption Workshop "Preventing Corruption in Corporations"	25 September 2018, Jakarta	Indonesia Corruption Watch
48.	Indonesia Cyber Security Forum	18 – 19 October 2018, Bali	Indonesia Cyber Security Forum
49.	Document Control & Digital Filling System	6 – 8 November 2018, Yogyakarta	Gama
50.	Training Needs Analysis	6 – 8 November 2018, Yogyakarta	Insmart
51.	Lie Detection and Handling Techniques for Internal Audit	6 – 7 December 2018, Jakarta	LPFA
52.	E-Banking And E-Commerce Fraud And Operational Risk	4 – 6 December 2018, Yogyakarta	Media Edutama
53.	Identification and Detection Techniques for Fraud Management and Financial Reports	18 – 20 December 2018, Yogyakarta	Media Edutama
54.	Conference "Internal Auditing and Fraud Prevention"	16 – 17 July 2018, Malaysia	Marcusevans
55.	2018 Asia Pacific CACS (Computer Audit, Control and Security)	20 – 21 September 2018, Thailand	ISACA
56.	Certified Chief Information Security Officer (CCISO)	9 – 10 April 2018, Jakarta	Andalan Teknologi Inovasi



Management Discussion & Analysis

IN 2018, INDONESIA'S ECONOMY GREW STEADILY AMIDST GLOBAL UNCERTAINTY. THE ECONOMIC GROWTH WAS FOSTERED BY LOW LEVEL OF INFLATION, MAINTAINED FISCAL DEFICIT AS WELL AS SOLID BANKING SYSTEMS.

BRI maintained its profitability with net profit of

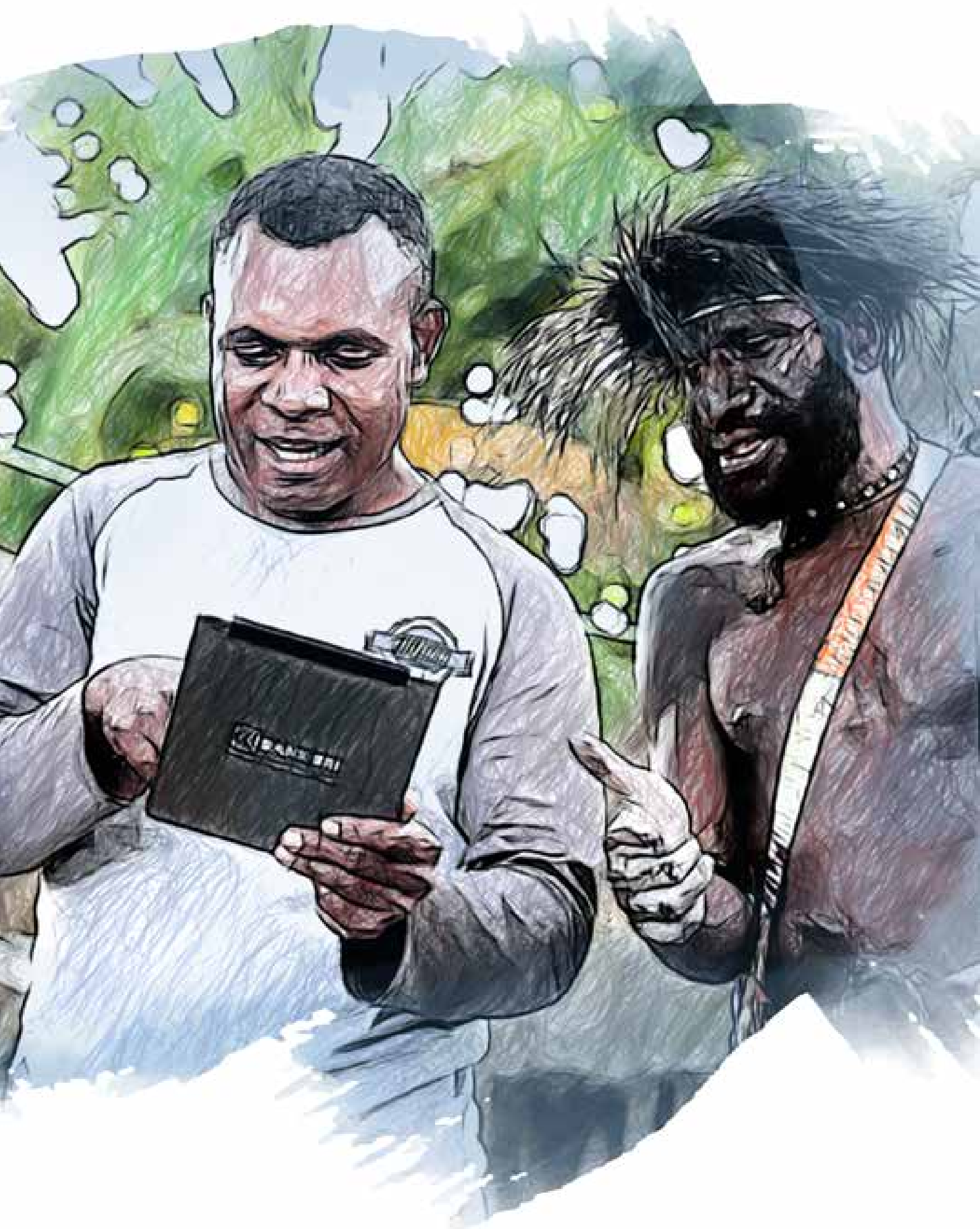
Rp32.42 trillion

ROA 3.68%, and ROE 20.49%.

Business development is sustained by adequate capital with CAR at

21.21%





Global Economy

2018 experienced challenges for the Global economy, this is due to several factors such as the tension in trade relations between the United States and its trading partners, the weakening economic performance in the European and Japanese zones, as well as the increasing interest rates and capital outflow pressure from developing countries such as Argentina, Brazil, Turkey, South Africa, and Mexico.

However, the outlook for economic growth in developing countries in Asia will generally remain strong in the medium term even though it is still lower than the economic growth in the past few periods, including in commodity exporting countries.

On the monetary side, the Fed implemented normalization of monetary policy by increasing interest rate four times from 1.5% to 2.5%. However at the end of 2018, the Fed Chairman also stated that the Fed's interest rate has reached normal levels, hence becoming one

of positive signals for the economy of developing countries such as Indonesia in welcoming 2019.

Based on these factors, the International Monetary Fund (IMF) in the World Economic Outlook report published in October 2018 forecasted the global economic growth in 2018 and 2019 will remain the same with the 2017 growth level of 3.7%.

Indonesian Economy

Indicators	2016	2017	2018
GDP Growth (%)	5,03	5,07	5,17
GDP Nominal (USD Billion)	932,31	1.015,38	1042,15
GDP/Capita (USD)	3.605	3.877	3,927
Export (USD Billion)	145,19	168,83	180,06
Import (USD Billion)	135,65	156,98	188,63
Trade Balance (USD Billion)	8,78	11,84	-8,57
Foreign Exchange Reserve (USD Billion)	116,36	130,20	117,21
Reference Rate (%) 7 Day Reverse Repo	4,75	4,25	6
Inflation (%)	3,02	3,61	3,13
JCI (real value)	5.297	6.356	6.111

Sources: BPS, BI 2018

Note : Conversion with exchange rate of Rp14,000,-

Amidst the global economic trend, Indonesia's economy grew steadily in 2018. Indonesia's GDP growth was at the level of 5.17%, higher by 11 basis points compared to the same period in 2017 at 5.06%.

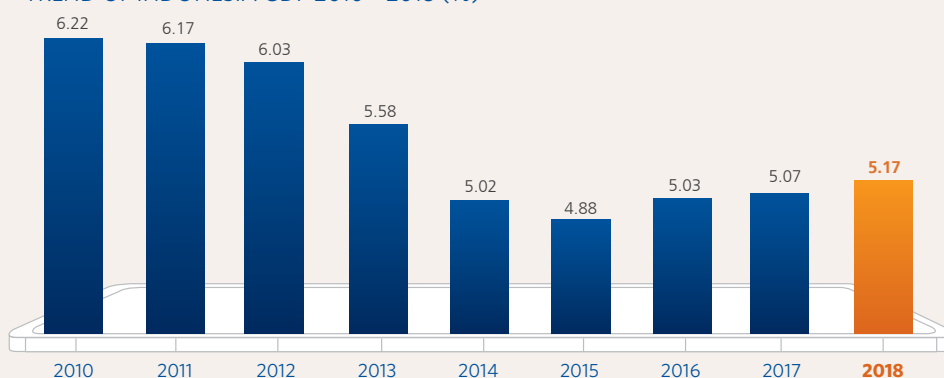
The Indonesia economic growth from the production side is spurred by Other Services Business Field, which grew 8.99%. While on the spending, the growth is bolstered by Nonprofit Institution Consumption Spending that serves Households with 10.79% growth.

Indonesian Economy

While households' consumption remains the factor with largest composition from spending, which is 54.21% from GDP. The households' consumption grew 5.05% throughout 2018, higher than the same period of 4.95% in the previous year. The households' consumption growth is boosted by the significant growth of sub-group of restaurants and hospitality industry at 5.74%, moreover maintained purchasing power and high consumers' confidence also drove the consumption growth.

On investment, the growth remains quite high, supported by building investment, related to infrastructure and property projects, as well as non-building investment. On government expenditure, budget realization remains growing, especially for goods expenditure and personnel expenditure. On the trade side, exports continued to grow positively amid global pressure.

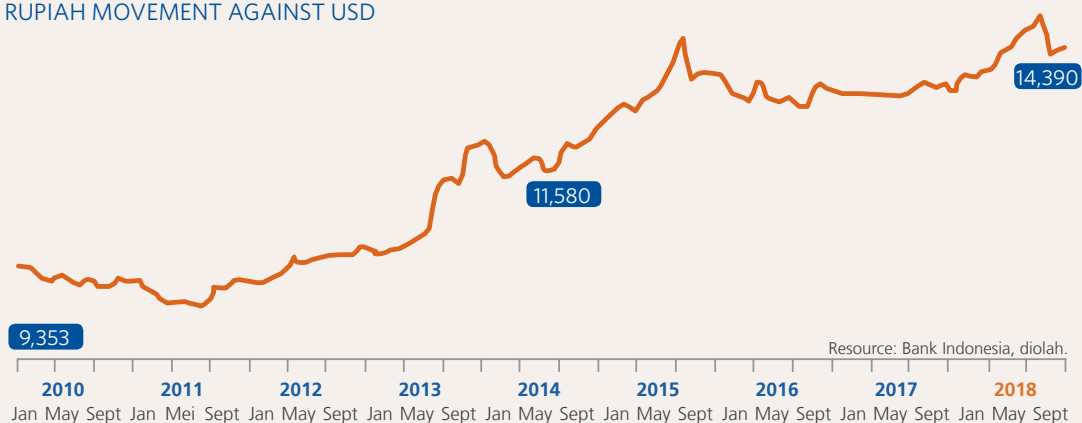
TREND OF INDONESIA GDP 2010 - 2018 (%)



Source of data: BPS December 2018, processed

Throughout 2018 the Rupiah was pressured against the strengthening of US Dollar, however the rupiah fluctuation volatility during the period was still maintained. As of year to date up to the quarter III 2018 the Rupiah weakened by 9.94% to the level of Rp14,903 per US Dollar. At the end of 2018 the Rupiah strengthened to Rp14,330, however as of year to date up to the end of December, the Rupiah remained depreciated by 5.72%. Maintained Rupiah fluctuation and the trend of Rupiah value strengthening at the end of the year become a positive signal for Indonesia economy in embarking 2019.

RUPIAH MOVEMENT AGAINST USD



Resource: Bank Indonesia, diolah.

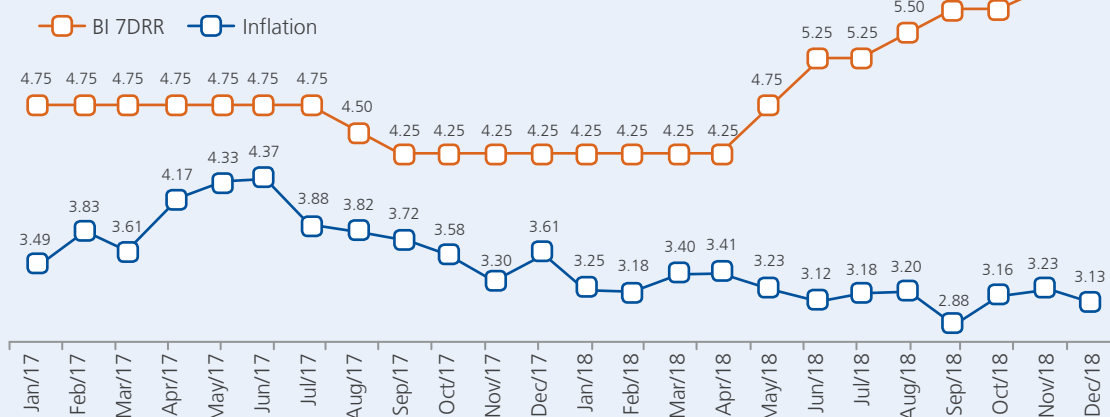
Indonesian Economy

Positive economic growth in 2018, followed by low inflation, the inflation in 2018 was at 3.13% level in line with the government's target at the range of $3.5\% \pm 1\%$. In addition to low inflation, the Indonesia fiscal deficit in 2018 was also maintained, the State Budget deficit in 2018 was at a level of 1.72%, exceeding the government State Budget deficit of 2.19%.

Good economic growth was supported by a high level of foreign exchange reserves of USD117.21 billion, equivalent to 6.5 months of import financing and government foreign debt payments, and was above the international adequacy standard of around 3 months of imports. This shows that economic fundamentals are strong enough to risk global uncertainty.

INFLATION AND BI 7DRRR MOVEMENT

Source: Bloomberg, processed



In the financial market, the October 2018 edition of the World Bank East Asia and Pacific Economic Update stated that the risk of Indonesia's debt increases. However, Indonesia is considered to have sufficient capacity to repay the debt because the level of foreign debt is relatively low; sound financial sector capital adequacy and liquidity; and sufficient monetary and fiscal foundations.

Addressing the global uncertainty, Bank Indonesia has taken steps to anticipate the stability of the rupiah against the US dollar. Throughout 2018, BI raised its benchmark interest rate, BI 7 Days Reverse Repo Rate by 150 basis points.

BI 7 Days RR is at 6% level by the end of 2018. In addition to increasing interest rates, BI also introduces DNDF (Domestic Non-Delivery Forward) to maintain the stability of the rupiah exchange rate.

2019 Projections

The global economy in 2019 is forecasted to be stable and continue to grow positively. The IMF projects a 3.7% global growth level as economic growth in 2018. While the OECD estimates a 3.5% global growth.

Despite the positive projection, the global economy is estimated to remain subjected by uncertainty risks. This is due to several factors, including the continue tensions in trade relations between the United States and its trading partners, including the normalization of US

monetary policy, oil price volatility, extreme weather risks, geopolitical tensions, and pressure on interest rates and capital outflows in the developing countries.

Amidst the global situation, the Government develops the 2019 State Budget with the basic assumptions of 5.3% economic growth, inflation at 3.5%, and the value of Rupiah at Rp15,000.

2019 Indonesian Economic Projection

No.	Assumption	2019		
		Government Projection*	OJK	BRI Projections**
1	Economic Growth (%)	5.30	5.2 - 5.3	5.10 - 5.25
2	BI 7 Days rate (%)	-	-	6.25 - 6.50
3	Inflation (%)	3.5	3.5 - 4.0	4.00 - 4.30
4	Exchange Rate (Rp/USD)	15,000	-	15,150 - 15,350

Source:

* Press Conference of APBN 2019

** Economist & Corporate Research Group of BRI

National Banking Industry

The financial performance of Indonesian banking industry can be seen from the following key indicators:

Indonesian Banking Main Financial Indicators			
Indicators	2016	2017	2018
Assets (Rp Trillion)	6,730	7,387	8,068
Loans to the third party (Rp Trillion)	4,377	4,738	5,294
Third Party Funds (Rp Trillion)	4,837	5,289	5,630
Profit after tax (Rp Trillion)	107	131	150
CAR (%)	22.93	23.18	22.97
NPL (%)	2.93	2.59	2.37
NIM (%)	5.63	5.32	5.14
ROA (%)	2.23	2.45	2.55
BOPO (%)	82.22	78.64	77.86
LDR (%)	90.70	90.04	94.78

In general, the banking performance in 2018 was maintained as seen from the capital adequacy ratio (CAR) level, which remains relatively high at 23.97%. This is sufficient to support credit expansion while anticipating the potential for increased risk profile. The performance of banking intermediation remains relatively moderate in line with the improvement in lending and the slowing down of fund acquisition. The banking industry loans grew 11.73% compared to 2017. While Third Party Funds only able to grow by 6.45% hence impacted to an increase of LDR to 94.78%.

The banking industry's assets only grew 5.17% year to date (ytd) and profits increased by 14.5%, hence the bank's profitability as reflected in the return on assets (ROA) grew 5 basis points to 2.52%.

The asset quality indicated by non-performing loans (NPLs) increased from 2.59% in 2017 to 2.37% in 2018. This is inseparable from the moderate macroeconomic situation which has an impact on customers' ability to fulfill their obligations. While a ratio of operating costs to operating income (BOPO) slightly decrease to 77.86% from 78.64% in 2017.

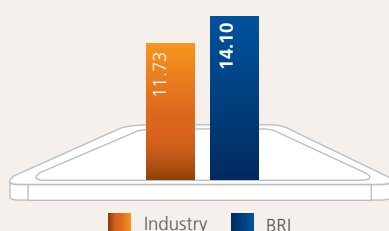
Review of Banking Industry and BRI

Loan Growth 2018

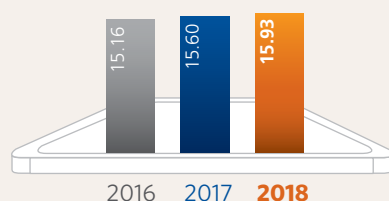
The role of banking intermediation in 2018 has increased. Lending in the banking industry rose by 11.73% to Rp5,294 trillion, higher than 2017 which reached Rp4,738 trillion.

Meanwhile, BRI lending growth in 2018 was above the banking industry growth, at 14.1% from Rp739.3 trillion in 2017 to Rp843.6 trillion. BRI credit market share also increased from 15.6% to 15.93%.

LOAN GROWTH BRI VS INDUSTRY (%)



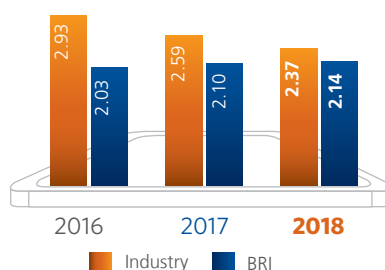
BRI CREDIT MARKET SHARE (%)



Credit Quality

The banking credit quality indicated by non-performing loans (NPL) was maintained at 2.59% in 2017 to 2.37% in 2017. BRI recorded a better level of credit quality than the industry, BRI gross NPL was at 2.14% in 2018.

NON PERFORMING LOAN (NPL) BRI VS INDUSTRY (%)



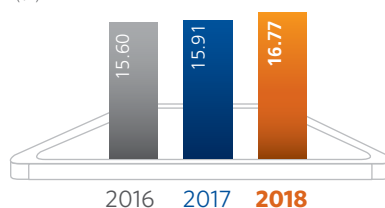
Third Party Funds Growth (TPF)

The banking industry third party funds (TPF) in 2018 reached Rp5,630 trillion, up 6.45% from Rp5,289 trillion in 2017. Meanwhile BRI recorded total TPF of Rp944.27 trillion in 2018, rose by 12.19% from Rp841.66 trillion in 2017. BRI TPF market share also increased from 15.91% to 16.77%.

TPF GROWTH OF BRI VS INDUSTRY (%)



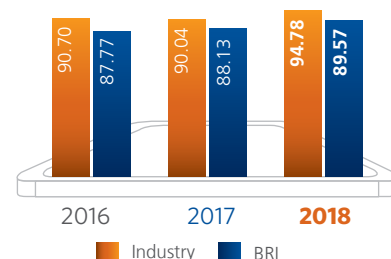
BRI TPF MARKET SHARE (%)



Liquidity

The industry Loan to Deposit Ratio (LDR) increased from 90.04% in 2017 to 94.78% in 2018. BRI LDR also showing similar trend from 88.13% in 2017 to 89.57% in 2018.

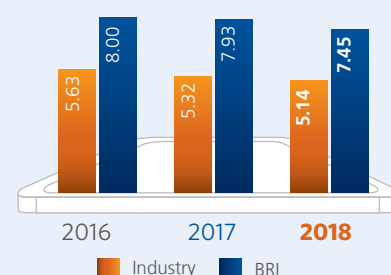
LDR OF BRI VS INDUSTRY (%)



Profitability

The Indonesian banking industry profitability indicated by Net Interest Margin (NIM) ratio was pressured in 2018. The banking industry NIM reached 5.14% in 2018, decreased from 5.32% in 2017. With its commitment to remain focusing on MSME sector, BRI is able maintain NIM above industry. BRI NIM was 7.45% in 2018 or higher than the banking industry. While in 2017 was 7.93%, also higher than the industry.

NIM OF BRI VS INDUSTRY (%)

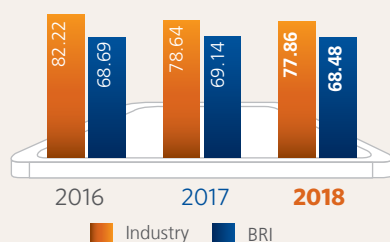


Review of Banking Industry and BRI

Operating Expense to Operating Income

The banking industry improved in terms of efficiency, which indicated by the decrease of BOPO ratio from 78.64% in 2017 to 77.86% in 2018. While BRI is able to be more efficient from the industry. BRI BOPO was at the level of 68.48% in 2018, lower than 2017 of 69.14%.

BOPO OF
BRI VS INDUSTRY
(%)



Projection of Indonesia Banking Performance in 2019

The banking performance in 2019 is forecasted to again record positive growth. The Financial Services Authority (OJK), Bank Indonesia (BI), and LPS estimate double-digit credit growth, while deposits are expected to be at intervals of 8%-11%.

YoY %	2017		2018		2019 Projections	
	Loans	TPF	Loans	TPF	Loans	TPF
OJK	8.24%	9.35%	9.21%	6.4%	10%-13%	8%-10%
BI	8.24%	9.35%	9.21%	6.4%	10%-12%	9%-11%
LPS	8.24%	9.35%	9.21%	6.4%	12.4%	9%

The future challenges that must be addressed by banking industry are the direction of policies and regulations that will be implemented by the government, and monetary and financial services authorities. The following are regulatory plans that have an impact on the banking business:

- SOE Holding establishment Plan for Banking and Financial Services Sector.
- ASEAN Free-Trade Implementation
- Bank Indonesia Regulation No. 20/6/PBI/2018 implementation concerning the Electronic Money, Obligation to Record Floating Funds for Electronic Money at BUKU Banks IV.
- Regulation on compulsory Foreign Exchange Export for natural resource sector entrepreneurs effective as of 1 January 2019.

The implementation of the above policies represents opportunities and challenges for the banking industry both in the short term and long term. As such, the banks shall strengthen the structure of its assets and liabilities, actively innovate in creating products and services that are fits the customer needs, and develop the business processes with improvements on the service level agreements (SLA) including digitization and digitalization processes hence to deliver more efficient and productive operational activities.

Bank Strategic Plan

BRI SHORT TERM PLAN IN 2019

During the corporate planning development for 2019, BRI sets an annual theme of **Leading Consumer Banking in Indonesia**. The theme focus was as the market leader in consumer loan disbursement supported with IT development and business process re-engineering, BRI can address the changes and leverage future business opportunities so that its aspiration to become The Most Valuable Bank in Southeast Asia and Home to the Best Talent can be accomplished. The stakeholders that are considered in determining the benchmark of success are shareholders, the government, customers, employees and the communities.

The following are Short Term Plans that will be undertaken within the next one year:

- **Increase the Consumer Segment Market Share**
BRI targeted to increase the consumer segment market share with the main focus on salary based loans, CASA and the number of active e-channel users accompanied by innovation and IT-based product and service development (digitization and digitalization).
- **Maintaining the Focus of Asset Growth in the MSME Segment**
BRI continues to focus on business asset growth in the MSME segment by increasing Micro market penetration through expansion of KUR and Kupedes products and optimizing the value chain potential in the MSME business.
- **Maintaining Assets Quality**
Credit quality will be managed by continuing the loan restructuring in the Micro and Retail sector. For the Middle, Corporate and SOE segments, the efforts to maintain credit quality will be realized by focusing on BRI's growth in the business potentials associated with trickle down business.
- **Increasing Low Cost Funds Growth and Maintaining the CASA Composition**
On liabilities, BRI will implement a strategy to maintain third party funds performance growth through an effective marketing strategy in both Micro and Retail segments. The method is by improving saving products of customer centric, increasing BRILink's usage through agents to build barriers in the retail payment business, and developing wholesale transaction banking business opportunities in the Corporate segment. The Company targets the expansion of low-cost funds to maintain CASA composition in the range of 60-64%.
- **Implementing Operational Excellence**
The strategy in achieving operational excellence include Business Process Re-Engineering, especially in Micro, Retail, Medium and Corporate segments, increasing MIS as a reliable data source and supporting decision making, and establishing a minimum Service Level Agreement (SLA) based on industry standards.
- **Building the SOE Synergy to increase competitiveness**
BRI strives to create value for stakeholders, including for the Government. This is done by strengthening the synergy between SOEs to improve competitiveness. The synergy includes the implementation of ATM and EDC Merah Putih, the construction of BUMN Creative Homes and infrastructure financing syndicates.

The Short Term Program is part of the 2018-2022 Corporate Plan, which is directed by the statement of BRI vision and mission and the factors that influence the banking industry development in Indonesia in the future. Some of these factors include:

- Indonesia demographic condition with the increasing number of middle age productive age population with increasing purchasing power and increasingly dominated by millennial generations that are familiar with digital technology.

Bank Strategic Plan

- The directions of the Government's national development policy under the infrastructure development, which will require bank funding as well as rural development and empowerment.
- Economic integration in the ASEAN Economic Community (MEA) that incorporated free trade between ASEAN countries that will affect the banks competition both in funds acquisition and lending.
- Changes in the customer preferences that influence the growth of digitally savvy customers, namely changes in behavior of customers that prefer digital methods to elevate faster, safer and save time in business conducts. The customers' transactions preference is no longer limited by time and place.

MEDIUM TERM PLAN

Medium term plans are part of BRI corporate plan (five years), which are the implementation of BRI Vision and Mission. The medium term target covers the business objectives that will be developed in the next three years, beginning in 2019 to 2021 through the 5C's strategy (CASA, Customer Focus, Credit Excellence, Capabilities, Culture).

- a. CASA (Liabilities)
 1. Improve funding structure with a focus on low cost funds.
 2. Strengthening micro saving value proposition
 3. Implementation of funding strategies including Branch sales Effectiveness and Funding War Room
 4. Strategic partnership with other agencies such as the Regional Development Bank.
- b. Customer Focus (Fee-Based Income)
 1. Expansion of transaction banking capacity in order to increase fee-based income
 2. Developing informative and productive customer based

3. Innovating the customer-centric products and services by utilizing Big Data
4. Improving the cross selling of subsidiaries' products to provide integrated financial services and solutions for customers
5. Collaboration and partnership with startup or fintech to create a digital ecosystem
- c. Credit Excellence (Assets)
 1. Focus on high profitability credit segments
 2. Improving the consumer business performance and maintain the MSME segment performance
 3. Improve the profitability of the corporate segment through integrated banking solutions
 4. Capture the value chain potential
 5. Maintain the quality of earning assets
 6. Improve the financial inclusion and literacy
- d. Capabilities (IT, Data & Network)
 1. Build a Future ready platform through technology development and innovation
 2. Leverage Data Governance & Analytics
 3. Improve the Network productivity
- e. Culture (Human Capital)
 1. Improve the accountability of Performance Management System through the establishment of productive KPIs and directed career paths.
 2. Optimizing the talent pool & group talent mobility
 3. Improve the employees' productivity including Hiring freeze and Shifting supporting employees to business.

LONG-TERM STRATEGIC PLAN

In the development of Corporate Plan 2018-2022, in addition to being guided by BRI vision and mission statement, the Long Term Plan development will become the guidelines for BRI transformation process. BRI aspires to become the Most Valuable Bank in South East Asia and Home to The Best Talent by 2022.

Bank Strategic Plan

Business Focus 2018-2022

Micro	Consumer	Retail & Medium	Corporate	Subsidiaries
To maintain and grow the micro segment market share	To stay ahead in Salary based loans and being the 3rd place in other categories	To be the foremost bank in Middle and Retail segment in Indonesia with at least 21% market share	Corporate segment profitability increase	Subsidiary contribution improvement

BRI Long Term Plan will be implemented in 3 waves of transformation as follows:



Bank BRI for Indonesia



Bank BRI for Indonesia

HIGHLIGHTS

BRI distributed PKH social assistance amounted to

Rp6.72 trillion

for 3.85 million KPMs and distributed BPNT of Rp1.4 Trillion for 2.67 million KPMs

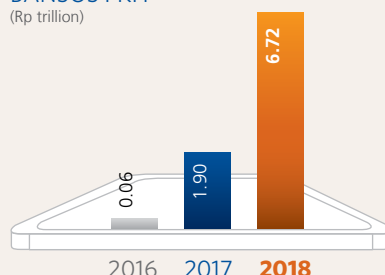
People's Business Loan (KUR) distribution at

Rp6.89 billion

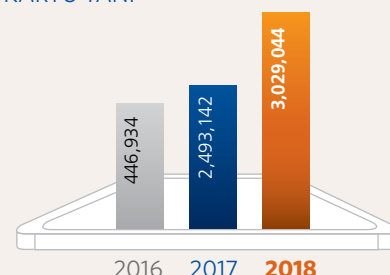
to 2,662 farmers, recipients of the Social Forestry Decree

53 units of BRI RKB with 302,942 members and was named **the Best RKB SOE by the Ministry of SOE**

BANSOS PKH
(Rp trillion)



KARTU TANI



The Kartu Tani BRI distributed to the farmers amounted to

3.03 million cards

Lending amounted to

Rp1.29 trillion

to 2,346 micro and small businesses that are the IUMK card holders

Village-Owned Enterprises (BUMDes) account acquisition by as much as

17,545 accounts

The *Simpanan Pelajar* account amounted to 20.40 million accounts with a balance of

Rp3,995 billion

as the support of the Financial Inclusion program

For BRI, investing for the people's welfare at the villages' areas is similarly important with investing in the company's business future. This approach encourages BRI to develop a special organization within the company that handling such programs through the Social Entrepreneurship and Business Incubator Desk Division. This Division focuses on access toward Poverty Eradication (Social Grants and Non Cash Foods Assistance), Rural Communities Empowerment (through BUMDes), Farmers Welfare Improvements (Agricultural Entrepreneurship), and access on the Financial Inclusion, as well as other social activities.

Bank BRI for Indonesia

As the implementation of BRI supports as well as in assisting the Government programs efficiency for the improvement of public's welfare, BRI participates in the following programs:

PKH Non-Cash Social Assistance and BNPT

In implementing its functions as the agent of development. The government assigned BRI to distribute the Keluarga Harapan Social Assistance Program (Bansos PKH) and the Non-Cash Food Aid (BPNT) with the distribution methods as follows:

- Every social assistance and subsidies are granted in a non-cash basis and uses a banking system for the ease of control and monitoring and to reduce violations.
- The use of a banking system by utilizing financial inclusion is intended to expand the financial inclusion.
- The use of various cards in distributing the social assistance funds are to be integrated into just one card.

As the realization and implementation of the above three points, BRI with HIMBARA cooperate with the Social Affairs Ministry develop the non cash assistance disbursement system by producing a card, namely Keluarga Sejahtera Card (KKS) where the disbursement can be done through the Bank Agents and E-Channel, as the assistance providers.

As such BRI disbursement regions has covered across 33 Provinces, 258 Regencies/Cities, 3,080 Sub-Districts and 31,424 Villages. To support this programs, BRI has provided network infrastructure such as:

BRI Infrastructure	2017	2018
ATM Card (KKS)	2.2 million	3.85 million
BRILink Agent	49,090	57,312
BRISat Network	-	28 Points

BRI is also assigned by the Government through the social affairs ministry to grant assistance in remote and terrained

areas that cannot be reached by communication signals (blank spots) by utilizing the satellite network owned by BRI (BRISAT). There are 28 points of BRILink Agent BPNT distributors that use BRISat, available from Aceh to Papua.

In 2018, BRI has distributed the assistance, with the following details:

- 3.85 millions beneficiary families (KPM) PKH recipients with nominal assistance of Rp6.72 trillion.
- 2.67 Million BPNT Recipients KPM with total nominal assistance of Rp1,4 trillion.

The Bansos program is served by 236 BRI Branch Offices throughout Indonesia.

BRI's involvement in the distribution of the Social Security Program is a manifestation of its commitment to support the Government Program. Thus, BRI also participates in:

- Improving financial inclusion by making the unbankable society to become bankable.
- Eradication of poverty by the decrease of poverty count.
- Community empowerment where KPMs become more knowledgeable about banking and improve the standard of living of KPM and BRILink Agents.

Agricultural Entrepreneurship Program

The Agricultural Entrepreneurship Program is a program initiated by the SOE Ministry. This program aims to encourage farmers in a certain economic scale to become entrepreneurs within certain groups. The government grant its support through the modern agricultural equipments and infrastructure. The requirement to achieve the agricultural entrepreneurship economic value for rice farming is at least 4,000 hectares of farm.

In the implementation of this program, BRI has organized a pilot project at the District of Tasikmalaya with a total area of 5,535 hectares divided at 4 sub-districts which are Cisayong, Sukaratu, Sukahening, and Jamanis. The

Bank BRI for Indonesia

program scheme is as follows:

BRI's role in supporting the Agricultural Entrepreneurship program includes the following:

1. Mentoring the off taker company, called PT Mitra Desa Bersama (MDB) Cisuka.
2. Distributing Kartu Tani to 9,436 farmers, across 4 sub-districts namely Cisayong, Sukahening, Sukaratu and Jamanis.
3. Providing micro loan to 1,394 farmers with an outstanding nominal of Rp32.15 billion.

In the agricultural entrepreneurship scheme mentioned above, PT MDB became an off taker of farmers' crop grain incorporated in the Joint Farmers Group (Gapoktan), then processed through the Rice Milling Unit (RMU) into Premium rice and then packaged. Further, the packaged harvests are sold to the several BUMDes' in 4 sub-districts. At present PT MDB Cisuka has supplied rice to 5 BUMDes in 4 Sub-Districts.

Farmers Entrepreneurship Program Scheme



Village-Owned Enterprise (BUMDes)

BUMDes is an enterprise which capital is fully or partly owned by a village through direct participation of the village assets that are separated in order to manage assets, services and other businesses for the greatest benefit of the village community. (Law No. 6 of 2014 regarding the Villages).

In the case of BUMDes, Bank BRI in collaboration with the Ministry of Rural Affairs are providing assistance and guidance for BUMDes with the principle of mutualism symbiosis include:

- a. Providing the financial literacy education
- b. Conducting the entrepreneurship trainings
- c. Conducting the mentoring

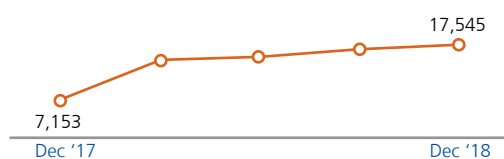
and socializing of BUMDes establishment procedures

- d. Establishment of BUMDes as BRILink Agents

This collaboration was effectively commenced in January 2017 and shown positive result. BUMDes accounts acquired in 2017 amounted to 7,153 accounts, which grew to 17,545 by 2018.

Bank BRI for Indonesia

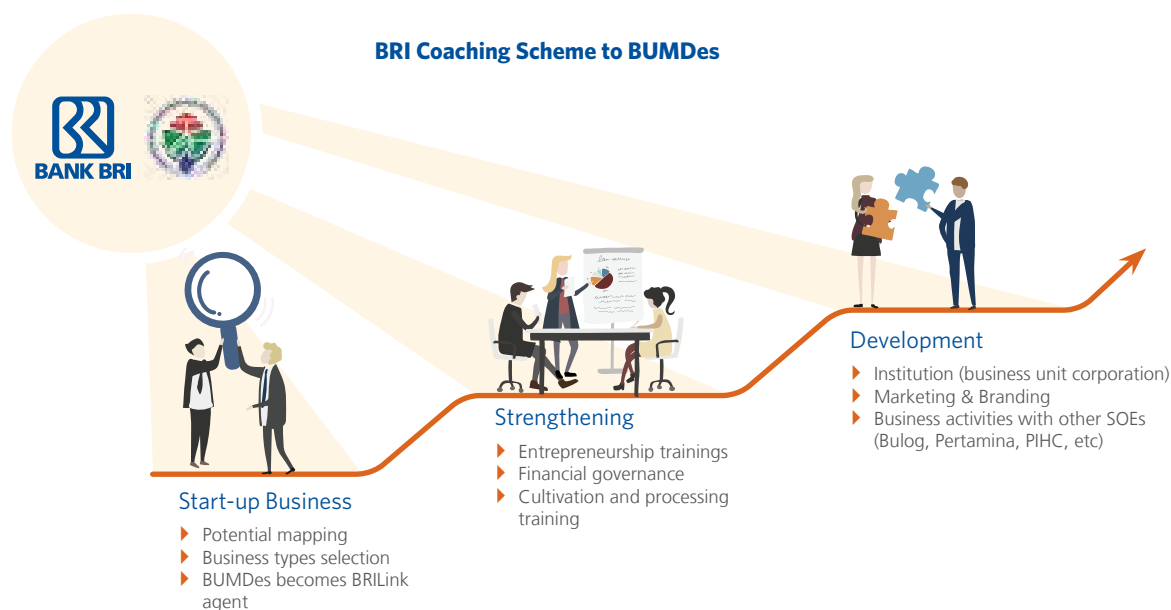
BUMDes ACCOUNT GROWTH



BUMDes BRILINK AGENTS ACQUISITION GROWTH



BRI's scheme of assistance to the BUMDes is illustrated in the graph below:.



In the BUMDes coaching collaboration, it is expected that the resulting social impacts include rural society's empowerment and employment opportunity creation, which ultimately develops the village's economy. Furthermore, BRILink BUMDes can also improve village literacy.

As an example, BUMDes fostered by Bank BRI called BUMDes Maju Mandiri located in DI Yogyakarta has successfully managed a tourism enterprise called Goa Pindul whose turnover reached Rp2.4 Billion in 2018.



Bank BRI for Indonesia

In accordance with the directives of the Minister of SOE and Minister of Rural Affairs, Disadvantaged Regions Development and Transmigration on 14 November 2018 regarding the BUMDes future business development, the SOEs are expected to synergize to increase business activities according to the potential with the BUMN Shop business model as follows:



Bank Agent (Laku Pandai BRI Link)



Rumah Pangan Kita (RPK) Bulog

PERTASHOP

Pertashop (Pertamina)



Non-subsidized fertilizer agent

Success Story Testimonial

Darwi is Helped by KUR and Social Forestry

Darwi is a crop farmer who received a decree on Social Forestry in Pati, Central Java. He manages 1.5 hectares of land area. At the beginning of 2018, demand for commodity cassava from tapioca factories in Pati began to show an increase causing the farmers to compete in planting cassava. This has an impact on the scarcity of cassava seeds in the area. Some farmers can find tree cassava seeds from outside Pati. But farmers who do not have enough capital like Darwi can do nothing.

In the midst of difficulties in obtaining cassava seeds, a glimmer of hope came through when KUR Mantri BRI informed Darwi that there was a financing scheme for farmers with Social Forestry Decree holders like him.

That information was like light at the end of the tunnel for Darwi. He hurried to complete the requirements until he finally got the BRI KUR facility for the first time at Rp5 million. With this fund, he bought tree cassava seeds from Purworejo, which is 205 km from Pati.

Over time, nine months down the line the cassava was successfully harvested by Darwi. Good fortune again sided with him, with the increase in selling prices of cassava almost 200 percent of what was estimated.

Armed with these crops, Darwi paid off the BRI KUR, and the remainder was used for further farming capital. Darwi's success with KUR BRI in managing Social Forestry land has inspired farmers to receive other Social Forestry Decrees.

Darwi's success story proves that BRI's presence has succeeded in overcoming the constraints of capital access that have been faced by small farmers, especially farmers who are the recipients of the Decree on Social Forestry.

Bank BRI for Indonesia

Social Forestry

Social Forestry is an Asset Redistribution Program initiated by the Environment and Forestry Ministry. This program aims to reduce social inequality, increasing people's income, and reducing poverty by providing 35 years of legal access to forest management for local communities.

Up to 2019, the government has allocated 12.7 million hectares for Social Forestry in five schemes namely: Village Forest, Community Forest, Community Plantation Forest, Forestry Partnership, and Habitude Forest.

BRI participated in supporting such Social Forestry Programs by the KUR fund disbursement amounted to Rp12.7 billion for 657 farmers or 100% farmers recipients of the Social Forestry Decree as well as providing farmer cards since 2017.

Furthermore, BRI also grants the production equipment such as two-wheeled tractors, grain threshers, corn shellers, packaging equipments, reservoirs, and water pumps. The grants is expected to help easing the amount of farming expenses, so that the farmers' income increases.

Micro and Small Business Permits (IUMK)

BRI in collaboration with the Ministry of Cooperatives & SMEs, and the Ministry of Internal Affairs has developed Application System for Micro and Small Business Licenses as well as the Micro and Small Business Permit Co-Branding Cards (IUMK Card). The co-branding card functions as IUMK practitioner's ID which features various facilities and benefits of BRI debit cards.

The IUMK issuance is motivated by the need to empower micro and small businesses by facilitating access to financing. Furthermore, legality facility shall be provided for certainty and protection in doing businesses.

As part of BRI's support for the program implementation, BRI also provides a Database System for Micro and Small Businesses, providing the IUMK application system from the admin functions in the sub-district/ district/ village office to reporting and monitoring functions for relevant Ministries.

The IUMK card functions as a small micro business owner (PUMK) ID as well as a BRI debit card that can be used to perform various transactions. BRI also provides easy access to credit facilities for PUMKs with due observance on the principles of prudence.

The IUMK card issuance can be done in all BRI work units across Indonesia. Up to 2018, BRI has issued a total of 84,354 IUMK Co-Branding Debit card with a balance of Rp147 billion.

BRI also provided lending for 60,367 Micro and Small Enterprise Communities of the IUMK Card holders with total outstanding of Rp1.32 trillion. Such card has the following benefits:

1. As identification sign (ID) for Micro and Small Business entrepreneurs that are officially licensed and to facilitate financial access through credit cards and ease of access to the bank financing. The IUMK also functions to assist the government in providing the IUMK application system that can be accessed from the Sub-district, District, and Province up to the Ministry levels.
2. Availability of micro and small business entrepreneurs database in detailed, By Name and By Address.
3. Facilitating the monitoring of distribution and development of Micro and Small Business entrepreneurs in Indonesia for evaluation and policy application.

Bank BRI for Indonesia

SOE Creative House (RKB)

The SOE Ministry with the state-owned enterprises develop the SOE Creative House (RKB) as a joint house for gathering, studying, and mentoring the MSME communities to become qualified MSME Indonesia. The RKB aims to mentoring and encourage the MSME communities to address the business development main challenges to improve competencies, marketing access improvements, and capital access facilitation.

The MSMEs aim to become members of the RKB needs to fulfil simple conditions by visiting the nearest RKB for registration in the website rkb.id. The applicant can further take part in coaching activities carried out by the RKB.

The concept of RKB development includes, among others, Go Modern, Go Digital, Go Online and Go Global. Go Modern to prepare and foster the MSMEs in improving product quality, branding, and packaging. Go Digital for the use of digital applications in the automation of business processes and marketing. Go Online, to expand access to the MSME market online through e-commerce. Go Global to prepare and assist MSMEs in sales based on export.

The BRI RKB was first inaugurated by the Minister of BUMN on 11 Desember 2018 at the Solo RKB.

In 2018, the number of BRI RKBs reached 53 units with members amounted to 302,942. This is an increase of 5.8% compared to 2017 with 286,330 people. In addition, BRI's RKB has conducted 2,220 training activities, more than 908 activities in 2017.

	2017	2018
Number of RKB	52	53
Members	286.330	302.942
Trainings	908	2.220

One of BRI's leading RKBs is the Yogyakarta RKB located on Sogan street, Yogyakarta City. The RKB consists of 43,198 MSMEs which actively hold member gathering to exchange ideas and attend training. The training programs held included How to Deal with Disruption, Business Review, and Business Prospective. In addition, a total of 679 MSME members of the RKB Yogyakarta have also Go Online by exercising product marketing through the Belanja.com e-commerce.

BRI's involvement in the RKB Program has obtained an appreciation from the Ministry of SOE as the initiator of the program. On 29 October 2018, BRI received the **Best RKB** at the SOE for the Nation event in Yogyakarta. BRI's RKB is considered the best compared to other SOEs assessed by activities that have been carried out, management of RKB, supporting infrastructure, and media publications.

Kartu Tani

In supporting the government program and the synergy of SOEs to realize a single agricultural data and controlling the distribution of fertilizer subsidies, BRI and HIMBARA collaborated with the Ministry of Agriculture to develop a farmer database system and provide non-cash transactions for subsidized fertilizer purchases through Farmer Cards. Kartu Tani is a co-branding debit card between Himbara and the Ministry of Agriculture, which includes the identity of farmers, subsidized fertilizer quotas, subsidized fertilizer payments in Fertilizer Kiosk, and banking transactions in general through electronic channels.

Presentation of Kartu Tani Award
Central Java 2018 to The Best Farmer
Mentor Supporting Kartu Tani Program



Bank BRI for Indonesia



Monitoring and Evaluation of Kartu Tani Program at Fertilizer Kiosk by Agriculture Department and BRI

The BRI Kartu Tani was first initiated in Central Java on 4 March 2015. Then on 20 February 2017, the Minister of Agriculture and the Minister of SOE instructed Bank HIMBARA to carry out a trial-run of Kartu Tani program on Java Island. BRI has been tasked to distribute the Kartu Tani in Banten, Central Java, Yogyakarta and Tasikmalaya Regencies.

Based on the Minister of Agriculture Regulation No. 47/Permentan/SR.310/12/2017 concerning the Allocation and Highest Retail Price of Subsidized Fertilizers for the Agricultural Sector Budget Year 2018, Kartu Tani are issued to Farmers that are members of farmer groups and carry out farming with maximum 2 hectares of Food Plant Sector, Horticulture, Plantation, Livestock and maximal 1 Ha for the Aquaculture sector. The farmer and the group shall prepare the RDKK (Definitive Plan for the Need of Subsidized Fertilizer Groups) to be uploaded to the Ministry of Agriculture's E-RDKK system by the Sub-District Level Agricultural Instructor. After wards, the Bank will open an account and issue the Kartu Tani for the farmers that have already registered in the E-RDKK Ministry of Agriculture.

Every purchase of subsidized fertilizer withKartu Taniis monitored online in real-time by the government through a dashboard provided by BRI, thereby the government can ensure that the distribution of subsidized fertilizer has reached its intended recipients by name by address. In addition, the monitoring dashboard assists the fertilizer producers in obtaining data on the distribution of the required subsidized fertilizer and data on billing sources of the subsidized fertilizer production costs to

the government. BRI also benefits the farmers 'data that receive the Kartu Tani as a loan pipeline to increase the scale of the farmers' cultivation business.

The use of Kartu Tani as means of payment for subsidized fertilizers in Fertilizer Kiosk, which also acts as a Lakupandai agent, is a form of financial literacy and inclusion for Indonesia's agricultural ecosystems. With Kartu Tani, Farmers enjoy the certainty of availability of subsidized fertilizers hencecreated efficient cultivation activities. In addition, farmers which data have been registered in the system have the opportunity to obtain additional benefits such as assistance with other agricultural production facilities, absorption of crop yields from off-taker companies, registration of agricultural insurance, and bank financing.

In 2018, BRI carried out the distribution of Kartu Tani to 3.03 million farmers, an increase of 21.7% compared to the 2.49 million farmers of BRI in 2017. Acquired 6,087 units of Complete Fertilizer kiosk, up from 5,611 units in 2017. The following is the Kartu Tani performance:

	2017	2018
Kartu Tani	2,493,142	3,029,044
Deposits Balance (Rp billion)	157	312

BRI also disburse lending to 127.858 farmers with total ceiling of Rp4.3 billion.

BRIncubator

BRIncubator is a development program for micro, small and medium enterprises (MSMEs) to increase the capacity and capability of MSMEs to scaling up including digital and focus on export validation.

Throughout 2018, the BRIncubator has been held in 5 cities, namely Padang, Bandung, Solo, Malang and Makassar with 100 MSMEs participating in each city who are members of the BRI SOE Creative House. The 100 MSMEs were then further selected resulting in 25 MSMEs incubation and 25 MSMEs Acceleration for each city.

Bank BRI for Indonesia

For approximately 4 months the selected MSMEs took part in the BRIncubator process consisting of Workshop, Meet Up, Mentoring, and monitoring, the process of which was recorded in the IncubatorApps application.

In the final stage of the program, the 25 best MSMEs were invited to the BRIncubator Awarding Night on 11 December 2018 in Jakarta to present their business to the judges consisting of Retno Wahyuni Wijayanti (BRI's Corporate Learning Chief Learning Officer), Leontinus Alfa Edison (Co Founder and Director of PT Tokopedia), and Rama Mamuaya (CEO of Daily Social).

Based on the evaluation results, the judges selected 3 BRIncubator champions, which are:

- 1st Place Rendang Uni Adek from Padang Panjang (rendang packaging business)
- 2nd Place Restu Ibu from Malang (meatball dough flour business),
- 3rd Place Eank Solo from Solo (bird cage business from paralon pipe waste).

The winners received cash prizes to further developing their businesses and continue to get assistance from the SOE Creative House to GO Global and are ready to enter the export market. Going forward, the BRIncubator program will be expanded to reach more participants and cities in all regions of Indonesia.

Financial Inclusion Saving

The Simpanan Pelajar (Student Savings - Simpel) initiated by OJK are savings products that provide easy account opening requirements for students. The aim is to increase literacy, financial inclusion, and foster saving habits among students. Simpel savings product that can be accessed in all networks of BRI work units.

The Financial Inclusion Program conducted by BRI through Simpel Savings continues to attain positive responses from students throughout Indonesia. Simpel Savings is also a means of funding for the Smart Indonesia Program from the Ministry of Education and Culture. This is indicated by the increase in the number of accounts to 20.39 million accounts, compared to 17.51 million accounts in 2017. In 2018, balance of Simpanan Pelajar savings was Rp3.99 trillion.

For BRI's participation in the success of the Financial Inclusion program, BRI was awarded by OJK as **the Best Bank In Supporting Government Programs Through Simpel** on the FinExpo and Sundown Run event on 27 October 2018 in Jakarta.



Operational Review Per Business Segment

BUSINESS STRUCTURE

MICRO BUSINESS

- ▶ MICRO BUSINESS
- ▶ BRILINK
- ▶ PROGRAM BUSINESS

The Micro Business serves individual customers and micro entrepreneurs, while Program Business aims to supporting Government Program for communities business empowerment.

RETAIL BUSINESS

- ▶ RETAIL CONSUMER LOANS BUSINESS
- ▶ RETAIL COMMERCIAL & MEDIUM LOANS BUSINESS
- ▶ RETAIL DEPOSITS BUSINESS
- ▶ RETAIL BANKING SERVICES BUSINESS

The Retail Business serves small and medium enterprises (SME), including consumer and commercial lending.

Operational Review Per Business Segment

CORPORATE BUSINESS

- ▶ SOE CORPORATE BUSINESS
- ▶ NON-SOE CORPORATE BUSINESS
- ▶ SYNDICATION & NON BANK FINANCIAL INSTITUTION SERVICES BUSINESS
- ▶ INSTITUTION FUNDS BUSINESS & TRANSACTION BANKING
- ▶ INTERNATIONAL BUSINESS
- ▶ TREASURY BUSINESS
- ▶ CAPITAL MARKET SUPPORTING BUSINESS

BRI Corporate Business Segment serves major corporation and institution such as State-Owned Enterprises (SOEs) and non-SOEs providing trickle down business for MSME segment, through comprehensive availability of loans and deposits products as well as banking services such as international banking, treasury and capital market supporting service. Moreover, this business segment offers syndication loan and limit committed and uncommitted facility to the Non Bank Financial Industry (IKNB) in the domestic market.

SUBSIDIARY BUSINESS

- ▶ PT BANK BRISYARIAH – BRISYARIAH
- ▶ PT BANK RAKYAT INDONESIA AGRONIAGA TBK – BRI AGRO
- ▶ PT BRI MULTIFINANCE INDONESIA – BRI FINANCE
- ▶ PT ASURANSI BRI LIFE – BRI LIFE
- ▶ BRI REMITTANCE CO. LTD. – BRI REMITTANCE
- ▶ PT BRI VENTURA INVESTAMA – BRI VENTURE
- ▶ PT DANAREKSA SEKURITAS – DS

The Subsidiary business activities included conventional and sharia banking, financing, remittance, life insurance, venture capital and securities.

Micro Business

HIGHLIGHTS

Micro Lending with outstanding amounted to

Rp291.62 trillion

in 2018, **grew 15.33%** from Rp252.85 trillion in 2017.

Micro Business Profit for the year **grew 9.78%** from Rp15.64 trillion in 2017 to

Rp17.17 trillion in 2018

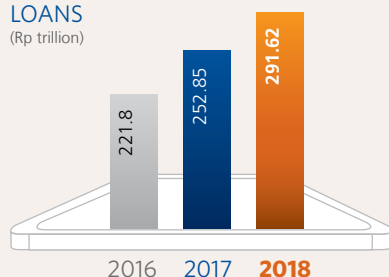
Micro Deposits Outstanding grew 11.42% YoY from Rp243.79 trillion in 2017 to

Rp271.65 trillion in 2018.

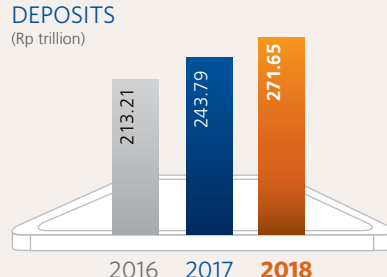
Recorded Micro Low Cost Funds of

84.9% from Micro total funds acquisition.

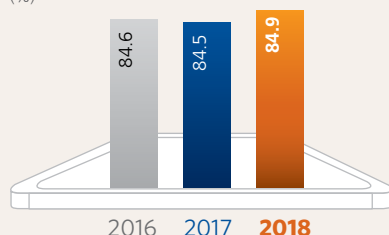
MICRO BUSINESS LOANS
(Rp trillion)



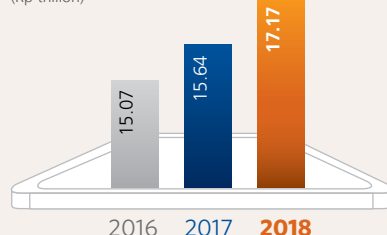
MICRO BUSINESS DEPOSITS
(Rp trillion)



MICRO BUSINESS LOW COST FUNDS
(%)



MICRO BUSINESS PROFIT
(Rp trillion)



PROFITABILITY IN 2018

Micro Business profitability is reflected by the segment's profit growth of 9.78% from Rp15.64 trillion in 2017 to Rp17.17 trillion in 2018.

Micro Business

BRI through Micro Business fosters the development of Micro and Small Enterprise in Indonesia as well as participates in the success of government programs of Financial Literacy and Inclusion including economic empowerment in 3T remote areas (abandoned, desolated, and isolated).

BRI micro lending amounted to **Rp274.26** trillion for **10 million micro enterprise across Indonesia** in 2018, increased by 14.53% compared to 239.46 trillion in 2017.

Micro Deposits outstanding **grew 11.42%** YoY from Rp243.79 trillion in 2017 to **Rp271.65** trillion in 2018.

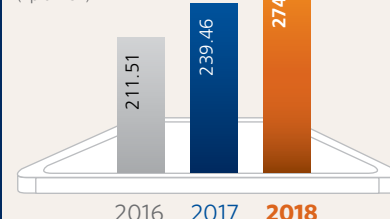
Micro credit quality was maintained with NPL at

1.01%

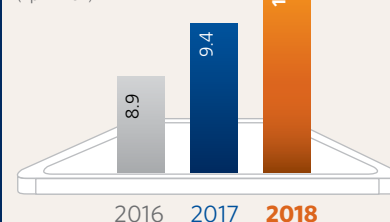
Micro Low Cost Funds composition stable at around

84% during the last 3 years

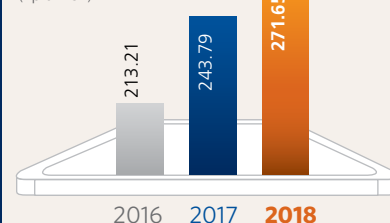
MICRO LOANS
(Rp trillion)



MICRO DEBTORS
(Rp million)



MICRO DEPOSITS
(Rp trillion)



MICRO BUSINESS PROGRAMS & STRATEGY IN 2018

Considering the large potential of micro financing in Indonesia, BRI positions its Micro Business as the Bank core business. In harmony with the Bank's aspiration to become the most valuable bank in South East Asia, BRI has undertaken more continuous improvement measures in internal business process to enhance

productivity and efficiency. To this end, BRI has executed BRIVOLUTION strategic initiative by re-engineering lending business process including BRISPOT implementation in Micro business segment.

BRISPOT Micro has been thoroughly implemented with agile methods and emphasizing on the collaboration with all stakeholders. The phases begun with strategic assessment, design clinic, prototyping, continuous iteration, trial-run, until roll out nation-wide in which development is regularly monitored by the Steering Committee.

Micro Business

Backed by its competency in delivering services to micro segment that has been tested in several economic cycles, BRI puts Micro business as its main business. Moreover, Micro financing in Indonesia still has wider potential development for growth. The following are strategies conducted during 2018:

1. Maximize the community banking concept implementation through micro business employee relocation policy in native areas or its surrounding areas.
2. Focus on the capability improvement (skills, knowledge, and technology) of marketers in terms of cross-selling and leadership capability in micro business management across Indonesia.
3. Customer profiling to enhance the potential of existing customers for cross selling that aim to optimizing products that may render Fee-Based Income.
4. Allocate specific resources for the implementation of government programs. As such, micro marketers may focus on improving financing volume through Kupedes loans.
5. Review career path of micro business employee thereby able to motivate employee in improving performance.
6. Revitalize/rejuvenate micro product proposition and features particularly for deposits and fee-based income acquisition.
7. Provide adequate infrastructure and facilities for effective and efficient business process.
8. Continue the business process re-engineering for loans and deposits product features service (through BRISPOT apps).

BRISPOT implementation in Micro business segment is able to accelerate lending process from previously 3-5 days to become an average of less than 2 days. On productivity, the re-engineering business process is able to improve productivity of the Loan Officer (Mantri) for more than 20%. Moreover, BRISPOT Micro has been complemented with the best risk mitigation features of its class.

MICRO BUSINESS PERFORMANCE IN 2018

Backed by products innovation variety and appropriate business strategy, the Micro Business rendered positive performance throughout 2018.

Micro Loans Performance

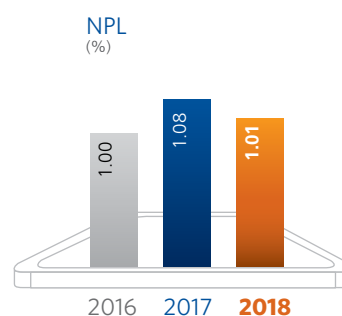
Micro Loan outstanding reached Rp274.26 trillion in 2018 with a total of 10 million debtors or grew 14.53% from Rp239.46 trillion in 2017 with 9.4 total debtors.

The positive lending growth is complemented with maintained asset quality. Micro Business recorded around 1% of Non Performing Loan (NPL) during the last 3 consecutive years. This reflected BRI commitment in implementing intermediate function by referring to prudential principle.

Micro Deposits Performance

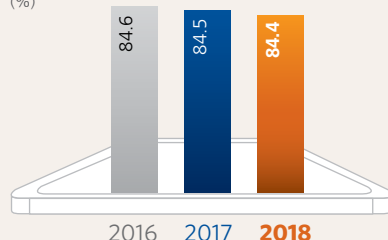
While Micro Deposits with Tabungan Simpedes as its main product

recorded an increase of third party funds (TPF) by 11.42% to Rp271.65 trillion in 2018 from Rp243.79 trillion in 2017, with CASA micro at 84.9% from the total TPF.



Micro Business

MICRO LOW COST FUNDS (%)



On the operations performance, Micro service networks recorded 5,381 BRI Units, 2,065 Teras BRI/Teras Kantor operating across Indonesia; 133 Teras Mobile/Teras Keliling (with 38 of Teras Keliling are 4WD vehicles to reach customers in the mountainous

areas); 3 Teras Kapal to provide financial access to the communities in the coastal areas, as well as 401,550 BRILink Agents. The following is BRI Micro services network in 2018:



Outlets	2016	2017	2018
BRI Units	5,380	5,382	5,381
Teras BRI	2,545	2,536	2,065
Teras Mobile	635	635	133
Teras Kapal	3	3	3
Total	8,563	8,556	7,582
BRILink Agents	84,550	279,750	401,550

In addition to render regular services, Teras BRI also has a role in recovering banking services in disasters affected areas. BRI operated four vehicles of Teras BRI Keliling and one E-Buzz vehicle in Lombok, West Nusa Tenggara, during the post-

earthquake of 7 Richter Scale in early August 2018. At post-earthquake in Palu and Donggala at the end of September 2018, BRI also operated 13 vehicles of Teras BRI Keliling and one E-Buzz vehicle for the recovery of services at Palu, Central Sulawesi.

Currently, the strategy for network development is carried out through BRILink Agent. This can be seen from the growth of total BRILink agents that increase by 121,800 agents during 2018 to 401,550 agents.

Micro Business

SUPPORTING THE GOVERNMENT PROGRAMS

BRI is committed to support the Government programs among others through the financial literacy improvement and communities economic empowerment in the 3T remote areas (abandoned, isolated, desolated).

On financial literacy improvements, BRI through Micro Business has promoted Tabunganku product totaling 7.6 million accounts and Student Savings of 15.97 million accounts.

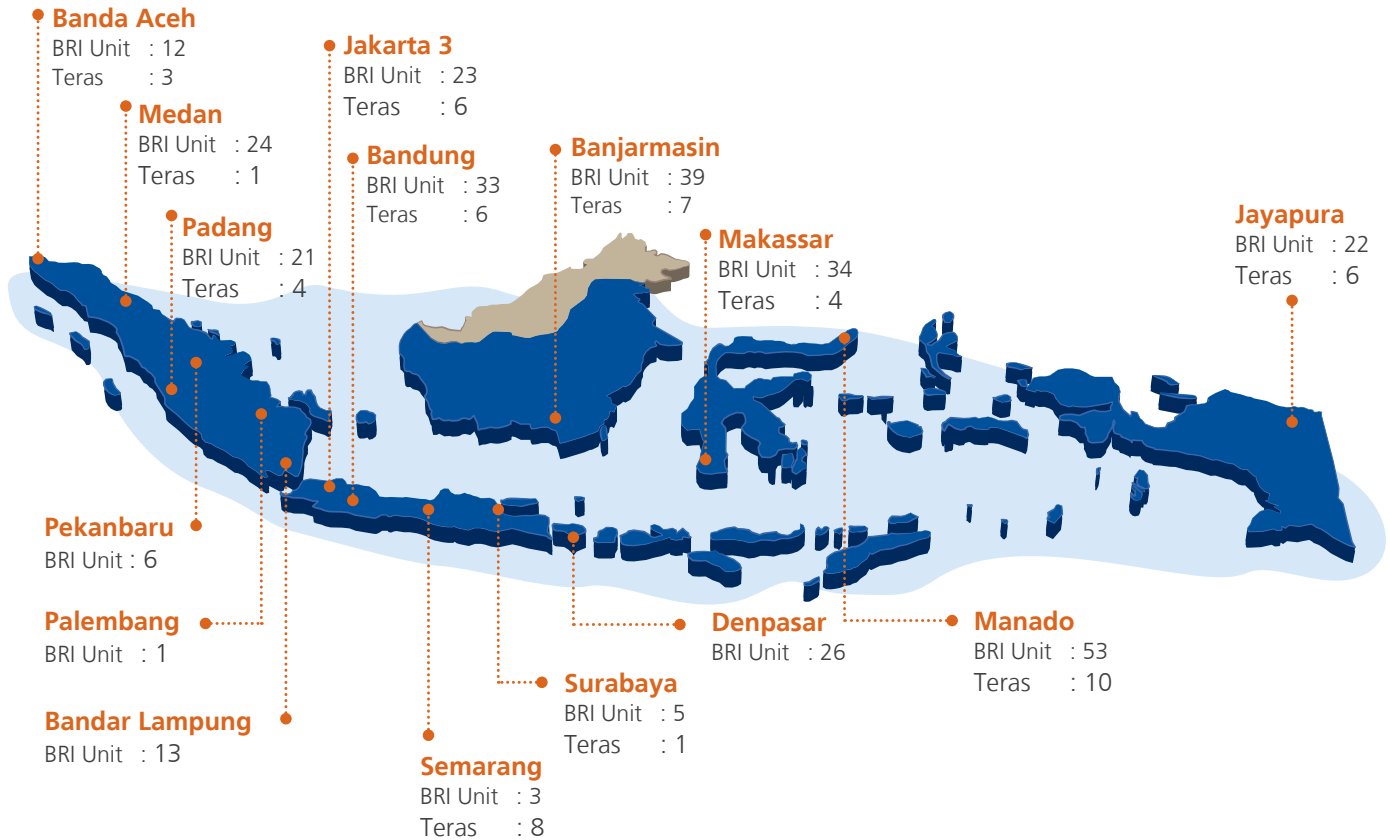
Under the communities economic empowerments in the 3T remote areas, BRI service is delivered by the Operating Units of Micro Remote Area that shall at least fulfilling below criteria:

1. The distance between Main Branch Office with the Operating Unit is considered far-removed with traveling-time of ≥ 2 hour trip.
2. The arduous access to the Operating Unit (passing through streams, hills, forests, and so forth)
3. No adequate public transportation or are not easily available and operational.

In addition, BRI also provides customer services in the remote areas through Teras Kapal that equipped with satellite based digital banking services (BRIsat). Teras Kapal is operated to reach and serves customers in several small islands in Indonesia that are not yet bankable. BRI currently has 3 Teras Kapal serving the areas of Thousand Island, Labuan Bajo East Nusa Tenggara, and South Halmahera Island.

The Teras Kapal service is intended to not only acquiring new customers, but has also social objectives. One of example is conducted by Teras Kapal Bahtera Seva III, where BRI provides creative housing service to serve SME communities. During 2018, BRI assisted and mentored a total of 52 SME communities.

Micro Operating Units at Remote Area in 2018



Operational Routes of Teras Kapal BRI



Micro Business

MICRO BUSINESS STRATEGY IN 2019



BRI future strategy will be focusing on strengthening and maintaining leadership in micro segment which serves as BRI core business. Backed by the largest and widest work units across Indonesia and supported by qualified human resources, BRI Micro Business is optimistic to achieve a minimum of 15% growth every year in line with BRIVOLUTION target amidst the interest rate pressures as well as peer to peer lending of technology-based. As such, BRI Micro Business is focusing on innovations and productivity improvements, as follows:

1. Operating income improvement, both from interest income and non interest income (non performing loan recovery and fee based income/FBI), through the following strategies:
 - Cooperation with insurance companies for cross selling of loss insurance to the existing customers that aim at optimizing FBI-based products.
 - Revitalizing or rejuvenating Simpedes savings to support FBI acquisition.
2. The refinement of effective and efficient business process to accelerate lending and deposits achievements:
 - Coordinate with relevant Divisions in business process refinement for lending and deposits product features services.
 - Review the policy to simplify business process.

- Reviewing the policy in handling micro loan quality and non performing loan recovery improvement.
- Revitalizing or rejuvenating the proposition of Simpedes savings product to support the Third Party Funds acquisition.
- Developing lending products by adjusting with market needs in order to take the opportunity through Kupedes Ekstra Cepat (KECE).

BRILINK

HIGHLIGHTS

Total BRILink Agents increased by 43.54% YoY from 279,750 agents in 2017 to **401,550 agent** in 2018.

Total BRILink Financial Transaction reached **378.72 million transactions**, increased by **87.42%** from 202.07 million transaction in 2017.

Recorded Fee Based Income of **Rp 448.82 billion** in 2018, increased by 177.79% from Rp161.57 billion in 2017.

BRILink CASA increased by 39.95% from Rp3.93 trillion in 2017 to **Rp 5.5 trillion** in 2018.

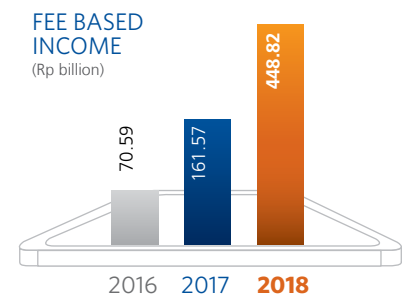
BRILink transaction value reached **Rp 512.69 trillion** in 2018, increased by 72.04% from Rp298 trillion in 2017.

Supporting the Government Programs of Financial Inclusion for the 3T remote areas (abandoned, isolated, and desolated), **One Price Fuel Program in Papua, and Smart Electricity in Pontianak**, and **Smart Electricity in Pontianak**.

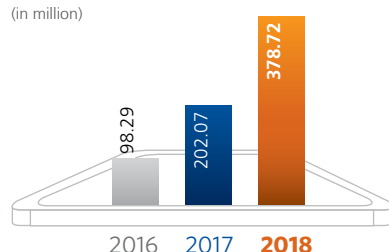
BRILINK AGENT



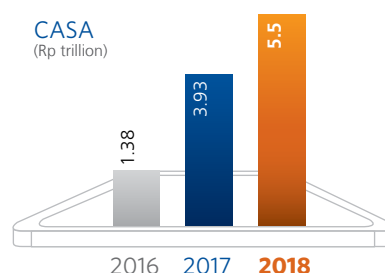
FEE BASED INCOME (Rp billion)



TOTAL TRANSACTIONS (in million)



CASA (Rp trillion)



TRANSACTION VOLUME (Rp trillion)



BRILINK

BRILink is BRI branchless banking service, developed to serve the communities for financial transactions as the realization of Branchless Financial Services for Financial Inclusion (Laku Pandai) and Digital Financial Services (LKD), including to safeguarding the rupiah sovereignty. BRI has launched BRILink since 2014, which continue being developed in line with the customers needs as well as supporting the government programs. The following are BRILink programs and development strategies in 2018:

1. Focus on BRILink Agent Quality
Supported by the growth of the BRILink Agent as the expansion of the delivery channel strategy, BRI focuses on the improvement of BRILink profitability by maintaining the quality of its Agents. Moreover, as an effort to improve the performance and maintain the operations of BRILink Agents, BRI supported the BRILink Agents with the BRILink Agent Officers.
2. BRILink Services Transformation
Aligned with the technological development of Internet of Things paradigm, BRILink addresses the challenges in the digital economy through focus on a more secure, efficient and reliable agent acquisition

with mobile platform based which called BRILink Mobile. BRILink Mobile is expected to attract the millennial generation to participate in the success of financial inclusion program. BRI also renders the Lending Referrals from BRILink Agents through BRISPOT with e-Form mechanism.

3. Supporting the Government Program

BRI participates in supporting the financial inclusion improvement program and financial literacy program to the community through LKD-BI and LakuPandai-OJK programs. In addition, BRI through the BRILink Agents also actively participates and sinergizes with the Ministry of Social Affairs and Regional Social Agency to cooperate in disbursing Social Contribution to the underprivileged communities.

Bank BRI also committed to supporting the government programs in the eradication of poverty through the social assistance and government programs through BRILink Agents. Some of the social assistance transaction activities conducted are among others the non Cash Foods Assistance,

Keluarga Harapan Program, Disbursement of Farmers Cards and synergy of BRILink Agents with the Village-Owned Enterprises (BUMDES).

In 2018, BRILink also invited the National Alms Amil Agency (BAZNAS) for the opening of alms services at the small stores and kiosks that aim to facilitate the public in alms contribution, which is now increasing and with easy process.

4. Endorsing Financial Inclusion in 3T Regions (Abandoned, Isolated, and Desolated)

Utilizing BRIsat technology as the realization of technology innovation, BRI is able to expand BRILink services to the blanspot areas. BRI has enacted agent business acquisition and expansion to remote areas of the nation including 3T regions.

BRILINK

BRILINK PERFORMANCE IN 2018

Throughout 2018, BRILink continues to perform positive growth, from transactions, funding acquisition, total agents, to transaction volume. The achievement has exceeded the target set for 2018 of 380,000 agents, which indicate huge interest of the communities to become BRILink Agent, in line with the benefits that will be received by such Agents.

BRILink financial transaction grew 87.42% from 202.07 million transactions in 2017 to 378.72 million transactions in 2018. The improved financial transactions reflect a

much needed BRILink services by the communities to meet their financial transactions.

On BRILink performance, BRI recorded an increase of 177.79% Fee Based Income to Rp448.82 billion in 2018 from Rp161.57 billion in 2017. This rendered positive impact to BRI overall revenues. Moreover, BRILink also improved the CASA acquisition to Rp5.5 trillion, grew 39.95% from Rp3.93 trillion in 2017. While BRILink transaction volume was Rp512.69 trillion.

BRILink Development 2016-2018

	2016	2017	2018
BRILink Agent	84,550	279,750	401,550
Financial Transactions (thousand)	98,292	202,074	378,722
Fee based Income (Rp million)	70,585	161,568	448,817
CASA (Rp million)	1,382,660	3,930,473	5,498,974
Transaction volume (Rp trillion)	139.11	298	512.69

BRILINK BUSINESS STRATEGY IN 2019

BRILink focus in 2019 will be to expand acquisition into rural areas and remote areas in Indonesia by as much as 451,550 BRILink Agents. Up to 2018, BRILink are available at 80% from the total cities and regencies and is expected to be able to realize the delivery channel expansion strategy with BRIsat technology and the latest technology development innovation. As such BRILink can continuously commit to foster the communities economic development in Indonesia in the future.

BRI's widest reach in promoting BRILink has become its own strength in the success of financial inclusion program which is undertaken as the Government Nawacita. To that end, BRI will need to enhance its synergy with BRILink Agents. This is intended to optimize the community

service and banking business potential such as fee based income through the marketing of Tabungan BSA, Lending Referrals and Insurance.

Going forward, BRI strives to utilize BRILink networks to collaborate with digital business players and Financial Technology (Fintech) companies, Startup, as well as E-commerce as an effort to address the dynamics of communities' needs.

Innovation for BRILink in terms of features enrichment for banking services, payments, and purchases will be continually developed. This is in line with the communities needs and lifestyle for a secure, easy and practical financial service.

BRILINK

BRILINK SUPPORTS THE GOVERNMENT PROGRAMS

To realize its commitment and spirit in reaching the public all the way to remote areas and all class of groups, especially the unbanked communities in Indonesia, BRI focuses in the agent business development namely BRILink Agent that started in 2014. Addressing the positive public response, and considering the annual growth of BRILink agents, BRI in 2018 undertakes BRILink development by

using smartphone apps. This development is expected to optimize BRI contribution to the State. BRI also fully supports the government through synergy with the SOEs as well as other government agencies. BRI supports in this instance can be seen from the following activities:



BRI Reaches to Remote Areas

BRI has operated its satellite network, BRISat to foster the financial inclusion in the 3T remote areas (abandoned, isolated and desolated) such as Arfak Mountain, West Papua, Jayapura. The BRILink Agents in this area are utilizing the BRISat network to facilitate financial access for the local communities. Previously, they have to take a four hour trip to the bank's closest operating unit at Trafti District.

BRI Supports on One Price Fuel Program in Papua

BRILink agents presence in Arfak Mountain area has rendered positive impact for the local communities and fuel station owners. Previously, fuel depot in Arfak Mountain area have to spend large expense for banking transaction transfer payment in Trafti. With BRILink agents in the Arfak Mountain area supported by BRISat communication network, the fuel depot sellers and communities are no longer need to travel through difficult terrains to Trafti District for banking transactions. The utilization of BRISat network has enabled to facilitate financial access in that area.

BRILINK



*Payment service for Smart Electricity in West Kalimantan

BRI Supports on Smart Electricity Program

BRILink is also available in West Kalimantan to assist the local communities for electricity payment and to facilitate in obtaining electricity vouchers or tokens. This is to address the PLN customers geographics area as they are largely spread across difficult locations to reach. With BRILink Agents, the local communities are able to reach the customers in arduous areas, especially in the desolated ones. BRILink Agents are expected to bridge the facilitation to the communities especially PLN customers in buying the tokens as well as electricity payment, in particular for the villages that do not have the electricity tokens purchase counters. This is aligned with the Government program of Smart Electricity for all communities.

Alms Payment Points

In relations with the national alms collection and distribution, as stipulated in the Law No. 23 of 2011 to trusteeship the national zakat to the National Alms Amil Agency (Baznas). To that end, BRILink cooperates with Baznas in servicing alms point at stores and small kiosks. This is aimed at facilitating the communities in cashing-out the alms through alternative alms payments counters that are increasing in numbers with easy process.



Payment Service for Alms at BRILink Agent

Program Business

HIGHLIGHTS

Program Business Total Loans Outstanding amounted to **Rp17.36 trillion** in 2018, **increased by 29.65%** from Rp13.39 trillion in 2017.

Recorded Foods Loans Outstanding of **Rp3.72 trillion** or grew 19% from Rp3.13 trillion in 2017. While warehouse receipt loans outstanding reached Rp11.38 billion.

In 2018, BRI has disbursed KUR amounted to **Rp80.18 trillion** for 3.94 million debtors, increased by 15.2% from Rp69.606 trillion in 2017.

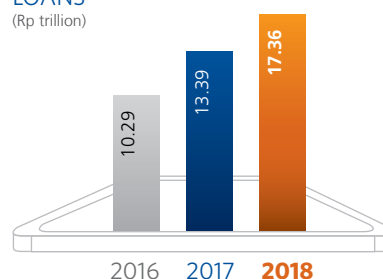
Total “upgraded” KUR debtors increased to, **378,588 debtors** of Micro KUR to Kupedes debtors.

BRI consistently supporting the government efforts on the development and improvements of economics, equitable development and public economics welfare through the strengthening and services of micro small and medium enterprises. BRI is one of the Banks providing People’s Business Loan (KUR) programs beneficials to accelerate real sector businesses development, work opportunities expansion, and improvement of financing access in accordance with nawa cita programs.

One of the successfull indicators in Lending to the MSME sector is the improvement of such debtors’ business scale, which is measured through loan facilities that reflect the business scales’ development.

Throughout 2018, a total of 378.588 KUR Micro debtors (with a ceiling of up to Rp25 million) were upgraded into Kupedes debtor (with a ceiling of up to Rp200 million).

PROGRAM LOANS
(Rp trillion)



PROGRAM BUSINESS PRODUCTS AND SERVICES

The following are products and services of BRI Program Business:

1. KUR Micro (Micro Business Loans)
KUR Micro is aimed at serving the productive sector development (non-trade) and micro enterprises empowerment. The lending scheme of Micro Loan consists of working capital and investment loan specifically provided for productive business units through credit guarantee. The target is individual business entrepreneurs with a maximum credit platform of Rp25 million. This loan is subsidized by the government and guaranteed by credit loss insurance from the SOE insurance companies.
2. KUR Kecil
KUR Kecil renders similar program as KUR Micro however for slightly larger business scales than KUR Micro, with a maximum platform of Rp500 million.

Program Business

3. **KUR TKI (Loans for Indonesian Migrant Workers)**
KUR TKI is a government assistance program for the Indonesian migrant workers that manage a side job in their hometowns. This program is aimed at improving their living standards and provides job opportunities when they are coming home.
4. **Foods Loans**
Foods Loans is intended to support the government's food security program.
5. **Warehouse Receipt Loans**
The Warehouse Receipt Loan is a lending program to assist farmers who have supplies that can be guaranteed in the short term.
6. **Partnership Loans**
The Partnership Loans is a low interest rate loan aimed at assisting the economy of unbanked communities that have productive businesses with a potential to be developed. The training to increase knowledge and skills are provided to the mentoring partners of the partnership loan recipients.
7. **Kartu Tani**
The Kartu Tani is a multi function card that can be used as identity card and financial services card. The farmers can use the card for the allocation of subsidized fertilizers and reimburse this fertilizer at the designated kiosks.
8. **Jaring Program**
The Jaring Program is initiated by OJK to support the marine development in accordance with the Government NawaCita by providing access on Financial Services products, in particular financing access.
9. **Social Assistance**
The contribution of Keluarga Harapan (PKH) program, a social protection program aimed at providing cash assistance to Poverty-Stricken Households and Non Cash Foods Assistance rendered to the beneficiary families every month through electronic account mechanism for them to buy foods at e-Warong KUBE PKH/foods traders cooperating with Bank HIMBARA.



Program Business

PROGRAM BUSINESS INDUSTRIAL SECTORS

BRI is committed to empower lower economic communities or small enterprises sector by providing affordable business financing resources. This is in line with BRI commitment to the government on the distribution to Productive Sectors, such as Agriculture, Fisheries, Processing Industry, and Services.



PROGRAM BUSINESS STRATEGY IN 2018

Program Business has implemented the following strategies during 2018:

- Developed marketing program with agricultural commodity based.
- Developed/ evaluated human resources capabilities and productivities through in house trainings and workshops.
- Optimized the internal and external value chains by executing trickle down business potentials.
- Undertaken thematic marketing program on foods lending.

PROGRAM BUSINESS PERFORMANCE IN 2018

BRI strives to fostering the Government programs in particular the community economic empowerment. This is indicated by the increase of loan outstanding of Program Business at Rp17,36 trillion, grew 29.7% from Rp13,39 trillion in 2017. Several factors have boosted this achievement, among others:

Program Business

1. Success in KUR Disbursement

BRI held the largest portion of KUR disbursement BRI has disbursed KUR at Rp80.17 trillion in 2018 for 3.95 million debtors. Since 2015, total KUR disbursement reached Rp235.45 trillion for 12.56 million debtors, a testament of BRI affirmities in developing MSME sector in Indonesia.

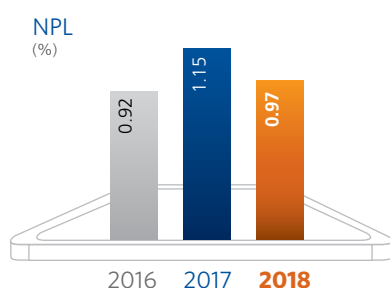
The key of BRI KUR disbursement success is derived by the strategy that include the availability of specific marketers for KUR, namely Mantri or loan officers for KUR Micro and Foods Relationship Managers for KUR Small. This is also supported by marketing strategy through the provision of business communities in every region, as well as active involvement of BRILink agents to direct business entities in their regions. In addition, KUR disbursement also refers to lending prudential principles hence maintaining credit quality.

2. Outstanding Foods Loans and Warehouse Receipts

The outstanding foods loans reached Rp3,72 trillion or rose by 19% from Rp3.13 trillion in 2017. While the outstanding warehouse receipts was Rp11.38 billion.

3. Maintained Asset Quality

In addition to the success in lending disbursement, BRI also took into account the credit quality by maintaining NPL level of Program Business Loan under 1% during the last three years. The KUR NPL recorded 0.97% NPL in 2018.



4. Government Program Disbursement

BRI serves as the government agent in the disbursement of 172,588 Fishermen Jaring Card, 3.02 million Farmers Card and acquisition of Fertilizer Kiosk at 6,087 units. BRI also disbursed social assistance through Keluarga Harapan Program and Non Cash Foods Assistance respectively for 3.85 million people and 2.5 million people.

BRI succeeded in increasing the debtors loan facility or usually called "upgrade" as one of the success indicators of loan disbursement under micro, small and medium enterprises (MSME) sector. The loan facility addition is assumed as the improvement of the debtors' business scales. Throughout 2018, a total of 378,588 KUR Micro debtors (with a plafond of up to Rp25 million) were upgraded into Kupedes debtor (with a plafond of up to Rp200 million).

BUSINESS PROGRAM STRATEGY & DEVELOPMENT IN 2019

BRI continuously innovates in developing Program Business to improve the financial performance in 2019. To that end, BRI has developed business development strategies, as follows:

- Improve productivity through re-engineering business process implementation, namely BRISpot.
- Optimize the value chain and trickle down business of corporate customers to foster massive and close system penetration of small enterprises.
- Improve CASA by increasing transaction and reducing cost of funds.
- Develop a more informative and accurate management information system (MIS) to improve credit monitoring quality.
- Implement the reward program for the best relationship managers to foster productivity enhancement.

Retail Business

HIGHLIGHTS

Retail Loan Outstanding reached **Rp320.05 trillion**, increased by **18.27%** compared to Rp270.6 trillion in 2017

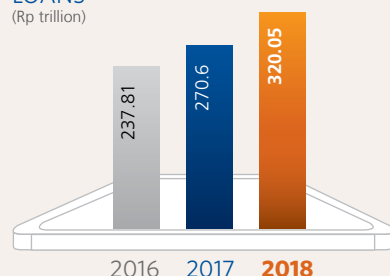
Retail Deposits reached **Rp341.33 trillion**, increased by **12.12%** compared to Rp304.44 trillion in 2017

Retail Business Fee Based Income reached **Rp6.81 trillion**, increased by **10.91%** compared to Rp6.14 trillion in 2017

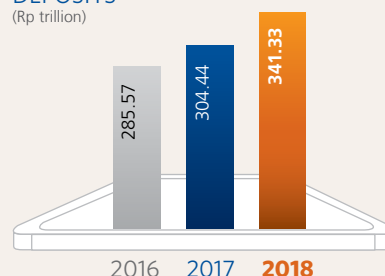
Retail Business Profitability reached **Rp10.62 trillion**, increased by **18.39%** compared to Rp8.97 trillion in 2017



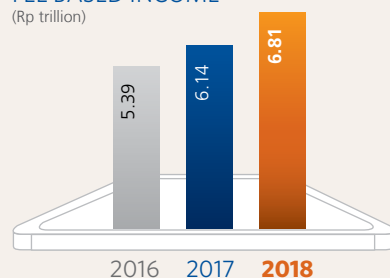
RETAIL BUSINESS
LOANS
(Rp trillion)



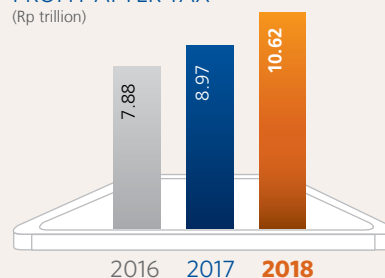
RETAIL BUSINESS
DEPOSITS
(Rp trillion)



RETAIL BUSINESS
FEE BASED INCOME
(Rp trillion)



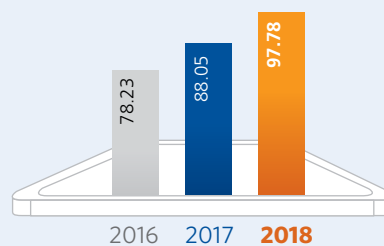
RETAIL BUSINESS
PROFIT AFTER TAX
(Rp trillion)



Retail Consumer Loans Business

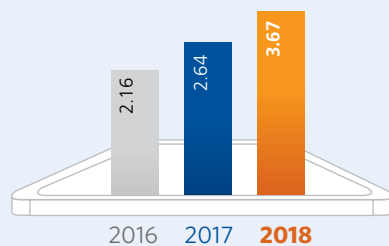
HIGHLIGHTS

BRIGUNA
(Rp trillion)



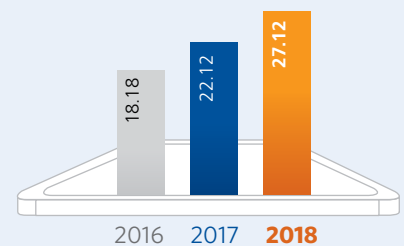
BRIGuna Loans Outstanding reached **Rp97.78 trillion** increased by **11.05%** compared to Rp88,05 trillion in 2017

MOTOR VEHICLES LOANS
(Rp trillion)



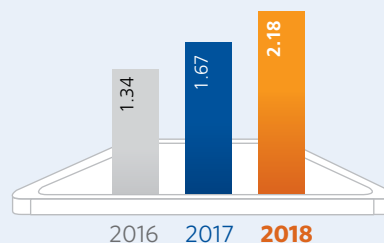
Mortgages Outstanding reached **Rp27.12 trillion**, increased by **22.6%** compared to Rp22,12 trillion in 2017

MORTGAGES
(Rp trillion)



Motor Vehicles Loans Outstanding reached **Rp3.67 trillion**, increased by **39.01%** compared to Rp2,64 trillion in 2017

CREDIT CARDS
(Rp trillion)



Credit Cards Outstanding reached **Rp2.18 trillion**, increased by **30.09%** compared to Rp1,67 trillion in 2017

RETAIL CONSUMER LOANS BUSINESS PRODUCTS

Coherent with the modernization, the customers needs are also increasingly diversified from the primary to tertiary needs. This is addressed by BRI through its Retail Consumer Lending business by providing beneficial range of products, as follows:

1. **BRIGuna**
A multipurpose loan aims for customers with fixed income. BRIGuna provides 3 types, which are BRIGuna Karya, BRIGuna Umum, and BRIGuna Purna. BRIGuna Karya is intended for active employees with fixed income. BRIGuna Umum is aimed for fixed employees to retirement. BRIGuna Purna is intended for pensioners.



In its implementation, BRIGuna products gain positive response from the customers. This encourages BRI to continuously innovate in this product development with wider market share. The results are indicated by the launching of two products, namely BRIGuna Pendidikan and BRIGuna Talangan. The following are details of both products:

- BRIGuna Pendidikan is a loan facility for students with fixed income and are permanent employees at institutions or companies. The loan is rendered for tuition fees from Post Graduate, Master Degree and Doctor Degree. BRIGuna Pendidikan has several advantages as follows:
 - Flexible installment
 - Maximum lending plafond of Rp250 million
 - Easy requirements
 - Competitive interest rate
 - Tenor of up to 10 years
- BRIGuna Talangan is a loan rendered to prospective debtors or debtors with permanent status that are entering retirement (maximum 1 year before retirement) and have severance rights or retirement allowance or insurance benefits. The following are the advantages of BRITalangan:
 - Easy requirements
 - Competitive interest rate
 - Tenor of up to 12 months
 - Flexible installment scheme, which can be done in two ways: by monthly installment or deducted at loan disbursement.

2. Mortgages Loans

Mortgages Loans is a housing consumer loan for new/second purchase, take-over, construction and renovation of residential, shop-houses and office-houses. BRI offers several types of Mortgage that are adjusted to the customers characteristics, as follows:

- a. Special Mortgage for the state civil apparatus, Indonesian National Military and Policy Forces of the Republic of Indonesia which called a BRI Non Subsidized Regular Mortgage that has been adjusted to facilitate housing loan for these group.
- b. KPR Subsidi (Subsidized Mortgage) and KPR Guru & Tenaga Kependidikan (Mortgage for Teachers & Educational Professions)
A loan facility of KPP and KPR Sejahtera program for teachers and education staffs. This product has the following advantages:
 - Free of administration and provision fees
 - Competitive interest rate.
- c. KPRS ASRI
A subsidized housing loan program aims for low income society including for the state civil apparatus, and Indonesian national army-police with principal salary limit of maximum Rp4 million. This product has several advantages as follows:
 - Fixed interest rate
 - Free of administration and provision fees
 - Down payment from 0% or according to Loan to Value (LTV)
 - Maximum tenor of 20 years or up to retirement age
- d. KPRS or FLPP (Housing Liquidity Loan Facility) is a subsidized housing loan program aims for low income society with maximum principal salary limit of Rp4 million.
- e. Seasonal Mortgages programs such as seperti KPR HOKI, KPR Lebaran, KPR Merdeka dan KPR HUT.

Retail Consumer Loans Business

3. Motor Vehicles Loans
A loan facility for 2 wheels, 2 wheels premium, and 4 wheels vehicles provided through direct scheme or cooperation scheme.
4. Credit Cards
A non-secured loan of card basis which facilitates and provides comfort in transaction with the cooperated merchants.

RETAIL CONSUMER LOANS BUSINESS STRATEGY IN 2018

To increase sales and expand market share from each product of Consumer Retail Loans, BRI has carried out several programs and strategies, as follows:

BRIGuna

- Digitalization of BRIGuna loans process to accelerate turn around time and enhance loan productivities.
- Product features development, especially on transfer of branch (TOB) feature.
- Growth strategy by focusing on penetration on the payroll customers portfolio and maximizing the value chain of existing customers.
- BRIGuna marketing programs on the National Tematics and Special Programs to Institutions with attractive promos, among others:
 - a. "Kementrian Grebeg" Program, SOEs & TNI-Polri.
 - b. Special BRIGuna Interest Rate for several institutions.
 - c. BRIGuna Program for RI 73th Independence.
 - d. BRIGuna Program for BRI 123th Anniversary.

Mortgages and Motor Vehicles Loans

- Accelerate growth through marketing programs, which are:
 - a. Mortgages and Motor Vehicles seasonal programs (Hoki, Lebaran, Independence, and Anniversary).
 - b. Fee sales program for the primary mortgage from the Developers and Property Agents with Work Agreements.
 - c. KPR Solusi, is a loan facility for the Prospective Debtors interested in buying the auctioned property.

- d. KPR Take Over Top Up Special Program.
 - e. KKB VIP Priority and Premium Car Program, is a program for the priority customers based on the transaction activities and accounts balance in BRI.
 - f. KPP Program (Property Ownership Loan) & KKB Pre Approval Program.
 - g. HOP and COP Marketing in the institutions or companies that are already having Work Agreements with BRI.
- Simplification of business process and requirements.
 - Periodical loan quality control by coaching, mentoring and evaluation both on site or off site.
 - Human resource enhancements by providing reward program for the best relationship managers.

Credit Cards

Credit card spending for various needs become one of modern society characteristics. As part of the effort to become the leading consumer banking, BRI strives to develop the credit card product innovation.

Credit Cards Business Strategies in 2018 are as follows:

- Value chain channel optimization from various Divisions, such as Corporate and Agribusiness Division as well as subsidiaries and customers of Corporate Card.
- Internal Marketing optimization through branch offices networks.
- Develop new collection system.
- Improve BRI credit card transaction volume through cooperation programs with merchants by giving discounts or installments.

Retail Consumer Loans Business

RETAIL CONSUMER LOANS BUSINESS PERFORMANCE IN 2018

Maintained consumer spending amidst a moderate economic growth with appropriate business strategies, led the Retail Consumer Lending performance to remain positive throughout 2018. The customers are still enthusiasts in using BRI products for their basic needs or for the modern lifestyles. The following are performances of each Consumer Retail products:

BRIGuna

BRIGuna outstanding in 2018 reached Rp97,78 triliun, increased by 11.05% compared to Rp88.05 triliun in 2017.

BRIGuna	Year			Growth	
	2016	2017	2018	2017-2018	
				Rp	%
Outstanding (Rp trillion)	78.23	88.05	97.78	9.73	11.05%

KPR

Mortgages loan outstanding in 2018 reached Rp27.12 trillion or grew 22.6% from Rp22.12 trillion in 2017.

Mortgages Loans	Year			Growth	
	2016	2017	2018	2017-2018	
				Rp	%
Outstanding (Rp trillion)	18.18	22.12	27.12	5	22.6%

Motor Vehicles Loans

Motor Vehicles Loans outstanding in 2018 reached Rp3.67 trillion, increased by 39.01% compared to Rp2.64 trillion in 2017.

Motor Vehicles Loans	Year			Growth	
	2016	2017	2018	2017-2018	
				Rp	%
Outstanding (Rp trillion)	2.16	2.64	3.67	1.03	39.01%

BRI Credit Cards

BRI credit card is increasingly attractive to generate the the customers' transaction interests. This is indicated by growth of total credit card to reach 1.68 million cards, increased by 21.74% from 1.38 million cards in 2017. Of this total, BRI new credit card acquisition reached 295,000 cards, rose by 11.14% from 261,000 cards in 2017.

Retail Consumer Loans Business

In line with the growth of total cards, BRI credit card loan amounted to Rp2.18 trillion, increased by 29.51% from Rp1.68 trillion in 2017. The transaction volume amounted to Rp7.47 trillion, up by 18.76% from Rp6.29 trillion in 2017.

The increase of total cards and transactions boosted the increase of fee based income (FBI) by 40.87% to Rp312.84 billion from Rp222.08 billion in 2017

Credit Cards	Year			Growth
	2016	2017	2018	2017-2018
Card Outstanding (Rp trillion)	1.34	1.67	2.18	30.09%
Total Cards (million)	1.13	1.38	1.68	21.74%
New Cards (million)	0.16	0.26	0.29	25.00%
End Nett Receivable (ENR) (Rp trillion)	1.35	1.68	2.18	29.51%
Sales Volume (Rp trillion)	4.66	6.29	7.47	18.74%
FBI (Rp billion)	183.51	222.08	312.84	40.87%

SUPPORTING THE GOVERNMENT PROGRAMS

BRI continuously foster the government programs for the enhancement of people's welfares. One of the Government programs was to resolve the housing backlog. In this instance, the Government has provided housing loan with FLPP program (Housing Loan Liquidity Facility). BRI also participates by disbursing the FLPP loan for the low income society, state civil apparatus, and Indonesian national army-police with the realization of 1,161 units, an increase of 92.54% from 2017.

BRI supports in the Government program also realized in the National Payment Gateway implementation to enhance transaction cost efficiency and customers data protection. The support is provided by adjusting the features and transaction costs with due observance to the applicable rules.

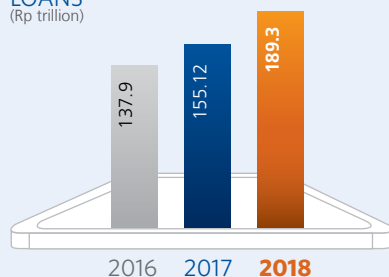
RETAIL CONSUMER LOANS BUSINESS STRATEGY DEVELOPMENT IN 2019

In line with BRI aspirations to become the leading Consumer Banking in Indonesia, the development of Consumer and Retail Lending sub-segments will be directed to realize such aspiration. The expansion of cooperation and utilization of value chain from major corporations, governments, and privates will be increased. This is to improve BRI consumer market share and increase income both on interest as well as non interest income or fee based income. The following are Retail Consumer Lending business focus for 2019:

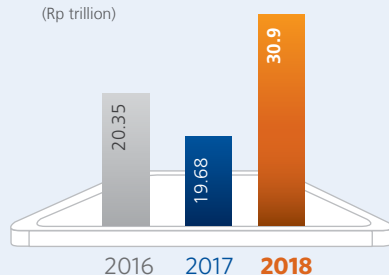
- Improving growth and market share of secured/unsecured lending segment supported by collection and underwriting strengthening.
- Transforming the entire consumer branches networks for the re-allocation of network capacity to optimize business opportunities.
- Improving the digitization of lending process comprehensively to enhance the customer experience and reduce costs as part of increasing efficiency.
- Improving promotional activities and integrated marketing.

Retail Commercial & Medium Loans Business

RETAIL & MEDIUM
LOANS
(Rp trillion)



BANK GUARANTEE
VOLUME
(Rp trillion)



HIGHLIGHTS

Retail Commercial & Medium Loans Outstanding **reached Rp189.3 trillion**, increased by

22.03%

from Rp155.12 trillion in 2017

Bank Guarantee Volume **reached Rp30.9 trillion**, increased by

57.01%

from Rp19.68 trillion in 2017

3. Partner Loans/Supply Chain Financing

- KMK Pre-Financing is a working capital loan facility for vendors/suppliers to finance the working capital needs during projects implementation of BRI's partners Main Companies.
- KMK Post Financing is a working capital loan facility for vendors/suppliers to finance receivables take-over on the project billings settlement of BRI's partners Main Companies.
- KMK Distributor Financing is a working capital loan facility for the distributors/agents, specifically for product purchase payments of BRI's partners Main Companies.
- Partner Investment Loan is an investment lending for the purchase, construction, expansion, renovation including refinancing of fixed assets to support the partners' business operations of BRI's partners Main Companies.

RETAIL COMMERCIAL & MEDIUM LOANS BUSINESS PRODUCTS

BRI developed the Retail Commercial and Medium business products that are in line with the customers needs, among others:

1. Working Capital Loan

A productive loan facility to finance business operational intended for production process or working capital. The product advantages include the lending period and installment that aligned with the borrowers' business characteristics, competitive interest rates and costs, and New Account Sweep.

2. Investment Loan

A productive loan facility for the purchase, construction, expansion, renovation, or refinancing of capital goods. The product advantages include the lending period that aligned with the borrowers' cash flows capability.

These products have several advantages, among others:

- Attractive interest rates and lending costs
- Relaxation on guarantee and Own Fund Sharing
- Digital operations through Supply Chain Module on BRI Cash Management System

Retail Commercial & Medium Loans Business

4. KMK Dinamis

KMK Dinamis is a Working Capital Loan with features such as loan interest rates incentive that automatically change monthly, based on the borrowers' financial transaction contribution and Demand Deposits performance of the previous month. The advantage include a more attractive loan interest rate compared to the conventional loan and New Account Sweep.

5. Retail Loans with Fixed Installment

A productive loan facility for working capital and investment for retail segment borrowers with principal installment payment system and fixed interest. The product advantages of this method includes:

- Lending period of up to 5 years
- Maximum installment of 80% from the RPC

6. Online Bank Guarantee

The Online Bank Guarantee features the online and digital application as well as monitoring of BRI Bank Guarantee in the BRI Cash Management System. The product advantages include:

- Online and digital application of Bank Guarantee through BRI CMS, without directly visiting the BRI work units.
- The confirmation and monitoring the legitimate and maturity of Bank Guarantee by Bouwheer through BRI CMS without manual confirmation to BRI work units.

7. KMK Accepted Invoice of BPJS Healthcare

A financing renders to Health Facilities for receivables take-over to BPJS Healthcare based on approved invoices. The following are the product advantages:

- 100% financing from invoice values
- Without additional guarantee

8. Invoice Financing through Investree Platform (Fintech Peer To Peer Lending)

BRI collaborates with the financial technology (fintech) companies among others in providing the invoice financing with the online platform cooperation scheme at the <https://www.investree.id>. The product advantages include:

- Digital and fast lending service procedures, by remain upholding the prudential principle.
- Relatively lower lending cost with interest rate above the conventional loan.
- Withough additional guarantee.



Retail Commercial & Medium Loans Business

RETAIL COMMERCIAL & MEDIUM LOANS BUSINESS STRATEGY & PROGRAMS IN 2018

To achieve the set targets, the Retail Commercial and Medium Lending Business has several strategies and programs, which has been implemented by taking into account many factors such as economic conditions, market targets, and business opportunities. The following are strategies and programs undertaken throughout 2018:

- Optimizing the Loan Portfolio Guidelines as a sound lending guidance and is specifically aligned with the potential and risks at each region of BRI Work Units.
- Optimizing the Early Warning System to support the RM monitoring activities thereby to fastly acknowledge and handling the borrowers that potentially indicated toward default.
- The regular implementation of Pipeline Management Forum in all work units to create a planned and directed lending expansion and growth, supported by New Mapping Model.
- Optimizing Supply Chain Financing to 10 Core Companies of BRI main business partners and thematic Marketing Programs per region.
- Optimizing lending cooperation with various Fintech peer-to-peer lending.
- Focusing on Value Chain Business (VCB) of Corporate Business Division: acquisition process to intensive realization toward debtors of TDB results.
- Gradual implementation of BRISpot Retail where the loan services, initiation and decision are digitally conducted with gadgets thereby creating faster and paperless Service Level Agreement (SLA) .

RETAIL COMMERCIAL & MEDIUM LOANS BUSINESS PERFORMANCE IN 2018

To improve the Retail Commercial and Medium business performance, BRI introduced the resegmentation policy in 2018. The result was to define the Retail Commercial Loan with a lending ceiling of up to Rp25 billion, and Medium Loan with a ceiling of over Rp25 billion up to Rp200 billion.

The following are detailed performance of this business throughout 2018:

Retail Commercial Business

Retail Commercial Business reached Rp165.72 trillion, or increased by 28.15% compared to Rp129.31 trillion in 2017.

Medium Business

Medium Business reached Rp23.58 trillion, slightly decreased compared to the 2017 figure of Rp25.81 trillion. The decrease of Medium Business was due to BRI strategy in taking selective growth to maintain medium business credit quality.

Retail Commercial & Medium Loans Business

(Rp trillion)

Kredit	Year			Growth
	2016	2017	2018	2017-2018
Retail Loans	115.68	129.31	165.72	28.15%
Medium Loans	22.22	25.81	23.58	-8.64%
Total	137.9	155.12	189.3	22.03%

Bank Guarantee Volume

The Bank Guarantee volume was realized at Rp30.9 trillion in 2018 with 18,838 bank drafts. An increase from 2017 Bank Guarantee volume position of Rp19.68 trillion with 12,293 bank drafts. The highest realization of Bank Guarantee in 2018 was the Performance Bonds with a volume of Rp13.1 trillion and 7,058 bank drafts.

RETAIL COMMERCIAL & MEDIUM LOANS BUSINESS STRATEGIES IN 2019

The expectation of improved macroeconomics growth in 2019 rendered a more dynamic promising business opportunities including for retail commercial and medium business segment. The following are business strategies for this segment in 2019:

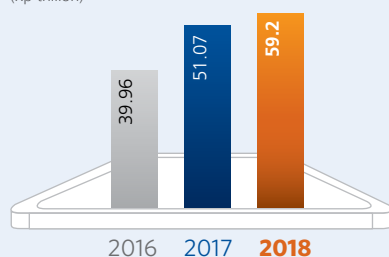
- Optimizing the use of BRISpot to enhance productivities of Retail Commercial Loans.
- Implementing the Retail & Medium business Marketing Programs adjusted with the business competition conditions.
- Optimizing business value chain specifically with potential Corporate customers.
- Implementing the pipeline forums.
- Enhancing the RM and BM capacity and competency through education and trainings.
- Partnership cooperation with peer to peer lending companies.
- Developing the KPI Dashboard for the RM.
- Cooperation with insurance companies on risk transfer mechanisms.
- Creating the community ecosystem by cooperation and IT through "Agritech" apps.

SUPPORTING THE GOVERNMENT PROGRAMS

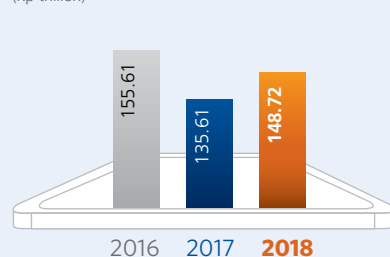
Through the Retail Commercial and Medium Business, BRI has supported the Government programs in particular the improvement of total middle class group of entrepreneurs. In addition, BRI also enhances the total workforce absorptions and reduces the unemployment rates.

Retail Deposits Business

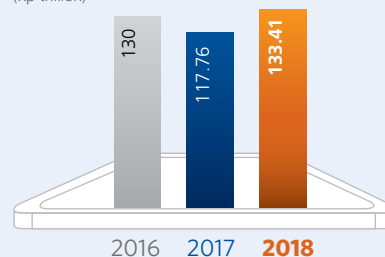
DEMAND DEPOSITS
(Rp trillion)



SAVING DEPOSITS
(Rp trillion)



TIME DEPOSITS
(Rp trillion)



HIGHLIGHTS

Third Party Funds reached **Rp341.33 trillion**, rose by **12.12%** compared to Rp304.44 trillion in 2017

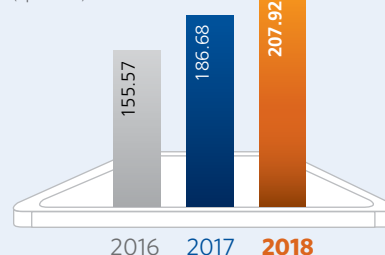
Saving Deposits reached **Rp148.72 trillion**, rose by **9.67%** compared to Rp135.61 trillion in 2017

Demand Deposits reached **Rp59.2 trillion**, up by **15.93%** compared to Rp51.07 trillion in 2017

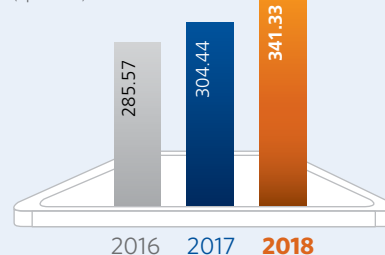
Time Deposits reached **Rp133.41 trillion**, rose by **13.29%** compared to Rp117.76 trillion in 2017

CASA increased by **11.38%** to **Rp207.92 trillion** compared to Rp186.68 trillion in 2017 or 60.91% of total TPF

CASA
(Rp trillion)



RETAIL BUSINESS DEPOSITS
(Rp trillion)





RETAIL DEPOSITS BUSINESS PRODUCTS

To meet the customers needs, BRI offers a range of Retail Deposits products. The following are products introduced in 2018:

Tabungan BRI BritAma

The BRI Tabungan BritAma is complemented with e-banking facility that increasingly facilitate the customers' transactions. In addition, this savings provides the accident insurance protection free of charge to customers.

Coherent with the increasing dynamics of customers needs, BRI continues developing various types of BritAma Savings, as follows:

- **BritAma Bisnis**
BRI saving product that mainly intended for business by providing more advantages in transactions, clarity in transactions recording and more benefits to support the customers business needs.
- **BritAma Special Edition for Millenials**
A saving product with elegant specific debit card design intended for millenials and provides range of banking transactions convenience with e-banking and real time online system, anytime and anywhere.

- **BritAma Rencana**

An investment saving with montly fixed deposits complemented with the life insurance protection for customers.

- **BritAma Valas**

A saving in foreign currencies offering transaction convenience and competitive exchange rates. Available in 10 currencies, which are USD, AUD, SGD, CNY, EUR, AED, HKD, JPY, SAR and GBP with selection of the following currencies USD, AUD, SGD, EUR, CNY, AED, HKD, GBP, JPY, dan SAR.

Tabungan BRI Junio

BRI Junio is specifically offered for children aims to boost a saving culture and early introduction on the Bank's products and services. This savings is complemented with e-Banking, financial planning feature (Junio Rencana), accident protection insurance as well as Debit Card with special attractive design. No worry for the parents as all transactions can be monitored through SMS Notification sent to their handphones.

Tabungan BRI SiMuda

The BRI SiMuda Savings is intended for an individual specifically for students and young age group of 18-30 years old. This product is complemented with the insurance and/or investment product features.

The BRI SiMuda Savings has two features, namely SiMuda RumahKu used for down-payment saving for Mortgage Loan and SiMuda InvestasiKu for the Mutual funds investment. These products are complemented with free premium insurance for the first year.

Tabungan Haji

The Tabungan Haji is intended for the customers planning for Hajj trip to the Holy Land. The Hajj Savings deposits can be done in all BRI work units. This savings is complemented with free life insurance protection for the customers convenience.

Giro BRI

BRI Giro features include Mass Debet, Account Sweep up to Salary crediting that facilitating the companies to execute effective and efficient salary payout to employees.

Retail Deposits Business

BRI Giro provides a range of currencies selection such as IDR, USD, SGD, AUD, CNY, JPY, EUR, GBP, SAR, NOK, AED and HKD. For transaction convenience, in addition to Check and Demand Deposits Tickets, BRI provides Debit Card, IBBIZ (Internet Banking Business) or CMS (Cash Management System) that are flexible to meet the customers' needs.

To facilitate the customers requiring deposits acceptance or payment facility, BRI offers BRIVA (BRI Virtual Account) that also targeting the digital trading market. BRIVA continues to expand by undertaking the cooperation with prominent fintech and e-commerce companies such as Tokopedia, tiket.com and other digital platforms.

DEPOBRI (Deposito BRI)

BRI Time Deposits is an investment choice for the customers available in several currencies, both Rupiah as well as foreign exchanges with competitive interest rates. This product is suitable for customers aim to achieve bigger returns compared with savings products. For account opening convenience, the customers are provided with choices to open through BRI work units across Indonesia or through internet banking. With affordable initial deposits, the customers are also provided with flexibility to select interest provision mechanisms, both directly provided through the accounts or add on into the time deposits components.

To accommodate the customers' transactions needs with demand deposits tickets, BRI has developed Scriptless Time Deposits. The Scriptless Time Deposits is time deposits with funding placement proof by email notification intended to create a more effective and efficient account management by the customers.

RETAIL DEPOSITS BUSINESS PROGRAMS & STRATEGY IN 2018

To increase the third party funds (TPF) acquisition, BRI focuses on CASA acquisition, namely Demand Deposits and Savings Deposits. The marketing activities refer to three pillars strategy, which are acquisition, retention, and maintenance. As such, BRI has also carried out various programs, both locally (initiated by each work unit) and nationally, among others:

- BritAma Hot Deal, a direct gift program for individual customer that place a minimum fund of Rp150 million for a certain agreed period.
- BritAma Great Deal, a reward program for working capital loan or investment loan borrowers that placed a minimum fund of Rp10 million deposited for a certain period.
- Juara Dana (Fund Champion) Program, a reward program for the Briguna Loan RM and Consumer that successfully attain fresh funds deposited for a certain period.
- Nabung Untung BritAma, a direct gift program to customers that are committed to place funds for a minimum of 6 month with nominal blocked fund at Rp25 million.
- THTB Program (The Highest The Better), a reward program for loan officers in Retail unit (Branch Offices and Sub-Branch Offices) for the contribution in increasing retail CASA performance.

In addition to marketing programs, CASA acquisitions are also conducted through cross selling activities, specifically with retail, intermediate, and consumer loans customers.

Retail Deposits Business

RETAIL DEPOSITS BUSINESS PERFORMANCE IN 2018

The business strategies throughout 2018 have been well implemented thereby rendering positive impact on the performance achievement. The TPF acquisition increased by 11.63% or Rp36.9 trillion to Rp341.33 trillion from Rp304.44 trillion in 2017.

The demand deposits products recorded highest growth compared to savings and time deposits. The demand deposits grew 15.93% to Rp59.20 trillion. Savings Deposits rose by 9.67% to Rp148.72 trillion and time deposits up by 13.29% to Rp133.41 trillion. The CASA fund acquisition increased by 11.38% to Rp207.9 trillion.

Rp trillion

Deposits	Year			Growth	
				2017-2018	
	2016	2017	2018	Rp	%
Demand Deposits	39.96	51.07	59.20	8.13	15.93%
Saving Deposits	115.61	135.61	148.72	13.11	9.67%
Deposito	130.00	117.76	133.41	15.65	13.29%
Time Deposits	285.57	304.44	341.33	36.89	11.63%
CASA	155.57	186.68	207.92	21.25	11.38%
CASA (%)	54.48	61.32	60.91		

SUPPORTING THE GOVERNMENT PROGRAMS

BRI is committed to support the Government programs in particular to improve the financial literacy of society. This is shown by among others through BRI SiMuda Savings product that support the OJK program to implement financial literacy as well as provide education regarding insurance instrument and investment introduction to the young generation.

Moreover, BRI fosters the synergy through BRIVA facility by servicing installment or deposits from the SOEs and Village-Owned Enterprises. This is in line with the SOE Synergy program to become the development agent in Indonesia.

RETAIL DEPOSITS BUSINESS DEVELOPMENT STRATEGY IN 2019

To improve funds acquisition, BRI continues its innovation by focusing on increasing CASA funds. As such, BRI has sets the following business development strategies for 2019:

Savings Deposits Development Strategy

BRI strives to revamp its savings products and transaction features as well as provides new experience for both existing and new customers by undertaking product development, such as BRImo. BRImo is a digital-based savings product that serves from the account opening, banking transactions and other features in one apps.

Retail Deposits Business

BRI also currently develops an apps system that may support the cooperation between BRI and schools. This apps will be facilitating the schools management covering the academics, administration, and information in one apps platform.

Demand Deposits Development Strategy

The Demand Deposits product development focuses on adding new features and facilities, apart from the existing features and facilities improvements. This is done to realize the mission to become the first choice by MSME communities for demand deposits operations and transactions.

Several product developments are planned in 2019 that among others adding the card facility to provide convenience in forex demand deposits transactions by business community, specifically the export-import players, improve the CMS (Cash Management System) and IBBiz (Internet Banking Bisnis) quality and total users, as well as refining the e-statement apps to provide convenience in transaction monitoring by business community. Moreover, BRIVA as one of BRI demand deposits features will expand its reach to Timor Leste regions.

BRI also will carry out the apps refinement that strongly relate to BRI Demand Deposits among others by refining the Mass Debet, Account sweep and Salary crediting apps that are expected to accommodate all customers transactions needs emphasizing on convenience and high accessibility.

BRI also in the development of billing management app that is used to add value for the demand deposits customers. This apps enable the business communities in managing receivables automatically through the system.

Time Deposits Development Strategy

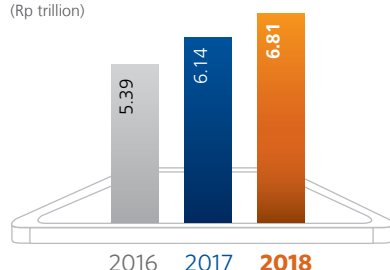
The time deposits development strategy in 2019 will be directed to the millennials market. As such, the time deposits products are designed to provide profitable returns, can be opened through BRI e-channel and offers flexibility on changes such as interest payment, interest payment destination accounts, period and time deposits nominal without closing the account, as in the Flexy Time Deposits features.

In addition, BRI will add account opening channel that currently can only be done through work units and internet banking. The plan is that the time deposits account can be opened through CMS (Cash Management System).

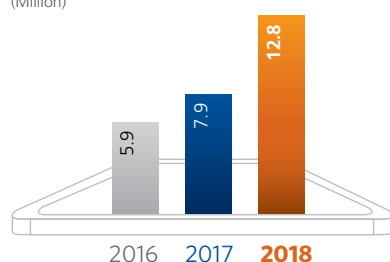
This achievement will be supported by marketing programs set in the 2019 marketing plans, among others the Free of Charge BritAma Program, BritAma Jalan-Jalan Program, BritAma Digital Acquisition Program, Hot Deal Program, Demand Deposits Ultimate Program, Time Deposits Program of Nabung Seru-Belanja Seru, Building to Building Program, and Merchant Special Tactical Program, and Winbank Program.

Retail Banking Services Business

RETAIL BANKING SERVICES
FEE BASED INCOME
(Rp trillion)



BRIZZI CARDS
(Million)



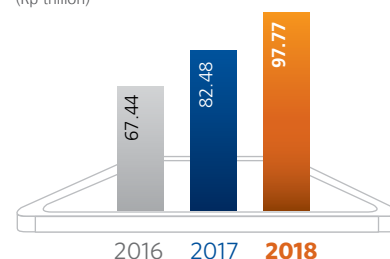
HIGHLIGHTS

Retail Banking Services
Fee Based Income reached
Rp6.81 trillion
increased by 10.9% from
Rp6.14 trillion in 2017

Total **BRIZZI cards** reached
12.8 million cards
increased by
43.9%
from 8.9 million cards in
2017

AUM of Prioritas Customers
increased by 18.57% to
Rp97.77 trillion
from Rp82.48 trillion in 2017

ASSET UNDER
MANAGEMENT
(Rp trillion)



RETAIL BANKING SERVICES BUSINESS PRODUCTS

BRI offers retail banking services products according to the customers characteristics. The following are the products and services developed in 2018:

Internet Banking BRI

INTERNET BRI
Banking

One of banking facilities that can be applied to access the deposits account through internet networks. The product advantages include, easy to understand and usage, customers' convenience in banking transaction at anytime, secure banking transactions, efficiently done with m-Token and no additional tools.

Mobile Banking BRI

MOBILE BRI
Banking

BRI Mobile Banking can be applied to access the customers' deposits accounts with cellular phones. BRI SMS banking will serve the customers' banking transactions with 2 services, menu-based and plain text. The menu-based SMS, namely SMS Banking service using the menu as its transactions instruction. While the plain text is the SMS Banking conducted by sending the transaction instruction by dialing number 3300.

Retail Banking Services Business



An electronic money replacing cash money that function as a payment system for shopping transactions or other transactions rendered by services or goods providers. All BRIZZI transactions can be done in all merchants by using BRI EDC. The BRIZZI top ups is currently also easy and can be done in the merchants that have been in cooperation with BRI, such as Alfamart, Indomaret, Alfamidi, Yomart, and so forth. Moreover, BRIZZI card also can be used for payment transactions of toll roads, KRL, parking, and other public transportations such as Transjakarta.

Debit Online



A payment method that enable the customers' payment transaction with BRI Debit Card at the Mastercard online merchants completed with OTP (One Time Password)/3DS. The e-commerce transactions with BRI online debit facility provides comfort, convenience, and secure transactions.

T-Bank



BRI T-Bank is a service that use smartphone number as an account number. T-Bank is an electronic money with server based owned by BRI. As a T-Bank user, a customer can enjoy transfer and cash withdrawal services without owning a bank account.

BRI T-Bank provides several facilities, among others an easy top up through alternative channels that can be used through BRI Work Units, BRI/Other Banks ATMs, CRMs, EDCs, BRILink Agents, Internet Banking, to Mobile Banking. Cash withdrawal without cards in BRI ATM networks.

Investment Products

BRI offers range of investment products to facilitate the customers' selections in improving their assets value. The products are Retail Government Bonds, Retail Sukuk, Retail Saving Bonds, Sukuk Savings, Government Bonds in Forex retailed (INDON & INDOIS), Government Bonds in Rupiah retailed, Swap Deposits, and Financial Institution Pension Funds.

In addition to these investment products, BRI cooperates with trustworthy and prominent Investment Managers such as BNP Paribas Investment Partners, Danareksa Investment Management, Kresna Asset Management, Trimegah Aset Management, MNC Asset Management, Schroder Investment Management Indonesia, Bahana TCW Investment Partners, Manulife Asset Management, Sucorinvest Asset Management, Syailendra Capital, Henan Putihrai Asset Management and Ashmore Asset Management which offers variety of products, among others money market mutual funds, fixed income, mixed, stocks, and protection.

Retail Banking Services Business

In addition to mutual funds, BRI offers bancassurance investment products by separated selling point to meet the customers' dynamic needs. BRI Bancassurance customers portfolio is divided into three segments, namely micro, retail, and prioritas segments. BRI cooperates with several partners insurance companies such as asuransi PT.

Asuransi BRI Life (BRILLife), PT. AIA Financial, PT. Asuransi Jiwa Sinarmas MSIG, PT. Asuransi Jiwasraya, PT. Asuransi Jiwa Sequis Life, PT. Asuransi Cigna, PT. Jasindo, PT. Asuransi Ramayana, PT. Bringin Sejahtera Artha Makmur (BRINS) and PT. Asuransi Raksa Pratikara.

For high-end customers needs, BRI offers BRI Prioritas which covers the following:

One Stop Banking Services	Professional Experts for Priority Banking Manager, Priority Banking Officer & Priority Banking Assistant	ATM, Debit, and ID Membership	Higher Transaction Limit	Access to Many Exclusive Privileges	International Privileges By Premium Debit MasterCard	BRI Prioritas Mobile App & Microsite
Exclusive Business Center BRI Prioritas	Exclusive Business Meeting Room Facilities	WiFi Connection	Special Parking Area	Special Rate for Safe Deposit Box	Priority Access for BRI Prioritas (021) 5758899 - 0800 1017 017	

The high-end customers are also can enjoy the Privilege services to complement BRI one stop services, as follows:

Privileges	Privileges for Customers
1. Travel Privilege	<ul style="list-style-type: none"> Free Access to BRI Lounge in Kualanamu International Airport Departure Medan Free Access to Executive Lounge in many airports across Indonesia. Personal Travel Assistance Private Aircraft Reservation Ultimate Privilege with Railink Airport Pick-Up Service
2. Lifestyle Privilege	<ul style="list-style-type: none"> Free Annual Fee BRI Platinum Credit Card. Special privileges from BRI Infinite Credit Card. Special Birthday Gift. Exclusive Event Invitation. Free Exclusive Business Meeting Room. One Year Complimentary lifestyle or Business Magazine. Luxurious Movie Promo. High End Merchant Promo. Terrasse Premium Magazine. Hotel and Restaurant Special Offer.
3. Concierge Service	<ul style="list-style-type: none"> Medical Concierge Service. Exclusive Medical Evacuation. Cake/Gift/Flower Order & Delivery Service.
4. Education & Information Privilege	<ul style="list-style-type: none"> Overseas Study Planning. Market Update

Retail Banking Services Business

RETAIL BANKING SERVICES BUSINESS PROGRAMS & STRATEGY IN 2018

To enhance the digital banking business growth, BRI has carried out several programs.

BRI is also committed to strive in enhancing the customers' transaction convenience by strengthening the transactions security through the cooperation with Mastercard under the National Fraud System and independent development for Fraud Detection System.

While the BRI Prioritas strategy that have been implemented include:

1. The Customer Portfolio Management development, a system that provide and report the comprehensive and innovative Prioritas Customers portfolios.
2. Reengineering business process of Bancassurance from the refferal system, sales reporting & monitoring tools and database integration.
3. Adding the mutualfunds product sales features in digital installment and top up through BRI e-channel.
4. Addition of Invesment Product such as Open End Mutualfunds (Money Market, Fixed Income, Mix, and Shares), Protected Mutualfunds, Swap Deposits, and retailed Bonds.
5. Bracassurance product addition according to the customers' needs at every segment (Micro Segment, Prioritas Segment, Retail Segment, and Prioritas Segment).
6. Wealth Management sales product development to improve the performance of deposits product and other investment products.
7. The PBO and PBM Capabilities improvement through soft and hard skill assessment, training for marketers, and performance monitoring system development.
8. Addition of BRI Prioritas outlets (BRI Prioritas Service Center and Priority Lounge).
9. Cooperation with companies that provide travel, lifestyle, education and concierge service privileges.

Retail Banking Services Business

RETAIL BANKING SERVICES BUSINESS PERFORMANCE IN 2018

BRI Retail Banking Services business performance recorded positive growth throughout 2018, derived by internal and external factors. Internally, the planned programs and strategies have been well implemented. While externally, the government policy such as the obligatory of electronic payment for toll road, has rendered positive impact for electronic money business such as BRIZZI.

BRIZZI total users grew 47.53% to 12.76 million, from 8.67 million users in 2017. The increase of BRIZZI card total users was also in line with the increase of BRIZZI card total transaction by 872% compared to 2017. While BRIZZI transaction volume reached Rp5.8 trillion.

BRI e-banking total transaction was also grew two digits in 2018 by 42%. The 85% transaction growth of BRI internet banking channel indicated an increasing tech savvy customers that uses BRI digital banking channel. The BRI EDC Merchants transaction in 2018 has brokethrough the 2.45 million transactions with total sales volume of Rp56.84 trillion. This indicates high level of trust from the customers on BRI merchants. The increase transaction and volume of BRI digital banking has impacted fee based income that reached Rp3.2 trillion.

Debit Cards and Electronic Money	Year			Growth
	2016	2017	2018	2017-2018
				%
BRIZZI Card (million)	5.9	8.7	12.8	47.13
BRIZZI Volume (Rp trillion)	0.3	0.8	5.8	625
Debit BRI Debit Card (million)	45.8	56.2	44.6	-20.64
BRI Merchant Volume (Rp trillion)	32.4	51.8	56.8	9.65
e-commerce Transactions (million)	0.2	1.1	6.6	500
e-commerce Volume (Rp trillion)	0.1	0.8	3	275

E-Banking	Year			Growth
	2016	2017	2018	2017-2018
				%
Mobile Banking Users	15.3	18.5	22.7	22.7
Mobile Banking Transactions	219.5	277.4	317.6	14.49
Internet Banking Users	6.9	8	12.6	57.5
Internet Banking Transactions	219.1	311.5	574.9	84.46
Fee based income (Rp trillion)	5.4	6.1	6.8	11.48

Retail Banking Services Business

The Prioritas service performance also indicated positive growth. The Asset Under Management of BRI Prioritas Customers grew 18.54% to Rp97.8 trillion in 2018 from Rp82.5 trillion in 2017. The total Third Party Funds of BRI Prioritas Customers grew 17.16% to Rp86.7 trillion in 2018 from Rp74.0 trillion in 2017. The BRI Prioritas total Customers also increased from 49,033 customers to 61,054 customers in 2018. Fee Based Income rose by 52.44% to Rp352.3 billion in 2018 from Rp231.1 billion in 2017.

	2016	2017	2018
Asset Under Management (AUM) (Rp trillion)	67.44	82.48	97.77
Deposits Products (TPF) (Rp billion)	60.88	73.98	86.68
Fee Based Income (Rp billion)	163.8	227.2	379.4
Total Customers	40,267	49,033	61,054

SUPPORTING THE GOVERNMENT PROGRAMS

BRI is committed to support the Government programs in particular to improve the financial literacy and providing electronic payment system. This is shown by among others through BRI SiMuda Savings product that support the OJK program to implement the financial literacy as well as provide education regarding insurance instrument and investment introduction to the young generation. In addition, through BRIVA facility, BRI fosters the synergy by servicing installment or deposits from the SOEs and Village-Owned Enterprises. This is in line with the SOE Synergy program to become the development agent in Indonesia.

BRI is fostering the improvement of electronic payment system through BRIZZI card that can be used for various payment needs such as toll roads, shoppings and so forth.

RETAIL BANKING SERVICES BUSINESS DEVELOPMENT STRATEGY IN 2019

BRI's digital business development in 2019 will be focused on providing far superior customer experience and emphasize on millennials target segment. The millennials group is predicted to increasingly dominate banking transactions. In addition, BRI will continue undertake various products and features development in order to competitively contend with competing banks or fintech peer to peer lending companies.

On Prioritas services, BRI will conduct market penetrations into the Millennials, Women and Netizens (MIWON) segment through investment product specification approach as well as insurance protection adjusted to the market needs. On services, BRI offers transactions convenience as well as digital based information services. As such, BRI applies the Digital Branding strategy, such as community event, digital testimonial campaign, as well as marketing event involving the influencers that renders more influence to the MIWON.

Corporate Business

HIGHLIGHTS

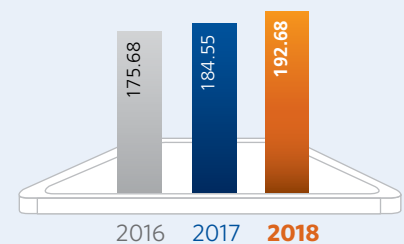
Corporate Loans
Outstanding **reached Rp192.68 trillion**,
increased by **4.4%**
compared to
Rp184.55 trillion in 2017

Corporate Business Fee
Based Income **reached Rp2.36 trillion**, rose by
39.1%
compared to
Rp1.7 trillion in 2017

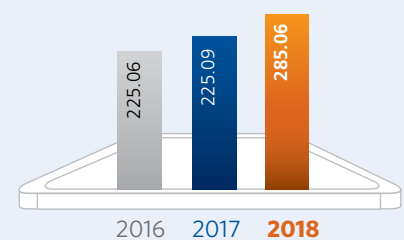
Corporate Deposits
reached Rp285.06 trillion,
increased by **11.75%**
compared to
Rp225.09 trillion in 2017

Corporate Business
Profitabilitas **reached Rp767.32 billion**, up by
4.54%
compared to
Rp734.02 trillion in 2017

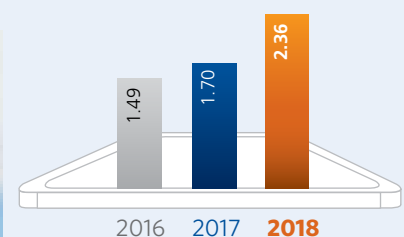
CORPORATE LOANS
(Rp trillion)



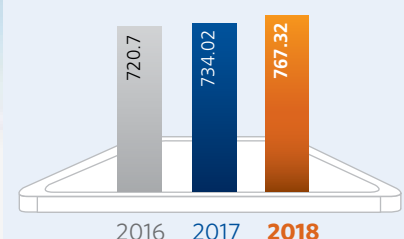
CORPORATE DEPOSITS
(Rp trillion)



CORPORATE BUSINESS
FEE BASED INCOME
(Rp trillion)



CORPORATE
PROFITABILITY
(Rp billion)

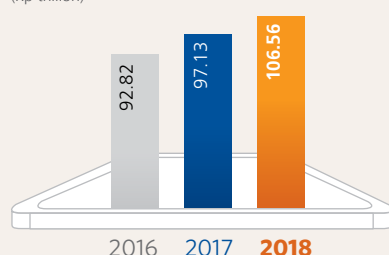


SOE Corporate Business

HIGHLIGHTS

SOE Corporate Business Outstanding **reached Rp106.56 trillion**, rose by **9.71%** compared to Rp97,13 trillion in 2017

SOE CORPORATE LOANS
(Rp trillion)



As one of the State-Owned Enterprises, BRI has more responsibility in supporting the government programs to develop the country's economy without disregarding profitability and good corporate governance principles.

By considering existing business potential, as well as low risk weighted assets, BRI focuses on targeting leading state-owned companies, both SOE holdings and subsidiaries while taking into account the Company development directions, namely as a driver of growth for micro banking, transaction banking, subsidiary support and the digital banking implementation.

SOE CORPORATE BUSINESS STRATEGY IN 2018

In 2018 the SOE Corporate Business development was focusing on the improvement of quality loan outstanding as well as able to provide value chain business, funds acquisition and profitability improvement through the optimization of customers' business transaction

Improving Quality Loan Outstanding

The SOE Corporate lending is focused on quality business by BRI as well as by strengthening cooperation with other banks through syndication loan, club deal as well as utilizing a sell down facility with foreign banks.

Optimizing Customers' Business Transactions

To increase profitability of corporate business, BRI develops banking services that are able to meet the customer needs such as Cash Management System (CMS), host to host, BRIVA and corporate card.

Expanding Market Penetration through Closed System Financing

BRI strives to conduct market penetration through a closed system financing by optimizing business value chain that may foster the MSME loan growth, among others through lending with specific schemes, lending to vendors, subcontractors, suppliers, distributors and mentoring partners, as well as consumer loans such as Mortgages, Motor Vehicles Loana, and BRIGuna to employees working in the SOEs companies that are BRI customers.

SOE Corporate Business

SOE CORPORATE BUSINESS PERFORMANCE IN 2018

Throughout 2018, SOE Corporate Business recorded positive performance.

In 2018, SOE Corporate loan outstanding reached Rp106.56 trillion or increased by 9.71% from Rp97.13 trillion in 2017.

SUPPORTING THE GOVERNMENT PROGRAMS

The infrastructure development becomes one of the Government priority programs to improve connectivity and accelerate the economic growth. To foster the acceleration of infrastructure development, the SOEs are involved from project financing to technical constructions. BRI as one of the SOEs in financial services sector renders full support to such programs through syndicated financing and other schemes.

In addition, BRI also participates in financing toward the SOEs to support export and import transactions in sustaining domestic economic activities.

SOE CORPORATE BUSINESS STRATEGY IN 2019

The SOE Corporate business development in 2019 will be focusing on quality credit growth and business profitability improvement.

Loan Improvement

Lending to new debtors as well as optimizing facility that still owned by existing debtors. BRI will target the prominent SOEs both the holding companies or its subsidiaries that may become BRI MSME segment sources of growth.

Improving Credit Quality

Continue improving credit quality among others by developing exit strategy for non performing debtors, refinement of risk management system in lending process as well as enhancing HR competency.

Increasing Business Profitability

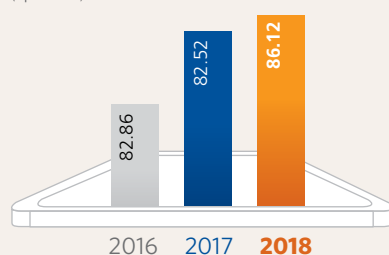
The focus to increase business profitability will be carried out by improving customers' business transactions through BRI with an integrated services system development. In addition, BRI also will implement profitability management of each customer.

Non SOE Corporate Business

HIGHLIGHTS

Non SOE Corporate Loan Outstanding **reached Rp86.12 trillion**, increased by **4.36%** compared to Rp82.52 trillion in 2017 excluding SME

NON SOE CORPORATE LOANS
(Rp trillion)



BRI Non SOE Corporate Business is continuously progressing and becomes one of the segments that bolster business expansion and enhance BRI competitive position. Every lending for the Non SOE Corporate shall render the opportunity of business value chain and cross-selling, hence accelerating the BRI Retail, Small and Medium Enterprise, as well as Consumer Business.

The BRI Non SOE Corporate Business consists of agribusiness and corporate sub-segments. The main target in developing agribusiness loan is financing for export commodities that has a competitive advantage and multiplier effect to the MSMEs. While the lending for non-agribusiness sector is varied to several sectors, among others energy, transportation, and processing industry.

NON SOE CORPORATE BUSINESS STRATEGY IN 2018

Maintained sound credit portfolio growth by focusing on lending for reliable sectors and optimizing facilities that are still owned by existing debtors.

Developing Integrated Banking Solution

Developing Client Service Team (CST) for corporate customers to improve the delivery of facilities other than loans, among others forex line and trade finance facilities. The role of RM as financial advisor will also be enhanced through education and training programs.

Optimizing Value Chain Business

Identifying customers' business potentials through the Dashboard Account Planning and developing flagships products such as supply chain financing and distributor financing.

Non SOE Corporate Business

NON SOE CORPORATE BUSINESS PERFORMANCE IN 2018

Throughout 2018 the Non SOE Corporate Business recorded positive growth in the aspects of Loans, Deposits as well as Fee Based Income.

The Non SOE Corporate Loan Outstanding reached Rp86.12 trillion, grew 4.36% from Rp82.52 trillion in 2017, the increase was derived by financing in the palm oil plantation sector and sugar industry.

SUPPORTING THE GOVERNMENT PROGRAMS

Through the Non SOE Corporate Business, BRI has supported the government programs particularly in financing the export-oriented productive business sectors such as the palm oil commodity. In addition, BRI continues financing the basic infrastructure corporate businesses, such as power plant to support the electrification improvement.

NON SOE CORPORATE BUSINESS DEVELOPMENT STRATEGY IN 2019

The growth of Non SOE Corporate Business in 2019 will be maintained at a moderate level by focusing on credit quality improvement and increasing business profitability.

Improving Credit Quality

Effort to improve credit quality will be continually carried out among others by developing exit strategy for non performing debtors, refinement of risk management system in lending process and improvement of HR competence.

Increasing Business Profitability

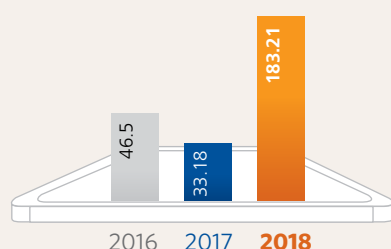
The increase of business profitability will be focusing on continued improvement of customers' business transactions through BRI by developing an integrated service system. In addition, BRI will implement profitability management in every customer.

Syndication & Non Bank Financial Institution Services Business

HIGHLIGHTS

Fee Based Income of BRI Syndication & Non Bank Financial Institution Services Business **reached Rp183.21 billion**, up by **452.2%** compared to Rp33.18 billion in 2017

FEE BASE INCOME OF SYNDICATION & NON BANK FINANCIAL INSTITUTION SERVICES BUSINESS
(Rp million)



BRI established the organizational structure of Syndicated Business and Non-Bank Financial Institution Services in 2017. This business has two main lines, namely the syndication service business and limit facilities, especially uncommitted line to the domestic non-bank financial industry (IKNB).

The syndication loan is intended for corporate customers that require large amounts of financing with more than one creditors. BRI Syndication has the experienced in handling syndicated loans from various business sectors such as infrastructure, electricity, manufacturing, oil & gas, tradings/hospitalities/restaurants, plantations, mining and property that includes arranger, facility agent, escrow agent and security agent services.

While Non-Bank Financial Services include security lines, foreign exchange lines, trade finance lines, short-term loan facilities, intraday facilities, Bank Guarantees and guarantees for various needs, especially for non-bank financial industries (IKNB), which are targeted at BRI loans including finance companies (finance companies), insurance, securities, specialized financial institutions and other non-bank financial institutions.

SYNDICATION & NON BANK FINANCIAL INSTITUTION SERVICES BUSINESS STRATEGY IN 2018

In 2018, BRI through the Syndication business prioritized lending, especially infrastructure and electricity. In addition to this, BRI Syndication actively collaborates with Himbara Banks, Financing Institutions, National Private Banks and Regional Development Banks (BPDs) to increase Partner Base and Customer Base.

Meanwhile, in the Non-Bank Financial Institution Services, the priority is given to insurance companies for guarantee facilities and counter-bank guarantees, Intraday facilities for securities companies and security lines to increase fee-based income and non-loan interest income, as well as expanding partnership with strategic partners to optimize business opportunities, especially those that provide trickle down business for other BRI business segments.

Syndication & Non Bank Financial Institution Services Business

SYNDICATION & NON BANK FINANCIAL INSTITUTION SERVICES BUSINESS PERFORMANCE IN 2018

In 2018, the Syndication & Non Bank Financial Institution Services Business has recorded fee based income at Rp183.21 billion or increased by 452.2% compared to Rp33.18 billion in 2017, as in line with the increase lending and services by BRI to business partners and customers.

SUPPORTING THE GOVERNMENT PROGRAMS

BRI has supported the implementation of the Government programs as mentioned in the Nawacita programs. This is implemented through the syndicated activities with other banks in several infrastructure projects.

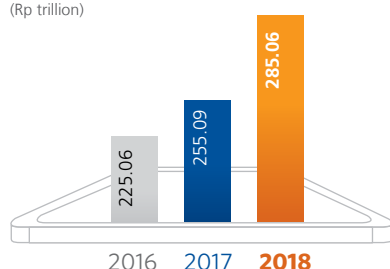
SYNDICATION & NON BANK FINANCIAL INSTITUTION SERVICES BUSINESS STRATEGY IN 2019

Focusing on growing of BRI fee based income, going forward, the Syndication and Non Bank Financial Services Business will continue strengthening the cooperation and synergy with other banks in the SOEs, national private and foreign banks, BRI's subsidiaries and Regional Development Association member banks.

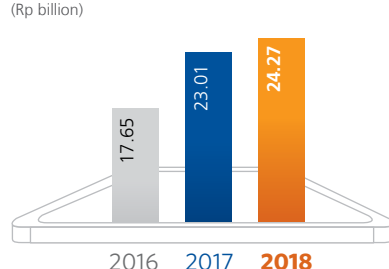
On the other hand, the non bank financial industry business development is carried out through the increase and utilization of existing facility's limits, as well as potential securities and insurance companies, including the value chain optimization for BRI's non bank financial industry customers. As such, the improvement of human resource competencies and digitization implementation to simplify business process will be continually enhanced.

Institution Funds Business & Transaction Banking

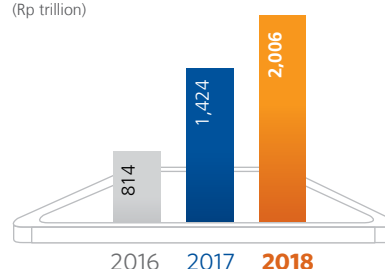
INSTITUTIONS DEPOSITS
(Rp trillion)



FEE BASED INCOME OF TRANSACTION BANKING
(Rp billion)



CMS TRANSACTION VOLUME
(Rp trillion)



HIGHLIGHTS

Institution Funds **reached Rp285.06 trillion**, increased by **11.75%** compared to Rp255,09 trillion in 2017

Fee Based Income Transaction Banking **reached Rp24.27 billion** increased by **5.46%** compared to Rp23.01 billion in 2017

Cash Management System (CMS) transaction volume **reached Rp2,006 trillion**, rose by **40.87%** compared to Rp1,424 trillion in 2017

The Institution Funds Business consists of funding management generating from the State Budget distributed through the Ministry or other government agencies as well as funds from local government and private corporations. Additionally, BRI also provides transaction banking or Cash Management System (CMS), which is the solution for digital-based banking customers' financial service complemented with various features.

INSTITUTIONAL FUNDS BUSINESS STRATEGY IN 2018

Product Development

The Institution Funds business products are continually developed according to the customer needs (customer centric) especially in the areas of reconciliation system, complaint handling and early warning system.

Improving the Performance Monitoring Quality

The Institution Funds Portfolio Monitoring tools are continually developed to monitor internal performance. Moreover, BRI continually improves its service quality in every cooperation schemes with the customers.

Improving the Transaction Banking (CMS)

BRI is continuously developing strategic innovations, especially in service quality improvement while still paying attention to financial transaction efficiency, simplicity, and security according to the corporation customers needs. The innovation was developed through the acquisition of End-to-End CMS Platform and supply chain financing development platform.

Institution Funds Business & Transaction Banking

INSTITUTIONAL FUNDS BUSINESS PERFORMANCE IN 2018

Institution Funds Acquisition

In 2018 Institution Funds reached Rp285.06 trillion or increased by 11.57% from Rp255.09 trillion in 2017. Institution Funds consists of Institution Funds and Corporate Funds. Institution Funds reached Rp82.15 trillion or 28.82% of total Institution Funds, while Corporate Funds reached Rp202.9 trillion or 7.18% of total Institution Funds.

Fee Based Income

Fee Based Income of Institution Funds business was Rp73.26 billion in 2018 increased by 0.82% compared to Rp72.66 billion in 2017. While fee based income from transaction banking reached Rp24.27 billion or increased by 5.46% from Rp23.01 billion in 2017.

Cash Management System (CMS) Performance

Throughout 2018, total customers of CMS BRI increased by 30.46% to 19,682 customers compared to 15,087 customers in 2017. While, transaction frequency increased by 19.33% to 46.9 million transactions and CMS transaction volume increased by 40.9% to Rp2,006 trillion.

SUPPORTING THE GOVERNMENT PROGRAMS

BRI, through the Institution Funds Business, carried out funds management generated from the state or private budget with digital technology supports. This is in accordance with the government programs to improve the cashless society to support the economic efficiency improvement.

INSTITUTIONAL FUNDS BUSINESS STRATEGY IN 2019

The competition on the third party funds acquisition from the institutions and transaction banking is predicted to increasingly be stringent in the coming years. To that end, BRI has prepared the following strategies:

CASA Improvement

BRI will improve its CASA composition through digital banking-based closed payment system. In addition, aligning the banking products and subsidiaries that are suitable with the financial management needs of the Ministries and Agencies, as well managing the distribution of the Ministries' budget up to the regional work units.

Expanding the Transaction Banking Market and Providing the Fully Integrated Banking Services

BRI conducts the market expansion through customer base extensification, by strengthening the banking transaction capabilities, through CMS end-to-end and supply chain financing development. While the fully integrated banking services will be undertaken by developing customer business ecosystem, optimizing the model coverage (RM mapping, segmented and product specialist-based client service team design), and development of the corporate customers' value chain monitoring.

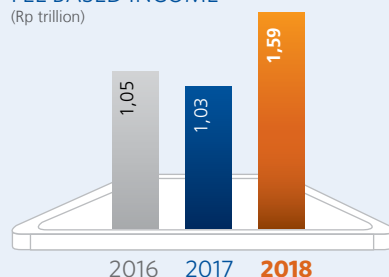
International Business

HIGHLIGHTS

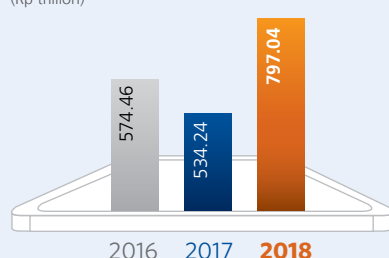
BRI launched Indonesia Migrant Workers Card to serve migrant workers' customer segment

International Business Fee Based Income **reached Rp1.59 trillion**, rose by **54.82%** compared to Rp1.03 trillion in 2017

INTERNATIONAL BUSINESS FEE BASED INCOME (Rp trillion)



TRADE FINANCE TRANSACTION VOLUME (Rp trillion)



Trade Finance Transaction Volume **reached Rp797.04 trillion**, increased by

49.19%

compared to Rp534.24 trillion in 2017

Remittance Transaction Volume **reached Rp1,238 trillion**, increased by **49.70%**

compared to Rp827 trillion in 2017

BRI International Business consists of trade finance, correspondent banking, remittance, and money changer. The operations of these four business lines are coordinated by the International Business Division at the Head Office, Regional Office and supported by Operating Units, including BRI overseas units in New York, Cayman Islands, Singapore, Hong Kong and Timor-Leste. Moreover, BRI also has Remittance Representatives to improve remittance business services in Malaysia, Brunei Darussalam, Taiwan, South Korea, Saudi Arabia, and United Arab Emirates.

INTERNATIONAL BUSINESS PRODUCTS AND SERVICES

BRI International Business consists of trade finance, correspondent banking, remittance, and money changer. The BRI International Business products and services advantage are among others:

Backed by Professional and Certified Employees

BRI International Business is supported by professional employees with international certifications, including the Certified Documentary Credit Specialist (CDCS), Certified Specialist for Demand Guarantee (CSDG), and Certified International Trade Finance (CITF) issued by The London Institute of Banking & Finance in cooperation with the International Chamber of Commerce (ICC). These certificates are periodically renewed.

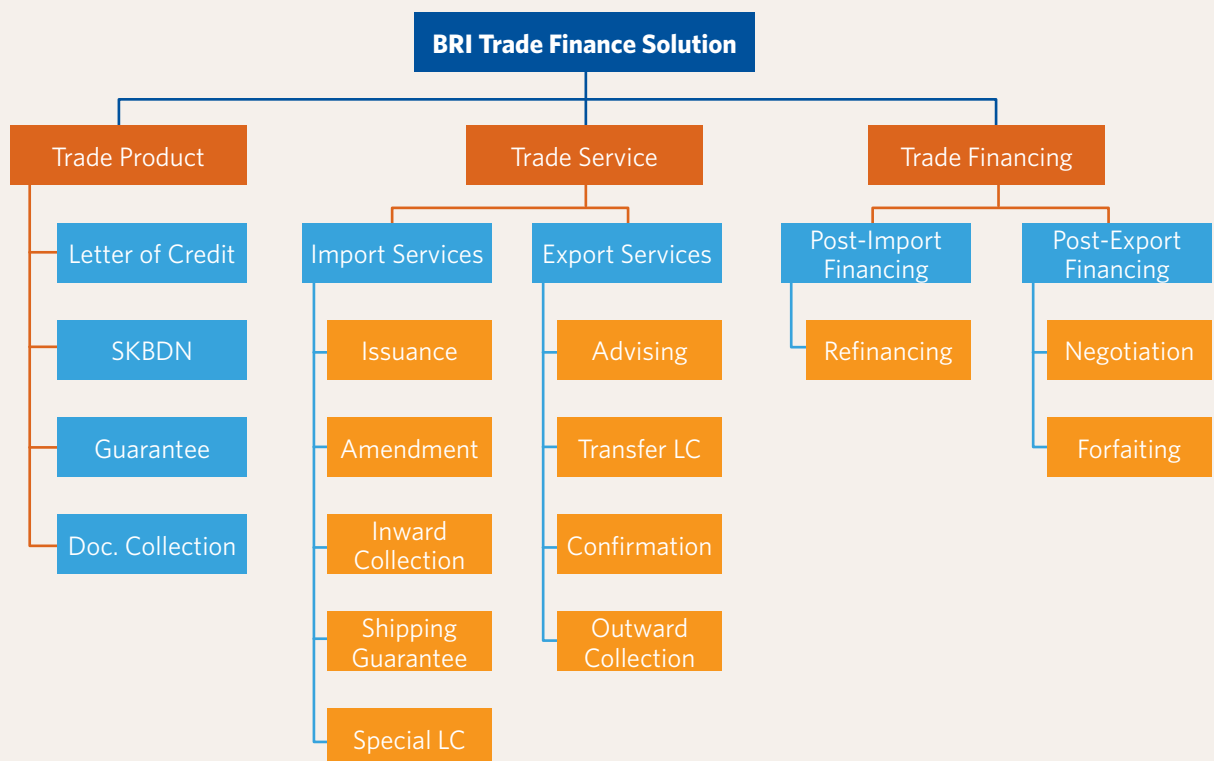
International Business

Didukung Counterparts dan Unit Kerja

BRI International Business is supported by more than 1,200 Correspondent Banks across the world in 16 currencies. Moreover, International Business cooperates with more than 60 Remittance companies and has the Work Units supports across Indonesia. To accommodate the customers needs on foreign currencies, BRI also provides the banknotes buying and selling in 22 currencies types. This service is provided by the operating units across Indonesia and has been connected real time online

Trade Finance Solution

BRI Trade Solution as an integrated international and domestic trade services is classified into Trade Product, Trade Services, and Trade Finance. The details of BRI Trade Solution is as illustrated below:



International Business

INTERNATIONAL BUSINESS STRATEGY IN 2018

BRI International Business strives to improve service quality to meet the variety and dynamics of customers' business needs. In addition, this division aims to enhance income contribution through transaction volume of trade finance, remittance, and money changer as well as correspondent banking transactions. To that end, the International Business development in 2018 brought about the theme of Modernization International Business Services. This theme spirit is further implemented into the following strategies:

Enhancing Competitiveness

- Enhancing the employees' expertise, skills, and capabilities on International Business
- Enhancing BRI existences and networks overseas
- Enhancing Brand Awareness.

Product Development

- Trade Finance Bundling Product services development to core customers.
- Trade Finance product innovation in accordance with the market development

Enhancing Customer Service Quality

- Optimizing the digital banking in Trade Finance services
- Providing reward program for employees, counterparts and customers

Optimizing International Business Organization

- Classification of work units based on potential as KPI determination basic
- Relationship manager function mapping and monitoring the overseas channels effectiveness

Improving Business Process Efficiency

- Automation of Correspondent Banking transaction operations
- Improving the International Business system performance

INTERNATIONAL BUSINESS PERFORMANCE IN 2018

The International Business financial and operational performances indicated an improvement in 2018 compared to the previous year.

Financial Performance

Trade finance transaction volume increased by 49.19% from Rp534.24 trillion in 2017 to Rp797.04 trillion in 2018. The growth was due to the transaction of Letter of Credit (L/C) Issuance and Negotiation from the SOEs and Corporate customers. The performance improvement was also derived by the Supply Chain Financing (SCF) transactions from the SOEs and Corporate customers which was increased significantly.

Money Changer transaction volume decreased by 2.44% from Rp19.27 trillion in 2017 to Rp18.80 trillion in 2018. The decline occurred due to restrictions on currency transactions Papua New Guinea Kina (PGK) and a force major (natural disaster) that occurred throughout 2018, especially in Lombok and Palu. While, the Remittance transaction volume rose by 49.70% from Rp827 trillion in 2017 to Rp1,238 trillion in 2018. The growth was due to the BRI cooperation network expansion domestically and abroad. The highest remittance volume was derived from Malaysia, Taiwan, and the Middle East (Saudi Arabia and UAE).

In addition to the growth of transaction volume, the Correspondent Banking business also recorded a significant achievement through revenue improvement by 176.14% from Rp62.14 billion in 2017 to Rp171.61 billion in 2018.

International Business

International Business Financial Performance 2018

Description	Year			Growth
	2016	2017	2018	2017-2018
Fee Based Income (Rp triliun)	1.05	1.03	1.59	54.82%

Volume Transaksi Bisnis Internasional Tahun 2018

(Rp trillion)

Description	Year			Growth
	2016	2017	2018	2017-2018
Trade Finance Transaction Volume	574.56	534.24	797.04	49.19%
Remittance Transaction Volume	783	827	1,238	49.7%
Money Changer Transaction Volume	13.24	19.27	18.80	-2.44%

The improvement of total income influences the International Business fee based income by 54.82% from Rp1.03 trillion in 2017 to Rp1.59 trillion in 2018. The detailed is as follows: trade finance fee based income at Rp1.32 trillion, remittance fee based income at Rp123.18 billion, and money changer fee based income at Rp126.82 billion.

Non Financial Performance

International Business implemented several strategic policies to improve the operational performance. The following are achievements in 2018:

1. Successfully operated an integrated Front End System (Portal) trade finance with the customers needs hence

2. optimizing digital banking in trade finance services.
2. Successfully upgraded the Trade Finance Back End System with the latest version thereby improving the International Business Core system performance and reliability.
3. BRI has joined as a member of the SWIFT GPI.
4. Addition of 4 new currencies in money changer business that can be served at BRI Money Changer (VND, PHP, TWD, and INR) hence total currency served by BRI Money Changer are 22 currencies.
5. Addition of 8 new Overseas Counterparts from Malaysia, Taiwan, South Korea, Singapore and UAE.
6. Launching of Indonesia Migrant Workers Card KPML (Kartu Pekerja Migran Indonesia) hence BRI is able to serve the migrant workers' customer segment by acquisition methods both locally and abroad.

SUPPORTING THE GOVERNMENT PROGRAMS

Aside from profitability improvement orientation, BRI International Business also participates in supporting the Government programs. The supports in 2018 were as follows:

- Provided the financial literacy to prospective migrant workers prior to departure and BRI account opening as savings deposits.

- Redistribution of SAR banknotes for hajj living cost to more than 203,000 pilgrims throughout Indonesian embarkation.
- BRI Money Changer participates in supporting the international event, Asian Games 2018 in Jakarta and Palembang and Asian Para Games 2018 by opening the outlets in 32 location points.

International Business

INTERNATIONAL BUSINESS DEVELOPMENT STRATEGY IN 2019

With a complex global business development, the banks are required to provide flexible, fast, easy and secure products and services. To address this innovation in the future, BRI has set several programs and strategies in 2019, as follow:

Trade Finance

1. Supply Chain Financing development supported by insurance programs.
2. A more integrated trade finance product refinement and oriented towards customers needs' dynamics.

Correspondent Banking

1. Upgrading BRI Hong Kong Representative Office status to become Full Branch Office in 2019.
2. Business expansion to several other Asian countries to expand international business network.

Remittance

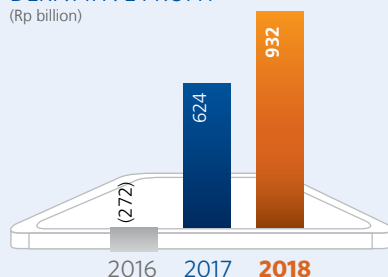
1. BRIfast Business integration with overseas channels.
2. Marketing of Indonesia Migrant Workers Card (KPMI) for migrant workers' customer segment.
3. Marketing and integration of BRI Cross Border Payment Solution (CBPS).

Money Changer

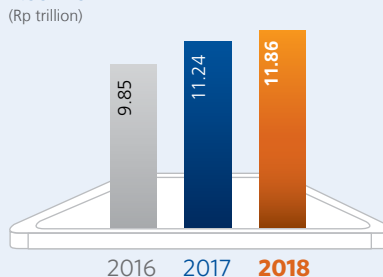
1. Business-to-business cooperation expansion and establishment of the offsite outlets of BRI Money Changer.
2. Launching of money changer mobile apps for the dealers that can be accessed anywhere and anytime.
3. Establishment of vault or warehouse for sorting purpose and Banknotes Processing Center.
4. Addition of 2 foreign currencies that can be served by BRI Money Changer, making a total of 24 currencies.

Treasury Business

SPOT AND
DERIVATIVE PROFIT
(Rp billion)



NON LOAN EARNINGS
ASSETS
(Rp trillion)



Treasury Business covers the counterparty transactions that include foreign exchange, money market and derivative transactions. Treasury Business is undertaken by Treasury Business Division that operates 17 regional networks (International & Treasury Business of BRI Regional Offices) available across Indonesia.

HIGHLIGHTS

Spot and Derivative Profit **reached Rp932 billion** to **33.03%** compared to Rp624 billion in 2017

Non Loan Earnings Assets Income **reached Rp11.86 trillion**, increased by **5.52%** compared to Rp11.24 trillion 2017

TREASURY BUSINESS STRATEGY IN 2018

BRI continues developing Treasury business supported with advance technology as one of fee based income resources. The following are Treasury Business strategies developed in 2018:

Active Portfolio Management

During 2018, Treasury Business carried out the active portfolio management by optimizing the excess liquidity switching low yield assets to high yield assets with due observance to risk potentials.

Money Market Deepening

Treasury Business is actively conducted money market deepening by expanding customers basis among others the financial institutions, both banks and non bank financial industries such as insurance companies and pension fund.

Technology Development

On technology development, Treasury Business has carried out BRlefx Client implementation that expected to facilitate and accelerate foreign exchange transaction. Moreover, BRI Swap Deposit was also implemented, an alternative investment product for the customer.

Treasury Business

TREASURY BUSINESS PERFORMANCE IN 2018

One of the key target achievements of Treasury Business was derived from optimum Banking and Trading Book portfolio management as well as focused customer service. the Treasury transaction growth in 2018 is summarized as follows:

1. Securities transaction volume in primary market grew 129.48%.
2. Securities transaction volume in secondary market, both selling and buying transaction rose by 18.91%.
3. Foreign exchange transaction volume for clients requirements increased by 20.30%.

Treasury Business non loan earnings assets rose by 27.11% to Rp347.84 trillion in 2018 from Rp273.14 trillion in 2017. The increase was due to the increase of placements in other Banks to Rp28.37 trillion and securities amounted to Rp129.29 trillion. In addition, Treasury Business also recorded non loan interest income of Rp10.38 trillion.

(Rp million)

Description	2016	2017	2018	Growth
				2017-2018
Placements in BI including Statutory Reserves	124,851,387	97,260,008	131,360,496	35.06%
Placements in other Banks	16,442,192	16,783,506	28,378,628	69.09%
Derivative Receivables - Assets	93,649	145,928	469,342	221.63%
Securities	115,463,268	124,611,710	129,292,926	3.76%
Repo - Assets	7,358,032	12,200,619	36,703,287	200.83%
Reverse Repo	155,737	16,496,292	9,396,553	-43.04%
Acceptances Receivables - Assets	5,602,843	5,637,833	11,583,506	105.46%
Non Loan Earnings Assets	269,967,108	273,135,896	347,184,738	27.11%

(Rp trillion)

Description	2016	2017	2018	Growth
				2017-2018
Non Loan Interest Income	9.85	11.24	11.86	5.52%

Backed by growing financial performance and strategic initiatives, BRI is awarded by the Ministry of Finance as one of the Best Main Dealers.

Treasury Business

SUPPORTING THE GOVERNMENT PROGRAMS

As the Main Dealer, BRI participates in the deepening of money market by conducting optimum portfolio management and customer base expansion, among others commercial banks, insurance companies, pension funds, securities and asset management companies.

BRI actively provides competitive and up to date quotations for securities buying-selling and other treasury transactions. BRI wider marketing networks both domestic and overseas work units become an added value in this activity. This achievement indicated BRI's active support for the government in the national economic development, and it will be continued in the years to come.

BRI actively participated in the tender of Government Bonds, as evidenced at the award event of 2017 Main Dealer held by the Ministry of Finance of the Republic of Indonesia where BRI successfully received 3 awards as the Best Main Dealer in 2017, the Main Dealer with the Best Performance in the Primary Market 2017, and Participants in the 2017 Best Second Sharia Securities (SBSN) in 2017.

TREASURY BUSINESS STRATEGY AND WORK PLANS IN 2019

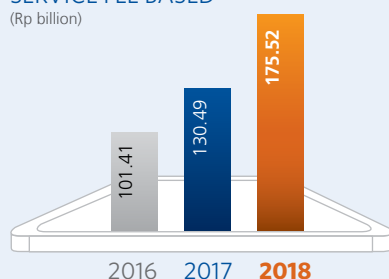
To support the Bank's performance going forward, Treasury Business will focus on balancing its portfolio. To that end, the following strategies are set for 2019:

1. Strengthening solid funding structure by conducting funding diversification, such as green bonds issuance.
2. Treasury product development, such as Currency Swap Deposit, Sharia Hedging or exchange value, Forward Rate Agreement, and Overnight Index Swap.
3. Optimizing the Treasury transaction flow through the anchor clients' intensification, which include the SOEs, non-SOEs, and government institutions.
4. Taking the role as the Market Maker by continuing to actively provide competitive and up to date price quotations thereby impacting on treasury transaction improvements.

Capital Market Supporting Business

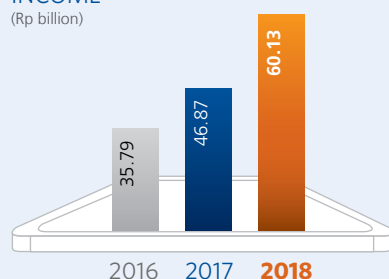
CAPITAL MARKET SUPPORTING SERVICE FEE BASED

(Rp billion)



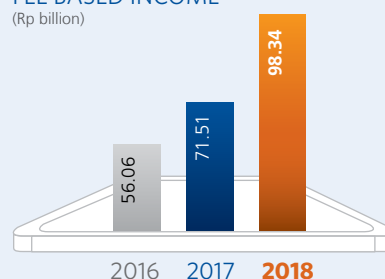
DPLK FEE BASED INCOME

(Rp billion)



CUSTODIAN FEE BASED INCOME

(Rp billion)



RINGKASAN

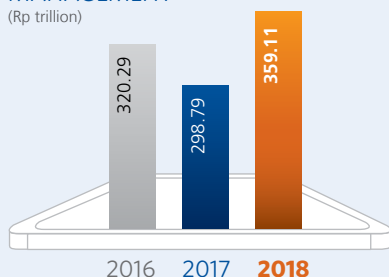
Capital Market Supporting Service Fee Based Income **reached Rp175.52 billion**, rose by **34.49%** compared to Rp130.5 billion in 2017

Custodian Assets Management **reached Rp359.11 trillion**, increased by **20.19%** compared to Rp298.79 trillion in 2017

Total Demand Deposits from the registered Customer Funds Account **amounted to 12,230 accounts**, increased by **264%**

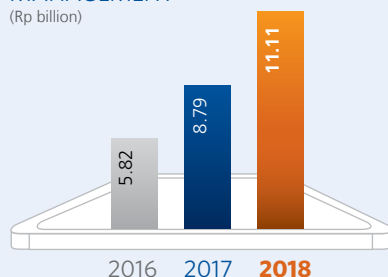
CUSTODIAN ASSETS MANAGEMENT

(Rp trillion)



DPLK ASSETS MANAGEMENT

(Rp billion)



The Capital Market Supporting Business consists of Trustee, Custodian, Trust, Customer Funds Account and Financial Institution Pension Fund of Bank Rakyat Indonesia (DPLK BRI), both for corporate customers and retail customers.

Capital Market Supporting Business

CAPITAL MARKET SUPPORTING BUSINESS STRATEGY IN 2018

As part of efforts to deepening the financial market and improving fee based income, BRI has developed its Capital Market Supporting Business. The business strategies conducted in 2018 are as follows:

Market Penetration

- Dissemination of capital market supporting products to all BRI work units.
- Marketing of pension fund products to Indonesian migrant workers overseas.
- Conducted reciprocal business with the underwriter during the underwriter service procurement.

Market Development

- Conducted Corporate Acquisition Program with additional insurance benefits.
- Conducted Desa Nabung Saham Program in 2018 cooperated with BEI, KSEI, and Securities Company.

System Development

- Upgrading the Custodian System from CIPS to Medallion.
- Digitizing other operations services such as the customer funds account opening system development for stocks buying-selling transactions.
- BRI Pension Fund website development (<http://dplk.bri.co.id>) to address the communities' needs that are enthusiasts with capital market services.

CAPITAL MARKET SUPPORTING BUSINESS PERFORMANCE IN 2018

As part of effort to realize the aspiration to become The Most Valuable Bank in South East Asia, BRI continues improving the performance of its Capital Market Supporting Business throughout 2018. The financial and non financial performance achievements of this Business has met the target.

Total Fee Based Income (FBI) amounted to Rp175.5 billion in 2018 or increase 34.5% from Rp130.5 billion in 2017. In detailed, FBI acquisition from Pension Fund was at Rp60.13 billion, from Custodian at Rp98.34 billion, and Trustee at Rp10.68 billion.

(Rp billion)

Description	Year			Growth
	2016	2017	2018	2017-2018
Fee Based Income DPLK	35.79	46.87	60.13	28.29%
Fee Based Income Custodian	56.06	71.51	98.34	37.53%
Fee Based Income Trust	2.75	3.91	6.35	62.21%
Fee Based Income Trustee	6.81	8.2	10.68	30.26%
Total Fee Based Income	101.41	130.49	175.52	34.49%

Capital Market Supporting Business

The Custodian asset management amounted to Rp359.11 trillion in 2018, an increase of 20.19% from Rp298.79 trillion in 2017. The Pension Fund asset management reached Rp11.11 trillion, rose by 26.39% from Rp8.79 trillion in 2017..

(Rp trillion)

Description	2016	2017	2018	Growth
				2017-2018
Custodian Assets Management	320.29	298.79	359.11	20.19%
DPLK Custodian Assets Management	5.82	8.79	11.11	26.39%

Financial Institution Pension Funds (DPLK)

BRI Pension Fund performance which operate since 2006 continues growing throughout 2018. This is shown by 26.39% increase of assets management to Rp11.11 trillion. The increase was due to an increase of BRI pension fund participations. While fee based income pension fund amounted to Rp43.85 billion, lower from Rp46.87 billion in 2017.

BRI Pension Fund investment performance recoded Net Assets Value per Investment Unit of each investment package which posted 6.46% return form Money Market BRI Pension Fund, 9% for Fixed Income Pension Fund, 3.59% for Stock Pension Fund, 6.45% for Sharia Money Market Pension Fund, and 6.28% for Balanced Sharia Pension Fund.

Custodian

As the first Custodian Bank to manage Asset Backed Securities in Indonesia, BRI Custodian assets management reached Rp359.11 trillion, an increase of 20.19% from Rp298.78 trillion in 2017. From the assets management, BRI Custodian acquired fee based income of Rp98.34 billion, rose by 37.5% from Rp71.51 billion in 2017.

Trust

BRI Trust business recorded fee based income at Rp3.33 billion, a decrease of 14.83% from Rp3.91 billion in 2017.

Trustees

Fee based income from the Trustees business amounted to Rp5.81 billion, an increase of 29.15% from Rp8.2 billion in 2017.

Customer Funds Account (RDN)

BRI contributes in advancing Indonesia capital market by among others providing the Customer Funds Account for the expansion of transaction settlement in the capital market.

In 2018, there were 12,230 registered accounts, grew 264% from 3,360 accounts in 2017. The increase of total accounts was driven by the cooperation expansion of BRI with securities companies.

Capital Market Supporting Business

SUPPORTING THE GOVERNMENT PROGRAMS

The capital market has strategic roles in economics improvement especially the investment portfolio. The Government continues to developing capital market performance, from total investors, number of exchange members to supporting infrastructures. BRI participates in supporting this measures, among others by becoming the custodian bank and providing the capital market supporting products and services.

CAPITAL MARKET SUPPORTING BUSINESS DEVELOPMENT STRATEGY IN 2019

Going forward, BRI will focus on product development and improvements in the capital market supporting business. The following are strategies that will be implemented in 2019:

1. Capital Market Supporting Business System Development
 - a. Upgrading Pension Fund System (Front End to Back End System)
 - b. System development with financial technology company
 - c. Developing TCS Management System (Front End to Back End System)
 - d. Developing Back Office Integration with Central Security Depository for custodian services.
2. Product Development

Innovation for the Pension Fund products and services in accordance with the public needs through other benefits addition.
3. Capital Market Supporting Products and Services Marketing Improvements, among others:
 - a. Market penetration to specific target markets such as millennials acquisition program and BRI pension fund – additional individual program for BRI employees as the Pension Fund captive market.
 - b. New customers acquisition through joint marketing with BRI other work units.
 - c. Improving brand awareness through digital media.
 - d. Boosting the Pension Fund selling through BRI work units by organizing special sales program.
 - e. Pension Fund products dissemination and education to internal and external parties as well as focusing on informal employees sector.
 - f. Trustees service marketing through Capital Market Supporting Institutions to complement direct marketing to the issuers.
 - g. Organizing Desa Nabung Saham Program in cooperation with BEI, KSEI, and Securities Companies.
 - h. Escrow Account management for several pipelines in business targets.

Subsidiary Business



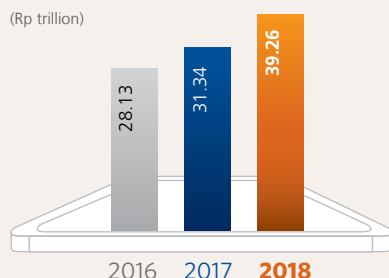
Loan Outstanding, Sharia Receivables and Financing of Subsidiary reached **Rp39.26 trillion**, increased by **25.27%** compared to Rp31.34 trillion in 2017

Subsidiary Deposits reached **Rp46.24 trillion**, rose by **20.64%** compared to Rp38.33 trillion in 2017

Subsidiary Profitability reached **Rp716.51 trillion**, rose by **24.44%** compared to Rp575.81 trillion in 2017

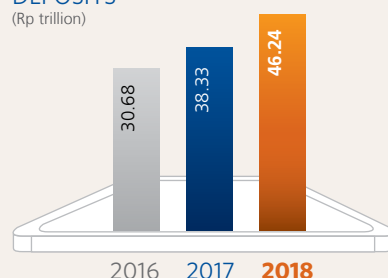
SUBSIDIARY LOAN, SHARIA RECEIVABLES AND FINANCING

(Rp trillion)



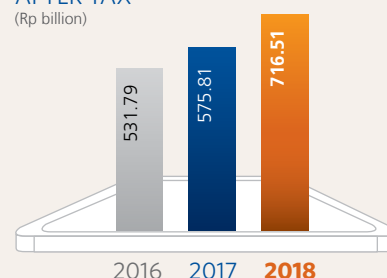
SUBSIDIARY DEPOSITS

(Rp trillion)



SUBSIDIARY PROFIT AFTER TAX

(Rp billion)



BRI is a holding company from the financial service group of company which consists of:

1. PT Bank BRI Syariah Tbk (BRI Syariah)
2. PT Bank Rakyat Indonesia Agri Niaga Tbk (BRI Agro)
3. BRI Remittance Company Ltd (BRI Remittance)
4. PT Asuransi BRI Life (BRI Life)

5. PT BRI Multifinance Indonesia (BRI Finance)
6. PT BRI Ventura Investama (BRI Ventures)
7. PT Danareksa Sekuritas

In 2018, BRI has acquired 2 companies to become BRI Subsidiaries, namely PT BRI Ventura Investama which is a Venture Capital Company with ownership of 97.61%

and PT Danareksa Sekuritas which is a Securities Company with ownership of 67%. In addition, BRI also invests in PT Danareksa Investment Management which operates as Securities Companies in Investment Managers with ownership of 35%. The shares investment is expected to provide business synergy for the BRI Group which includes conventional and sharia banking services,

Subsidiary Business

remittance services, life insurance services, financing services, capital market services, and venture capital services.

As such, BRI's subsidiaries are increasingly aligned in providing complete and diverse financial services hence BRI can manifest as an integrated financial solutions for customers.

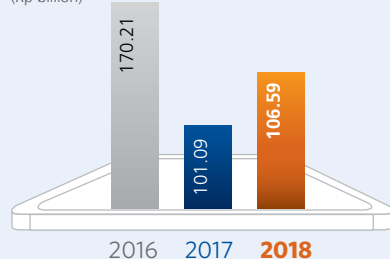
Subsidiary Profitability

In 2018, business segment of BRI Subsidiary reached profit of Rp716.51 billion, increased by 24.44% compared to Rp575.81 billion in 2017.

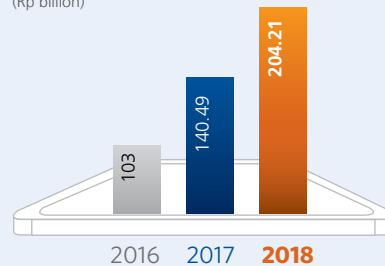
HIGHLIGHTS

BRI Syariah booked Net Profit of
Rp106.59 billion
or increased by **5.45% YoY** from Rp101.09 billion in 2017

BRISYARIAH
NET PROFIT
(Rp billion)

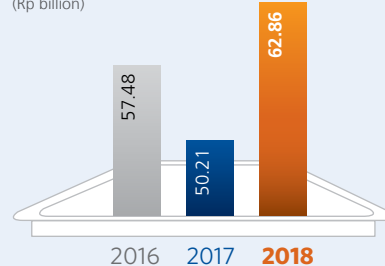


BRI AGRO
NET PROFIT
(Rp billion)



BRI Agro booked Net Profit of
Rp204.21 billion
or increased by **45.2% YoY** from Rp140.49 billion in 2017

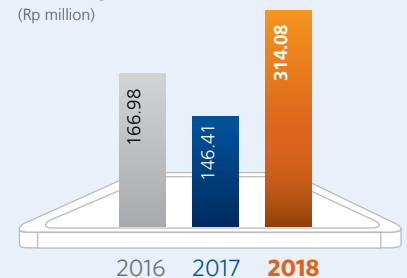
BRI FINANCE
NET PROFIT
(Rp billion)



BRI Finance booked Net Profit of
Rp62.86 billion
or increased by **25.19%** from Rp50.21 billion in 2017

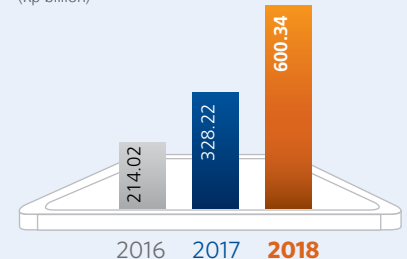
BRI Remittance booked Net Profit of
Rp314.08 million
or increased by **114.52% YoY** from Rp146.41 million in 2017

BRI REMITTANCE
NET PROFIT
(Rp million)



BRI Life booked Net Profit of
Rp600.34 billion
or increased by **82.91%** from Rp328.22 billion in 2017

BRI LIFE
NET PROFIT
(Rp billion)



Subsidiary Business



PT BANK BRISYARIAH TBK (BRISYARIAH)

Performance Highlights in 2018

Profit after Tax			
2016 Rp 170.21 billion	2017 Rp 101.09 billion	2018* Rp 106.59 billion	Growth 5.44%
Total Aset			
2016 Rp 27.69 trillion	2017 Rp 31.54 trillion	2018* Rp 37.93 trillion	Growth 20.26%
Total Pembiayaan			
2016 Rp 17.66 trillion	2017 Rp 18.42 trillion	2018* Rp 21.86 trillion	Growth 18.68%
Total TPF			
2016 Rp 22.05 trillion	2017 Rp 26.37 trillion	2018* Rp 28.86 trillion	Growth 9.44%

*Unaudited

BRI Syariah delivers positive performance with increase of assets by 20.26% YoY or grew Rp6.39 trillion and profit grew by Rp5.5 billion. However this good performance was inseparable from the challenges. BRI Syariah performance experienced pressures in its credit quality, hence BRI Syariah prefers to focusing on selective growth and foster improvement of credit quality.

Company Profile

Company Identity	
Company Name	PT Bank BRI Syariah Tbk
Address	Jln. Abdul Muis No. 2-4 Kel. Petojo Selatan, Kec. Gambir, Jakarta Pusat 10160
No. Tlp	021-3450226/3450227
No. Fax	021-3518812/3441904
Website	www.brisyariah.co.id

Subsidiary Business

The history of the establishment of PT Bank BRIsyariah Tbk (hereinafter referred to as BRIsyariah or Bank) is inseparable from the acquisition of PT Bank Rakyat Indonesia (Persero) Tbk on Bank Jasa Arta on 19 December 2007. Following the obtaining of business license from Bank Indonesia through letter No.10/67/KEP.GBI/DpG/2008 on 16 October 2008 BRIsyariah is officially operating on 17 November 2008 with the name of PT Bank BRI Syariah and all its business activities are based on sharia principles. On 19 December 2018, Sharia Business Unit of PT Bank Rakyat Indonesia (Persero) Tbk merged into PT Bank BRI Syariah. The spin off process was effective as of 1 January 2009 signed by Sofyan Basir as the President Director of PT Bank Rakyat Indonesia (Persero) Tbk and Ventje Rahardjo as the President Director of PT Bank BRI Syariah. BRIsyariah saw great potential in the sharia banking segment. With the intention to present a financial business based on the noble principles of sharia banking, the Bank is committed to presenting the best products and services that are reassuring. BRIsyariah focuses on

targeting various segments of society. The customer base that is widely formed throughout Indonesia shows that BRIsyariah has high capability as a leading modern retail bank with financial services according to the customer needs.

To strengthen its image to the stakeholders, in 2016 BRIsyariah again recorded important milestone. Rebranding of logo was carried out in order to strengthen BRIsyariah brand equity in line with the recognition as the third largest sharia banks based on assets. BRIsyariah continues to hone its capabilities by presenting the best for customers and all stakeholders. Development upon development are continually conducted. Supporting these developments, BRIsyariah strives to ensure compliance with sharia principles and prevailing laws in Indonesia. As such, BRIsyariah will able to progress to become leading sharia bank with convenience reach for a more meaningful life.

2007	PT Bank Rakyat Indonesia (Persero) Tbk acquired Bank Jasa Arta.
2008	<ul style="list-style-type: none"> Bank Indonesia issues business licenses through letter No.10/67/KEP.GBI/DpG/2008. 17 November 2008 PT Bank BRIsyariah officially operates by transforming business activities that were previously operating conventionally into banking activities based on Islamic sharia principles. 19 December 2008 a deed the separation of the Sharia Business Unit of PT Bank Rakyat Indonesia (Persero) Tbk to merge into PT Bank BRIsyariah (spin off process) which became effective on January 1, 2009.
2009	<ul style="list-style-type: none"> Decree of the Governor of Bank Indonesia No. 11/63/KEP.GBI/DpG/2009 dated 15 December 2009 on the Stipulation of Business License on behalf of PT Bank Syariah BRI to Business License on behalf of PT Bank BRI Syariah. 1 July 2009 Grand Launching BRIsyariah by Minister of State Own Enterprises Sofyan Djalil.
2010	<ul style="list-style-type: none"> Launching of 7 Working Culture of BRIsyariah: PASTI OKE namely Professional, Enthusiast, HR Awards, Tawakal, integrity, business orientation and Customer satisfaction. Live Core Banking System SYIAR (Sharia Integrated & Automated Realtime) equipped with electronic Financing Originating System (eFOS) and Management Information System (MIS).
2011	Implementation of Sharia Services at 18 BRI Branch.
2012	<ul style="list-style-type: none"> BRIsyariah established as the first Islamic Bank in the world that has mobile banking service in 4 online markets, namely Blackberry App World, Google Play, Apple Store and Nokia Store. Launching of Tabungan Impian BRIsyariah.

Subsidiary Business

2013	<ul style="list-style-type: none"> ▶ Rebranding of Tabungan BRIsyariah iB becomes Tabungan Faedah BRIsyariah iB ▶ Bank Indonesia approved BRIsyariah as a Foreign Exchange Bank.
2014	<ul style="list-style-type: none"> ▶ Launch of BRIsyariah i-Bank. ▶ Implementation of Aplikasi Penunjang Pembiayaan Elektronik (APPEL) to support quick and accurate financing distributing.
2015	<ul style="list-style-type: none"> ▶ OJK appointed BRIsyariah as Indonesia First Movers On Sustainable Banking. ▶ BRIsyariah becomes the First Sharia Bank in Indonesia that launched Laku Pandai Syariah BRISSMART. ▶ BRIsyariah received approval from the Ministry of Finance of the Republic of Indonesia as a participant in the State Sharia Securities (SBSN) auction).
2016	<ul style="list-style-type: none"> ▶ BRIsyariah issued BRISyariah Subordinated Mudharabah Sukuk I 2016 to strengthen the capital base.
2017	<ul style="list-style-type: none"> ▶ The first Islamic Bank distributed Rp58,1 billion in KUR syariah to as many as 2578 customers. ▶ Cooperated in the distribution of Subsidized Cash Transfer Subsidies (SBUM) for civil servants and private to finance KPR FLPP. Year 2017 amounted to Rp950 billion. ▶ Designated by the Ministry of Finance of the Republic of Indonesia as the recipient for electronic state tax collector recipient bank through the second generation National Income Generation Module (MPN) for corporate and individual taxpayers.
2018	<ul style="list-style-type: none"> ▶ BRIsyariah became a public company (go public) on 9 May 2018. ▶ Amendments to the Articles of Association concerning the status of the private Company to become a public company with Deed No. 8 dated 8 January 2018 made before Fathiah Helmi S.H. Notary in Jakarta who has received approval and receipt of notification of amendments to the Articles of Association as well as changes in company data (Composition of the Board of Commissioners and Board of Directors) as the Letter of the Minister of Justice and Human Rights of the Republic of Indonesia No. AHU-0000386.AH.01.02.TH 2018 dated 10 January 2018, No.: AHU-AH.01.03-0009224 dated 10 January 2018 and No.: AHU-AH.01.03-0009250 dated 10 January 2018. ▶ OJK Letter No. S-37/D.04/2018 dated 30 April 2018 on the Notification of Effective Statement of BRIsyariah Registration to become the first sharia bank listed on the stock exchange with ticker code BRIS. ▶ This IPO was the first for a Sharia Bank with a status of the SOE's subsidiary namely PT Bank Rakyat Indonesia (Persero) Tbk, which is the largest SOE bank in Indonesia.

Subsidiary Business

Management Composition

As of 31 December 2018, the composition of Sharia Supervisory Board, Board of Commissioners, and Board of Directors of BRIsyariah is as follows:

Position	Name
Board of Commissioners	
President Commissioner Independent	Hermanto Siregar
Independent Commissioner	Komaruddin Hidayat
Independent Commissioner	Eko Suwardi
Commissioner	Fahmi Subandi
Board of Directors	
President Director	Moch. Hadi Santoso
Director	Wildan
Director	Agus Katon Eko S
Director	Kokok Alun Akbar
Sharia Supervisory Board	
Chairman	KH. Didin Hafidhuddin
Member	M. Gunawan Yasni

Financial Review in 2018

In 2018, BRIsyariah successfully recorded Assets amounted to Rp37.93 trillion or increased by 20.26% from Rp31.54 trillion in 2017. The Assets growth in 2018 was derived by the increase of Sharia Financing by 18.68% or reaching Rp21.86 trillion from the previous year of Rp18.42 trillion. While, third party funds acquisition in 2018 also increased by 9.44% or reached Rp28.86 trillion from the previous year figure of Rp26.37 trillion. BRIsyariah remained able to book net profit of Rp106.59 billion, increased by 5.44% from 2017. Moreover BRIsyariah also recorded good capital adequacy ratio (CAR) of 29.69%.

Event highlights during 2018:

13 February 2018

BRIsyariah invited the students from the Primary School SDN 06 Makasar East Jakarta to the launching of the Financial Customers Protection Strategy held by the Financial Services Authority (OJK) at the Main Hall Bursa Efek Indonesia, Jakarta.

13 Maret 2018

BRIsyariah collaborated with Pertamina and its subsidiaries to render banking services for employees.

2 April 2018

BRIsyariah collaborates with Jakarta Hajj Hospital. BRIsyariah is the only sharia bank that cooperates with the Jakarta Hajj Hospital.

3 April 2018

Signing of the Joint Agreement on the Use of Services and Banking Network Services of PT Bank Rakyat Indonesia (Persero) Tbk and PT Bank BRIsyariah with the Provincial Government of Bangka Belitung Islands.

4 April 2018

The Signing of a Bilateral Financing Agreement between PT Bank Rakyat Indonesia (Persero) Tbk and PT Bank BRIsyariah with PT Kimia Farma Tbk, Jakarta.

5 April 2018

The Due Diligence Meeting & Public Expose on the Initial Public Offering of PT Bank BRIsyariah shares, Jakarta.

17 April 2018

The BRIsyariah Offices throughout Indonesia serve the public that would like to settle the Hajj pilgrimage Cost in 2018. Within 1.5 days, more than 11,000 prospective pilgrims have settled the hajj pilgrimage cost through BRIsyariah.

18 April 2018

BRIsyariah held the Investor Gathering at the Grand Sahid Jaya Hotel, Jakarta.

Subsidiary Business

2 - 4 Mei 2018

BRIsyariah held a public offering period that took place on 2, 3 and 4 May 2018 at the Bank BRI sports field, Sudirman, Jakarta. The total shares offered by BRIsyariah to the public in this IPO were a maximum of 2,623,350,600 shares.

9 Mei 2018

BRIsyariah became the first sharia bank listed at the stock exchange with the tick code BRIS. This IPO is the first IPO done by SOE's sharia bank, namely PT Bank Rakyat Indonesia (Persero) Tbk, which is the largest SOE Bank in Indonesia.

11 Mei 2018

Public Lecture by the President Director PT Bank BRIsyariah Tbk, as well as providing CSR in the form of scholarships for outstanding IAIN Ponorogo students from poor families.

11 Mei 2018

BRIsyariah distributes CSR planting of kelengkeng tree in Down Syndrome Village, Ponorogo.

28 Mei 2018

BRIsyariah supports the zakat payment at Istana Negara through the National Zakat Amil Agency.

31 Mei 2018

BRIsyariah and seven other national banks with WWF Indonesia established the Indonesian Sustainable Financial Initiative (IKBI). These eight banks were listed as the first movers in the field of sustainable banking. Sustainable financial initiatives are the implementation of sustainable financial practices that are inclusive in the financial services sector. This step is a follow-up of the first project, namely first step to sustainable bank which was initiated by the Financial Services Authority (OJK) in 2015.

9 Agustus 2018

BRIsyariah and Grab held financing cooperation for the Grab Food merchants in Surabaya.

9-10 Agustus 2018

BRIsyariah Launched the Hajj and Umrah Celebration Program 2018 at the City of Tomorrow Mall Surabaya, from 9 to 10 August 2018. In the program that supported by BRILife and BRINS, BRIsyariah cooperates with the five selected special hajj and umrah travel companies. They are Wahana, Aerohajj, Sahid Tour, Al Qadri and Musfiratur.

28 Agustus 2018

BRIsyariah and seven other government banks conduct the signing of a memorandum of understanding for the e-court implementation with the Republic of Indonesia Supreme Court in Jakarta.

5 September 2018

The BRIsyariah Chairman of Sharia Supervisory Board Prof. DR. KH. Didin Hafidhuddin, MSc. led the sharing session on the sharia economy and sharia business in the future for all millenials employees of Elnusa at the Elnusa Sharia Expo in Graha Elnusa Jakarta.

6 September 2018

BRIsyariah offered the sharia banking digital products for all Elnusa employees at the Elnusa Sharia Expo in Graha Elnusa, Jakarta.

7 September 2018

Received the Award from BAZNAS as the Best UPZ (Zakat Acquisition Unit) 2018 by Agus Katon Eko S

15 September 2018

BRIsyariah participated in the National Payment Gateway Festival (GPN) event and campaigned the GPN card exchange in Cilegon, Banten.

15 September 2018

BRIsyariah participated in the #PantangPlastik event International Coastal Cleanup Day 2018 which was initiated by Greenpeace on the coast of Tangerang Banten.

Subsidiary Business

16 September 2018

BRIsyariah supports the Bank Indonesia programs and participates in the National Payment Gateway campaign held in Jambi.

6 Oktober 2018

BRIsyariah Sharia Supervisory Board M. Gunawan Yasni visits and presents the souvenirs to the millennials customers opening savings accounts in the BRIsyariah booth at the Sharia Banking Expo, iB Vaganza. The event was organized by the Financial Services Authority (OJK) in Blok M Square, Jakarta.

7 Oktober 2018

Post the earthquake and tsunami in Palu, BRIsyariah cooperated with YBM BRI to hold a social service for the victims of the earthquake in Palu - Donggala, Central Sulawesi

10 November 2018

FAEDAH CSR Health Funding in Heroes' Day Collaboration with Kodam Jaya/Jayakarta - East Jakarta

17 November 2018

On its 10th anniversary, BRIsyariah launched the Satu Dasawarsa BRIsyariah book.

17 November 2018

On its 10th anniversary, BRIsyariah launched electronic money product innovation Electronic BRIZZI BRIS (Co Branding), new BRISSMART and platinum and gold Sharia ATM cards bearing the GPN logo.

14 Desember 2018

BRIsyariah became the only sharia bank that engaged partnership with PT PLN (Persero) Tbk in issuing bank guarantees. Previously BRIsyariah had cooperated for financial transactions with PLN in terms of PPOB payments for cashless transactions.

18 Desember 2018

Signing of the MOU for East Kalimantan e-samsat program between BRIsyariah and East Kalimantan Samsat Coaching Team at Lamin Etam, East Kalimantan Governor Office, Samarinda.

18 Desember 2018

Signing of the Syndicated Project Financing Agreement between BRIsyariah and PT Angkasa Pura I (Persero) in Jakarta.

21 Desember 2018

Signing of the Operations Cooperation Agreement between BRIsyariah and the Ministry of Public Work and Public Housing as the Partner in Disbursing the FLPP Sejahtera Mortgage Year 2019, in Jakarta.

28 Desember 2018

BRIsyariah held an Extraordinary General Meeting of Shareholders (EGM) with an agenda to change the company's management composition.

Subsidiary Business

Business Development Strategies in 2019

In 2019 PT Bank BRI Syariah, Tbk. has established growth architecture that consist of 7 foundations and 3 pillars to become the **"Leading Sharia Bank in Indonesia"**. The **7 foundations** are as follows:

1. Innovation through development research, product simplification, and business process.
2. Increase third party funds focusing on CASA.
3. Network expansion by opening and training of Sharia Service Office and Share Office with BRI.
4. Building Customer Experience through Digital Banking.
5. Enhance Brand Awareness and Marketing Campaign.
6. Synergy with BRI to stipulate Governance model and Performance Management framework.

7. Improvement of Human Resources Quality to Realize Competent, Professional with Integrity Human Resources.

While **3 pillars** are as follows:

1. Leading in Retail-Consumer segment.
2. Utilizing BRI Commercial customers.
3. Development of Retail-SME, Retail-Linkage Business and development of Digital based Retail-Micro Business services.

Subsidiary Business



PT BANK RAKYAT INDONESIA AGRONIAGA TBK

Performance Highlights in 2018

Total Assets			
2016 Rp 11.38 trillion	2017 Rp 16.33 trillion	2018* Rp 23.33 trillion	Growth 42.87%
Total Kredit yang Disalurkan			
2016 Rp 8.18 trillion	2017 Rp 10.98 trillion	2018* Rp 15,67 trillion	Growth 42.71%
Total Simpanan (DPK)			
2016 Rp 9.22 trillion	2017 Rp 12.42 trillion	2018* Rp 18,07 trillion	Growth 45.49%
Laba Setelah Pajak			
2016 Rp 103 billion	2017 Rp 140.49 billion	2018* Rp 204.21 billion	Growth 45.2%

*Unaudited

Company Profile

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) is one of the national foreign exchange commercial banks that has a vision to become a Bank with the best services and focusing on agricultural sector, such as plantations, fisheries, animal husbandry and processing of related products.

Bank BRI Agro is established by Dana Pensiun Perkebunan (Dapenbun) on

27 September 1989 with the name of PT Bank Agroniaga, focusing on financing for agribusiness sector. In 2003, PT Bank Agroniaga became a public company based on the approval of Bapepam-LK No. S-1565/PM/2003 dated 30 June 2003 hence its name was changed into PT Bank Agroniaga Tbk with ticker code AGRO, and in 2006 successfully elevated its status as the Foreign Exchange Bank based on the Decree of the Governor of Bank Indonesia No. 8/41/Kep.GBI/2006 dated 8 May 2006.

On 3 March 2011, BRI acquired 88.65% of Bank Agro shares and officially became the controlling shareholder. Following the acquisition process, on 10 October 2012, BRI strengthened its synergy with Bank Agro and changed its name into PT Bank Rakyat Indonesia Agroniaga Tbk in short BRI Agro. As of 31 December 2018, BRI Agro is BRI subsidiary with majority share ownership of 87.10% by BRI. While 6.32% is owned by Dana Pensiun Perkebunan and 6.58% by public.

Subsidiary Business

With the vision to create a leading Commercial Bank focusing on agricultural sector to support of Indonesia's agribusiness development. The BRI Agro missions are:

1. To conduct the best banking activities in the Small and Medium Enterprises (SMEs) segment, especially in the agribusiness sector to support the people's economic improvement by taking into account environmental sustainability.
2. To meet the basic need for quality banking services, supported by professional and high integrity human resources in implementing Good Corporate Governance.

3. To provide optimum benefits for stakeholders.

As of 2018, BRI Agro operates 18 Branch Offices and 20 Sub-Branch Offices and 4 cash offices throughout the areas of Jabodetabek, Medan, Rantau Prapat, Pekanbaru, Palembang, Jambi, Bandar Lampung, Bandung, Semarang, Solo, Surabaya, Balikpapan, Pontianak and Makassar. In addition, BRI Agro also has 4 Cash Offices.

In 2018, BRI Agro is supported by 729 human resources with various backgrounds relevant to the Company's activities.

Management Composition

In implementing its activities, as of the end of 2018 BRI Agro samis led by 4 members of the Board of Directors, and members of the Board of Commissioners with the following details:

Board of Commissioners		Board of Directors	
Position	Name	Position	Name
Acting President Commissioner/ Independent	: Heru Sukanto	President Director	: Agus Noorsanto
Independent Commissioner	: Anna Maria Tjiadarma	Director	: Ebeneser Girsang
Commissioner	: Edwind Sinaga*)	Director	: Herry Prayudi
		Director	: Bambang Krisminarno

Note :
*) Effective as of the approval of fit & proper test from OJK

Financial Review in 2018

In 2018, BRI Agro recorded positive performance. Amidst unfavorable economic conditions and declining agribusiness sector, BRI Agro is able to increase its assets by 42.87% from Rp16.33 trillion in 2017 to Rp23.33 trillion. BRI Agro lending also increased by 42.71% to reach Rp15.67 trillion. The loan growth was fostered by the success in third party funds acquisition that grew 45.49% to reach Rp18.07 trillion. In 2018, BRI Agro recorded an increase of net profit after tax by 45.2% to Rp204.21 billion.

Backed by this profit, BRI Agro is able to maintain ROA at 1.54% level. BRI Agro also able to maintain CAR ratio at sufficiently high level of 28.34% far above the minimum capital requirements by the regulator, while LDR level was maintained at a level of 86.72%.

Subsidiary Business

Event Highlights and Development Strategies in 2018

January 2018 On January 2018, BRI Agro opens Harapan Indah Sub Branch Office	April 2018 On April 2018 BRI Agro convenes the Annual General Meeting of Shareholders	May 2018 On May 2018, BRI Agro Relocates the Cikditiro Sub Branch Office to Tebet area	June 2018 BRI Agro Extraordinary GMS on June 2018 with the agenda of Rights Issue VIII BRI Agro. On June 2018, BRI Agro exercised additional Capital with Pre-emptive Rights amounting to Rp1.5 triliun
July 2018 On July 2018, BRI Agro holds Public Expose for BRI Agro Performance Quarter II 2018	August 2018 On August 2018, BRI Agro organizes Investor Summit	September 2018 On September 2018, celebrates the 29th Anniversary	October 2018 On October 2018, organizes the peak event of BRI Agro 29th Anniversary at the same time launching of BRI Agro Internet Banking Banking, Co-Branding BRIZZI, Prime Card

Business Development Strategies in 2019

Strategi pengembangan BRI Agro development strategy in 2019 is part of long term development strategy formulated sustainably to realize BRI Agro vision "Becoming a Bank with the Best Service and Focus on the Agribusiness sector". BRI Agro development strategy in 2019 is focused on two issues, namely customer service improvement of Information Technology based and capacity building to foster the Agri Sector Solution development with the following strategies:

1. Professionally managing banking business with clear and directed objectives that adheres to solid, effective and efficient character and corporate culture in order to achieve optimum profitability as well as sound competition improvement.
2. Strengthen traditional business model in agribusiness financing in both retail and corporate segments.
3. Develop the agri sector spesific solution to become a specialist and excellent bank in agribusiness field.
4. Partnering with companies and business agent to provide customer referral that have a potential in agribusiness field.
5. Develop Digital Ecosystem for companies and suppliers engage in agribusiness sector by using apps platform as the media.
6. Develop Center of Excellence for reaserch in agribusiness sector, aim at providing data and information for the agribusiness sector communities.
7. Develop Digital Banking services for funding and lending functions as the solution on the limited work unit networks.
8. Improve the agribusiness segment portion in lending portfolio.
9. Synergize with BRI Group in order to reach and serve the customer with wider coverage.

Subsidiary Business



BRI REMITTANCE COMPANY LTD. (BRI REMITTANCE)

Performance Highlights in 2018

Assets			
2016 Rp 5.95 billion	2017 Rp 8.37 billion	2018* Rp 6.87 billion	Growth -17.92%
Profit or Loss			
2016 Rp 166.98 million	2017 Rp 146.41 million	2018* Rp 314.08 million	Growth 114.52%
Transaction Nominal			
2016 Rp 282.54 million	2017 Rp 494.77 million	2018* Rp 396.53 billion	Growth 80.14%
Total Transactions			
2016 70,920	2017 96,309	2018* 103,680	Growth 7.65%

*Unaudited

Company Profile

The company was previously named BRIngin Remittance Company, as its shares was owned by PT.Bringin Jiwa Sejahtera (BJS), in its development in October 2012 the BJS share ownership in BRIngin Remittance was 100% acquired by PT.Bank Rakyat Indonesia (Persero) Tbk, thereby the company's name was changed into BRI Remittance Company Ltd.

In compliance with License No. 12-08-00742 obtained from Hong Kong Customs & Excise Department, BRI Remittance Company Ltd. is a business entity that is

permitted to conduct business in financial services (money service operators) particularly remittance business from Hong Kong to Indonesia. BRI Remittance Company currently serves financial transaction needs (savings and remittances) of more than 60,000 Bank Rakyat Indonesia customers, a majority of whom are domestic workers domiciled in Hong Kong.

BRI Remittance currently has 4 Branch offices across potential areas of Indonesian domestic workers in Hong Kong, as follows:

No.	Branch Office Location	Address
1.	Causeway Bay (Main Branch)	Flat 22 G/F Bayview 33 Moreton Terrace Causeway Bay, Hongkong
2.	Yen Long	Shop 25 1/F Hop Yick Building
3.	Tsuen Wan	Shop 214 2/F Lik Sang Plaza
4.	Mong Kok	137 Sai Yee Street Mongkok

Subsidiary Business

BRI Remittance Management Composition

BRI Remittance Hong Kong is led by 1 (one) Executive Director and 1 (one) Non-Executive Director, which are:

No.	Name	Position
1.	Gigieh Perkasa	Executive Director
2.	Roby Firmansjah Sastraatmadja	Non - Executive Director

Performance Review in 2018

- In 2018 BRI Remittance recorded Profit of HKD 162,410, increased by 93% compared to HKD 84,328 in 2017. Several key factors derived this increase, first the increase of total remittance transaction supported by branch office relocation to a more strategic location as well as improved service infrastructure; second by the use of EDC has significantly help the customers in doing transfer, which generated excellent non remittance income.
- BRI Remittance total Assets in 2018 amounted to HKD 3,738,434, decreased by 16% compared to HKD 5,024,372 in 2017, which was due to the decrease of total receivables because almost all remittance transactions that are not yet valid has been able to be verified and processed.
- Until the end of 2018 BRI Remittance total Remittance Transaction amounted to 103,680 transactions, increased by 8% compared to 96,309 transactions in 2017.

Event Highlights and Strategis in 2018

a. Commencing BRI Remittance core system replacement process

BRI remittance Management considers that existing core system may not be able to sustain the company's business expansion in the future. New core system will be connected host to host wit BRIfast remittance system hence transaction process can be done real time. Core system replacement will also support BRI Remittance mobile apps development. In addition to facilitate BRI Remittance new core system, the HR and management information system will also be provided.

b. Completing office infrastructure with touch screen Kiosk

The touch screen kiosk is expected to assist the customer service in both account opening process as well as remittance service without going through teller service.

c. Revamping BRI Remittance website and creating corporate email domain

The Management considers the important of developing a representative company official website, in addition to function as communication media and customer contact point, proper website is vital as it's being reviewed by the authority as well as become a reference for the counterparties that aim to cooperate with BRI Remittance. BRI Remittance website is accessible through www.brchk.com. In addition to website, BRI remittance has also currently used corporate email address and are no longer using public email, thereby fostering its image as a bonafide company.

Development Strategis in 2019

In 2019, BRI Remittance will be focusing on improving remittance transaction with the following strategies :

- Completion of overall core system replacement.
- Focusing on marketing with mobile apps.
- Income resourcing from non remittance service.
- Product cross selling with Holding Company.

Subsidiary Business



PT ASURANSI BRI LIFE (BRI LIFE)

Performance Highlights in 2018

Net Profit			
2016 Rp 214.02 billion	2017 Rp 328.22 billion	2018 Rp 600.34 billion	Growth 82.91%
Assets			
2016 Rp 6.18 trillion	2017 Rp 8.16 trillion	2018 Rp 9.38 trillion	Growth 14.95%
Equity			
2016 Rp 1.6 trillion	2017 Rp 2.2 trillion	2018 Rp 2.23 trillion	Growth 6.07%
Premium - Net			
2016 Rp 2.48 trillion	2017 Rp 3.79 trillion	2018 Rp 4.23 trillion	Growth 11.39%
Investment Proceeds			
2016 Rp 480.15 billion	2017 Rp 567.99 billion	2018 Rp 473.56 billion	Growth -16.63%

Company Profile

PT Asuransi BRI Life (BRI Life) is one of Bank BRI subsidiary that engages in life insurance, with majority shares ownership of 91%.

PT Asuransi BRI Life (BRI Life), previously PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRIngin Life), was established by Dana Pensiun Bank

Rakyat Indonesia on 28 October 1987 based on Deed of Company Establishment No. 116 dated 28 October 1987, made by Poerbaningsih Adi Warsito, Notary in Jakarta and has obtained a business license pursuant to Decree of the Minister of Finance of the Republic of Indonesia No. Kep. 181/KM.13/1988 dated October 10, 1988.

At the end of December 2015, 91% shares of PT Asuransi Jiwa Bringin Jiwa Sejahtera was acquired by PT Bank Rakyat Indonesia Tbk and the company was subsequently renamed PT Asuransi BRI Life (BRI Life).

Subsidiary Business

The shares acquisition has been approved and ratified by the Ministry of Justice and Human Rights of the Republic of Indonesia No. AHUAH.01.03-0000524 dated 6 January 2016. Until 2015 total sales office has reached 41 conventional sales offices and 11 sharia sales offices across the regions of Indonesia among others: Jakarta, Bekasi, Tangerang, Bogor, Bandung, Tasikmalaya, Cirebon, Tegal, Purwokerto, Semarang, Solo, Yogyakarta, Surabaya, Kediri, Jember, Sidoarjo, Malang, Denpasar, Gianyar, Lampung, Medan, Padang, Pekanbaru, Jambi, Palembang, Batam, Makassar, Kendari, Manado, Palu, Gorontalo, Balikpapan and Banjarmasin, while the customer service offices are located in Jakarta, Bandung, Semarang, Yogyakarta, Surabaya and Malang.

On 23 February 2017 based on the Notary Deed No. 31, the Company where previously named PT Asuransi Jiwa Bringin Jiwa Sejahtera which then changed into PT Asuransi BRI Life. This is directly indicates that PT Asuransi BRI Life is a subsidiary of PT Bank Rakyat Indonesia (Persero) Tbk. The amendment was stated in the Deed No. 31 dated 23 February 2017, made before the Notary Dahlia, S.H., in Jakarta, regarding the Company's Name (from PT Asuransi Jiwa Bringin Jiwa Sejahtera to PT Asuransi BRI Life), Purposes and Objectives of Business Activity, Changed of Shares Series, as well as amendments of other articles. The amendment of this deed has been registered in the Legal Administration System in accordance with the Decree of Ministry of Justice and Human Rights of the Republic of Indonesia No. AHU0004875.AH.01.02 dated 27 February 2017.

Entering its 31st anniversary, BRI Life has firmly established its reputation as as one of the leading National Life and Health Insurance providers with more than 9.2 million customers with its distinguished insurance products that are both beneficial and profitable. BRI Life is supported by its insurance products to meet the needs of its customers including: AJK, Individual, Corporation, DPLK, Sharia, Bancassurance, and Micro.

BRI Life Management Composition

Based on the Notary Deed of Erni Rohaini, SH, No. 1 dated 02 October 2018 and Notary Deed of Fathiah Helmi, SH No. 47 dated 20 March 2017 concerning the changes of the Board of Directors and Commissioners of PT Asuransi BRI Life, the Board of Commissioners and Directors composition is stipulated as follows:

Board of Commissioners

Tri Wintarto	President Commissioner
Siswarin Dwi Hendarsapti	Commissioner
Mulabasa Hutabarat	Independent Commissioner
M. Rizqi R. Nasution	Independent Commissioner
Sapto Haryono Wahyu	Komisaris

Board of Directors

Gatot Mardiwastito Trisnadi	President Director
Dany Cahya Rukmana	Director of Finance, Investment, and IT
Khairi Setiawan	Director of MSDM and Compliance
Ansar Arifin	Director of Engineering and Operations
Anik Hidayati	Director of Marketing and Sharia Insurance Business
Sugeng Sudibjo	Director of Corporate Business

Sharia Supervisory Board

Moh. Hidayat	Sharia Supervisory Board
Agus Haryadi	Sharia Supervisory Board
Siti Haniatunnisa	Sharia Supervisory Board

Financial Review in 2018

In 2018 BRI Life recorded Assets of Rp9.38 trillion or grew 14.95% from Rp8.16 trillion in 2017. BRI Life also posted net profit of Rp600.34 billion, increased by 82.91% from the realization in 2017 at Rp328.22 billion. The increase of Profit is derived from the increase of Net Premium by 11.39% or to Rp4.23 trillion compared to the 2017 realization of Rp3.79 trillion.

Subsidiary Business

Backed by Profit and Assets, BRI Life recorded ROA and ROE in 2018 by 6.86% and 29.78% respectively. The ratio were increased compared to the 2017 realization of 4.61% ROA and 17.53% ROE. In 2018 equity also increased by 6.07% from the 2017 realization of Rp2.10 trillion to Rp2.23 trillion.

Event Highlights and Development Strategies in 2018

BRI Life continues developing product innovations where it has launched 16 (sixteen) new products issued for In-Branch Sales Bancassurance distribution channel and Agency distribution (Conventional & Sharia). BRI Life various efforts and innovations are carried out to accelerate the achievement of the company's targets, such as the refinement of digital-based services for the customer from initial purchase to after sales service.

Through micro insurance sales, BRI Life will continue to synergize with the holding company by focusing on Bancassurance marketing channel distribution development. To sustain this, BRI Life implements various Initiative Strategies toward the channel distribution development of Bancassurance, Affinity Business, Corporate Business and Agency Business by targeting the improvement of channel distribution and sales force quality through an integrated IT development. The developments in 2018 are as follows:

- | | | |
|---|--|---|
| 1.
Changes of the composition of Management and Commissioner. | 2.
Synergy with the holding company through the liquidation of DPLK Bringin Jiwa Sejahtera, based on the Decree of the Board of Commissioner of Financial Services Authority No: KEP-95/D.05/2018 on the Dissolve of DPLK Bringin Jiwa Sejahtera. | 3.
Sales Management Restructuring (Target, Evaluation and Remuneration). |
| 4.
Remapping of Marketers for Bancassurance Distribution channel (BFA, BAM & BRH). | 5.
Launching of Mylife apps that enable all employees to participate in selling micro insurance products. | 6.
Launching of Micro Insurance Sales through Digital Marketplace (Gofit, Pasarpolis, OY, FASTPAY, Tokopedia & Gojek). |
| 7.
Launching of E-learning for marketers through Myclass. | 8.
Launching of AJKO gen 2 for AJK products. | 9.
Reassignment of SCO office duties and functions by utilizing BRI networks. |

Subsidiary Business

Development Strategies in 2019

Product Strategy

In 2019, BRI Life will implement strategic initiatives for products and marketing as follows:

1. Referral Business
The Products strategy for Referral business channel in 2019 include:
 - My Referral apps
 - Davestera, UL Hybrid, Medicare Cashless, Lentera
 - Corporate Bancassurance Sales (CBS)
2. Corporate Business
The strategy for Referral business in 2019 include the launching of Family Plan product.
3. Agency Business
In 2019, Agency Business channel will move toward General Agency.
4. Distribution Business
 - My Life apps as sales tools for the Bank Staffs.
 - siswaKu, PensiunKu, WarisanKu.
 - Business through Platform.

Process Strategy

1. Core Insurance System development
2. AJKO gen-2 development
3. E-PKS for BRILink Agents
4. Big Data management to mapping & profiling of customers data connected with BRI Life Insurance products and services.
5. Utilization of BRI Big Data as a referral resources for all BRI Life marketers.
6. Auto Underwriting
7. Jet Claim
8. E-Polis and E-Klaim

People Strategy

1. Reassignment & Work Culture Dissemination
2. Human Capital Implementation
3. Recruitment of Bancassurance Financial Advisor (BFA), 3000 FC.
4. Remapping of BFA, BAM & BRH that adheres to business competency and potential of each region.
5. E- Learning via My-Class apps
6. Sales Activity Management through MyActivity apps
7. Talent Development Program to create prospective future leaders for BRI Life
8. Remuneration Scheme improvement for marketers and organic employees
9. Division reorganization for effective and efficient administration
10. Innovation center development to create a more innovative new ideas and insights with added value to the company
11. BRI Life Community development as a facility to realize employee work life balanced.

Subsidiary Business



PT BRI MULTIFINANCE INDONESIA (BRI FINANCE)

Performance Highlights in 2018

Statements of Financial Position

Assets			
2016 Rp 2.4 trillion	2017 Rp 2.61 trillion	2018 Rp 3.63 trillion	Growth 39.08%
Liabilities			
2016 Rp 1.79 trillion	2017 Rp 1.94 trillion	2018 Rp 2.79 trillion	Growth 43.81%
Equity			
2016 Rp 615 billion	2017 Rp 664 billion	2018 Rp 833 billion	Growth 25.45%

Statements of Profit or Loss

Interest Income			
2016 Rp 101.35 billion	2017 Rp 206.3 billion	2018 Rp 298.74 billion	Growth 44.81%
Expenses			
2016 Rp 43.87 billion	2017 Rp 156.09 billion	2018 Rp 235.88 billion	Growth 58.9%
Net Profit after Tax			
2016 Rp 57.48 billion	2017 Rp 50.21 billion	2018 Rp 62.86 billion	Growth 25.19%

Subsidiary Business

Statements of Financing

New Financing			
2016 Rp 1.21 trillion	2017 Rp 1.53 trillion	2018 Rp 2.34 trillion	Growth 52.94%
Financing Receivables			
2016 Rp 2.2 trillion	2017 Rp 2.49 trillion	2018 Rp 3.41 trillion	Growth 36.95%

Company Profile

PT BRI Multifinance Indonesia (BRI Finance) is a subsidiary of BRI that engages in multifinance business, with a majority share ownership of 99%. BRI Finance was established in 1983 as a joint company of The Sanwa Bank Ltd, Japan and PT Bank Rakyat Indonesia (Persero), under the name of PT Sari Usaha Leasing. BRI Finance became one of the pioneers of Indonesia's financing industry after it secured a business permit from the Finance Ministry through Decision Letter No. KEP-465/KM.11/1983. The same year, the Company changed its name to PT Sanwa – BRI Leasing.

In 1991, an operation permit was obtained to conduct multi-financing and the company was then renamed to PT Sanwa – BRI Finance. In line with the merger conducted by The Sanwa Bank Ltd, Japan to become The UFJ Bank Ltd, Japan, the Company's name was changed to PT UFJ – BRI Finance in 2002 and become PT BTMU-BRI Finance in 2008.

On 30 September 2016, PT Bank Rakyat Indonesia (Persero) Tbk and Yayasan Kesejahteraan Pekerja Bank Rakyat Indonesia acquired shares in BRI Finance from The Bank of Tokyo-Mitsubishi UFJ Ltd, Japan. PT Bank Rakyat Indonesia (Persero) currently owns 99% of the total shares and Yayasan Kesejahteraan Pekerja Bank Rakyat Indonesia owns 1%. Following the share transfer, the Company's name was changed from PT BTMU-BRI

Finance to PT BRI Multifinance Indonesia, with the brand BRI Finance. This transformation has made BRI Finance a part of integrated financial services and the biggest financial network in Indonesia to reinforce its position in Indonesia's financial industry. On 24 December 2018, PT Bank Rakyat Indonesia (Persero) Tbk. provided additional paid-up capital amounted to Rp100,000,000,000 (One Hundred Billion Rupiah) to BRI Finance thereby increasing its share ownership from 99.0% to 99.6% and Yayasan Kesejahteraan Pekerja BRI at 0.4%.

BRI Finance focuses on investment financing with a leasing agreement scheme. BRI Finance conducts the business comprehensively across the entire country regardless of the brand, area type or industry.

BRI Finance Management Composition in 2018

BOARD OF COMMISSIONERS	
I Komang Sudiarsa *	President Commissioner
Boyke Budiono	Independent Commissioner
Ngalim Sawega *	Commissioner
BOARD OF DIRECTORS	
Wisto Prihadi	President Director
Achmad Chairul Ganie	Business Director
Handayatni Ariefiana Harjanti	Operations Director
Willy Halim Sugiardi	Compliance and Risk Management Director
*) effective after approval of fit & proper test by OJK	

Subsidiary Business

Performance Review in 2018

In 2018, amidst less favorable economy and sluggish national financing industry, BRI Finance recorded Net Profit after Tax amounted to Rp62.86 billion or grew 25.19% from 2017, with Total Assets of Rp3.63 trillion or grew 39.08%. This achievement bolstered BRI Finance Return on Asset (ROA) and Return on Equity (ROE) respectively at 2.4% and 7.6%.

Event Highlights and Strategies in 2018

The following are BRI Finance Event Highlights during 2018, among others:

1.

Opening of 9 New Marketing Offices located in Depok, BSD, Cirebon, Semarang, Malang, Banyuwangi, Pekanbaru, Lampung and Banjarmasin. BRI Finance has total work units of 1 Head Office (Jakarta), 4 Branch Offices (Surabaya, Bandung, Samarinda and Medan) and 16 Marketing Offices.

2.

Convened the Extraordinary General Meeting of Shareholders (EGMS) with the agenda of Management Changes on July 2018 and increased paid-up capital on December 2018.

3.

Received the Company rating from PT Pemeringkat Efek Indonesia (PEFINDO) with AA- and outlook stable ratings.

4.

Additional paid-up capital amounted to Rp100,000,000,000 (one hundred billion rupiah) from PT Bank Rakyat Indonesia (Persero) Tbk. in December 2018.

Development Strategies in 2019

BRI Finance main focuses in 2019 is developing multipurpose consumer financing specifically motor vehicles and optimizing investment and working capital financing in work units by remain focusing on non-cyclical segments. BRI Finance will implement the following initiative strategies:

1. Launching of products and offers that can win the customers.
2. Building distribution network through office channeling synergy with BRI.
3. Building highly competitive and competent Consumer Leadership team.
4. Developing e-financing application system of advanced IT infrastructure to provide accurate, fast and satisfactorily services.

PT BRI VENTURA INVESTAMA

Performance Highlights in 2018

Assets Rp7.2 billion	Revenues Rp1.27 billion	Net Profit Rp446 million
--------------------------------	-----------------------------------	------------------------------------

(PT BRI Ventura Investama becomes BRI Subsidiary as of 21 December 2018)

Company Profile

PT. BRI Ventura Investama (BRI Ventures) is a subsidiary of PT. Bank Rakyat Indonesia (Persero) Tbk engages in Venture Capital, PT. BRI (Persero) Tbk takes 97.61% share ownership of the the total issued shares. While 2.39% shares is owned by PT. Bank Central Asia (1.48%), Yayasan Kesejahteraan Pekerja BRI (0.37%), and the balance is individually owned (0.54%).

PT. BRI Ventura Investama (formerly PT. Sarana Nusa Tenggara Timur Ventura) was established on 21 February 1998 in Kupang – NTT with business license of venture capital based on the Decree of Finance Minister No. 75/KMK.05/1998 which stipulated on 19 February 1998. The company's founder is PT. Bahana Artha Ventura (BAV), a subsidiary of PT. Bahana Pembinaan Usaha Indonesia (BPUI), aim at developing venture capital for small and medium enterprise across Indonesia that become PT BPUI's objectives, PT. BAV is synergizing with the national banking and NTT municipality personally through shares placements.

On 29 June 2018, the controlling shareholders (PT. BAV) exercised a Conditional Stock Sale Agreement with PT. Bank Rakyat Indonesia (Persero) Tbk as a potential investor for the company.

In relations with this agreement, on 14 December 2018 the company's name was changed to PT. BRI Ventura Investama at the same time relocated its head office to Jakarta. On 20 December 2018, PT Bank Rakyat Indonesia (Persero) Tbk acquired 97.61% shares of PT. BAV of the company's total shares. As such, as per the said date, PT Bank Rakyat Indonesia (Persero) Tbk becomes the Controlling Shareholder of BRI Ventures. BRI Ventures currently engages in 2 main activities:

1. Productive financing in Kupang, NTT.
2. Investment activity in Jakarta.

Management Composition

Board of Commissioners

President Commissioner	: Hendra Patriawan
Commissioner	: Albert Wilson Riwwukore

Board of Directors

President Director	: Yulia Nevida
Director	: Fredrik Pieter Hendrik Lestuny

BRI Ventures Development Strategis in 2019

BRI Ventures will become an engine of growth in improving BRI Group business growth through investment activities for innovative companies that may bring progresses and new business model.

To achieve the targets, the company's strategy is to carry out investment in high-growth startups technology companies that has the potential to deliver satisfactory experience to customers.

BRI Ventures investment focus to the startup in the growth phase that may directly impact BRI's business.

BRI Ventures investment areas is aimed at innovative companies that potentially may improve capabiliteis, deliver positive impact toward the business, and open access to new ecosystem for BRI and group's businesses.

In general, BRI Ventures will apply the following investment criteria:

- Quality of management team
- Large and growing market potentials
- Tested product quality and business model (companies with clear and measured development plan)

On productive financing that become its main business focus, the company in 2019 will continue to implement the existing financing activities by taking into account a more sound and profitable financing quality.

Subsidiary Business



PT DANAREKSA SEKURITAS

Performance Highlights in 2018

Assets

Rp **869.1** billion

Equity

Rp **533.45** billion

Revenues

Rp **193.85** billion

(PT Danareksa Sekuritas becomes BRI Subsidiary as of 21 December 2018)

Company Profile

PT Danareksa Sekuritas ("Company") was established based on the Notary Deed of Imas Fatimah, S.H., No. 25 dated 1 July 1992. This establishment deed is ratified by the Ministry of Justice of the Republic of Indonesia in the Decree No. C2-7248.HT.01.01.Th.92 dated 3 September 1992 and announced in the State Gazette of the Republic of Indonesia No. 86 In liue of No. 5392 dated 27 October 1992.

The Company's Articles of Association has been amended several times. The amendment to adjust the Company's Articles of Association with Law No. 40 of 2007 on the Limited Liabilities Company and increase of authorized capital and issued and paid-up capital of the Company that stated in the notary deed of Imas Fatimah, S.H., No. 91 dated 12 August 2008. This amendment has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia through a Decree No. AHU-83282.AH.01.02.Th.2008 dated 10 November 2008 and has been announced in the State

Gazette of the Republic of Indonesia No. 28 In liue of No. 9870 dated 7 April 2009.

In 2009 there was changes of the Company's purposes and objectives that stated in the notary deed of Imas Fatimah, S.H., No. 49 dated 16 December 2009. This amendment has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia through a Decree No. AHU-AH.01.10-02042 dated 25 January 2010 and announced in the State Gazette of the Republic of Indonesia No. 88 In liue of No. 1801 dated 11 November 2010.

In 2011 there was the changes in the Company's shares take over that stated in the notary deed of Mochamad Nova Faisal, S.H., No. 21 dated 21 September 2011 and has been accepted by the Minister of Justice and Human Rights of the Republic of Indonesia through notification of the Company's data amendment in No. AHU-AH.01.10-31539 dated 4 October 2011.

In 2017 there was the changes of the Company's Articles of Association namely article 3 on the purposes and objectives of the Company's business activities with the addition of other business activities as stated in the notary deed of Ffidiana, S.H., S.S., M.Kn., No. 1 dated 5 July 2017. The amendment has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia through a Decree No. AHU-0013998.AH.01.02.Th.2017 dated 7 July 2017.

The final amendment was exercised for the Company's shares take over that stated in the notary deed of Mochamad Nova Faisal, S.H., M.Kn., No. 52 dated 21 December 2018 that been accepted by the Minister of Justice and Human Rights of the Republic of Indonesia through notification of the Company's data amendment in No. AHU-AH.01.03-0279737 dated 26 December 2018.

Subsidiary Business

The Company obtains a business license as a securities broker and underwriter from the Chairman of the Capital Market Supervisory Agency based on the Decree No. KEP-291/PM/1992 dated 16 October 1992 and No. KEP-292/PM/1992 dated 16 October 1992.

On 21 December 2018, PT Bank Rakyat Indonesia (Persero) Tbk acquired 67.00% shares of PT Danareksa Sekuritas from PT Danareksa (Persero) or 335,000,000 (three hundred thirty five million) shares of the Company's total shares. As such, commencing the said date PT Bank Rakyat Indonesia (Persero) Tbk becomes the Majority Shareholder of PT Danareksa Sekuritas.

The Company is domiciled in Danareksa Building, Jl. Medan Merdeka Selatan No. 14, Jakarta. As of 31 December 2018, the Company recorded 188 permanent employees.

Management Composition

Board of Commissioners Composition

1. Damhuri Nasution : Commissioner

Board of Directors Composition

1. Jenpino Ngabdi : President Director
2. Budi Susanto : Director
3. Boumediene S. Halomoan : Director
4. R. M. Irwan : Director
5. Saidu Solihin : Director
6. Santi Suryandari : Director

Event Highlights

1.

Resignation of R.A.M. Irwan Satya as Commissioner effective as of 1 March 2018

2.

Honorably termination of Bondan Pristiwandana as Commissioner due to the completion of his tenure effective as of 27 June 2018

3.

The appointment of Damhuri Nasution as the Company's Commissioner effective as of 27 June 2018

4.

Honorably termination of Erizal as the Company's Director effective as of 1 July 2018

5.

The appointment of R. Muhamad Irwan as the Company's Director effective as of 1 July 2018

6.

Take over of 1,000 (one thousand) shares of PT Danareksa Sekuritas from *Kesejahteraan Pegawai* Foundation (YKP) PT Danareksa (Persero) to PT Danareksa (Persero)

7.

Take over of 335,000,000 (three hundred thirty five million) shares of PT Danareksa Sekuritas from PT Danareksa (Persero) to PT Bank Rakyat Indonesia (Persero) Tbk

The Company's Main Strategies

Danareksa Sekuritas sets several main targets in 2019, which include to become prominent player in underwriting business, where the Company is committed to improve participation in IPO/public offering transactions. The Company also will strengthen its position as financial advisory and become the first choice for SOEs and affiliates as well as private companies to compete with foreign consultants. On brokerage, the Company targets

to reach Rp1 trillion per day of trading value, where this can be achieved through retail and institution customers. As a commitment to disseminate Indonesia capital market with the Financial Services Authority (OJK) and Indonesia Stock Exchange (BEI), the Company strives to expand retail/individual investor networks through media online trading aligned with the digital era development globally. This certainly will also be supported by solid and qualified information system infrastructure.

Financial Review

BRI maintains its profitability by recording net profit of

Rp32.42 trillion

ROA 3.68%, and ROE 20.49%. Business development is supported by adequate capital with CAR at

21.21%



This Financial Review contains the analysis and discussion of BRI's financial performance that is presented according to the principles of Indonesian Financial Accounting Standards (SFAS) and the Accounting and Reporting Guideline applicable for Indonesia's banking industry.

All financial statements presented in this analysis are based on BRI Consolidated Financial Statements audited by Public Accountant Office Purwantono, Sungkoro, and Surja (PSS-EY) and according to the Independent Auditor's Report No. 00035/2.1032/AU.1/07/1008-2/1/2019 dated 30 January 2019. The auditor's opinion rendered to BRI Consolidated Financial Statements for the fiscal year ended 31 December 2018 and 2017 expressed that the statements were presented fairly in all material respects. BRI Consolidated Financial Statements is attached to this Annual Report.

In December 2018, BRI has acquired BRI Ventures, formerly PT Sarana NTT Ventura as well as PT Danareksa Sekuritas. Based on the Share Buy and Sell Deed No. 70 dated 20 December 2018 made by Notary Ashoya Ratam, S.H., M.Kn, PT Bahana Artha Ventura transferred 15,874

shares of PT BRI Ventura to BRI (Note 1f). Based on the Share Takeover Deed No. 53 dated 21 December 2018 made by Notary M. Nova Faisal, S.H., M.Kn, PT Danareksa (Persero) has sold 335,000,000 shares to PT Danareksa Sekuritas to BRI.

These sale and purchase transactions constitute a business combination of entities under common control where the ultimate shareholder of BRI, PT Danareksa (Persero) and PT Bahana Artha Ventura is the Government of the Republic of Indonesia. Therefore, the transactions are treated based on the pooling of interests method in accordance with the SFAS No. 38 (Revised 2012), "Business Combination of Entities Under Common Control". For the presentation of business combination transactions of entities under common control based on the pooling of interests method, the financial statements as of December 31, 2017 and for the year ended that date and the financial statements as of December 31, 2016 and for the year ended that date are presented as if the merger occurs from the beginning of the period the entity that joins is within the control.

Financial Review

STATEMENTS OF FINANCIAL POSITION

ASSETS

(Rp million)

Balance Sheet Highlights	2016		2017		2018		Growth (%)
	Nominal	Composition (%)	Nominal	Composition (%)	Nominal	Composition (%)	2017-2018
Cash	25,212,226	2.51	24,798,037	2.20	27,421,625	2.11	10.58
Current Accounts With Bank Indonesia	55,635,946	5.54	58,155,479	5.16	71,159,442	5.49	22.36
Placements with Bank Indonesia and Current Accounts and Placements With Other Banks	89,529,628	8.91	61,289,274	5.44	99,695,406	7.69	62.66
Securities-net	145,223,545	14.45	215,604,217	19.12	221,123,295	17.05	2.56
Government Recapitalization Bonds	3,318,434	0.33	3,317,840	0.29	1,505,273	0.12	(54.63)
Loans, Sharia Receivables and Financing	663,420,218	66.02	739,336,520	65.58	843,598,404	65.05	14.10
Loans Allowance for impairment losses -/-	(22,806,452)	(2.27)	(30,104,137)	(2.67)	(35,603,123)	(2.75)	18.27
Investment – net	11,718	0.00	83,100	0.01	460,096	0.04	453.67
Fixed Assets – net	24,524,133	2.44	24,752,035	2.20	26,914,859	2.08	8.74
Derivatives Receivable-net	103,907	0.01	162,912	0.01	485,810	0.04	198.20
Acceptances Receivable-net	5,692,583	0.57	5,693,425	0.50	11,643,003	0.90	104.50
Deferred Tax Assets	2,539,713	0.25	3,286,732	0.29	5,114,653	0.39	55.62
Other Assets	12,396,074	1.24	21,072,055	1.87	23,379,549	1.79	10.95
Total Assets	1,004,801,673	100.00	1,127,447,489	100.00	1,296,898,292	100.00	15.03

In 2018, BRI assets grew 15.03% to Rp1,296.9 trillion, compared to Rp1,127.45 trillion in 2017. Increase of assets was mainly due to growth of earnings assets such as loans that increased by 14.10% and recorded a composition of 65.05% to total assets.

Cash and Current Accounts with Bank Indonesia

Cash position in 2018 was Rp27.42 trillion, increased by 10.58% compared to Rp24.80 trillion in 2017. The increase was among others

due to an increase of the need of liquidity in BRI work units. While Current Accounts with BI increased by 22.36% from Rp58.16 trillion in 2017 to Rp71.16 trillion in 2018. In accordance with BI regulation, BRI shall comply with the Minimum Legal Reserve Requirements (GWM) for rupiah at 6.5% and for foreign currency (forex) of 8%. Current accounts balance at BI has represented the Rupiah GWM of 7.16% and forex GWM of 8.01%, hence BRI has complied with BI regulations.

Placements with BI and Current Accounts and Placements with Other Banks

Current accounts and placements with other banks increased by 62.66% from Rp61.29 trillion in 2017 to Rp99.7 trillion in 2018. The increase was mainly due to an increase of placements with Bank Indonesia amounted to Rp23.3 trillion and Interbank Call Money at Rp8.82 trillion during 2018 compared to 2017.

Financial Review

Securities

The Bank's securities portfolio increased by 2.56% from Rp215.6 trillion in 2017 to Rp221.12 trillion in 2018. The most part of BRI's securities are government bonds and Bank Indonesia Certificates.

Government Recapitalization Bonds

BRI recorded government recapitalization bonds amounted to Rp1.51 trillion, decrease compared to 2017 position of Rp3.32 trillion because substantial numbers of government recapitalization bonds are due in 2018. The government recapitalization bonds due in 2018 was Rp30.27 billion, of Rp375 billion is due in 2019, and the balance of Rp1.1 trillion is due in 2020.

Category	Tenor	2016	2017	2018
Available for sale	2018-2020	718,434	717,840	30,273
Held to maturity	2018-2020	2,600,000	2,600,000	1,475,000
Total		3,318,434	3,317,840	1,505,273

Loans

In 2018, BRI disbursed loans of Rp843.6 trillion, increased by 14.1% compared to Rp739.34 trillion in 2017. Micro and retail segments attributed to the majority of loan growth which respectively grew by Rp38.77 trillion (5.33%) and Rp43.2 trillion (5.03%) to Rp291.6 trillion and Rp330.6 trillion in 2018. The growth in these segments is aligned with BRI commitment to foster Micro, Small and Medium Enterprise (MSME) which take the largest part of business structure in the Country.

People's Business Loans (KUR) is one of the loans that support loan disbursement in micro segment, as a commitment of BRI in supporting the government programs in the empowerment of micro, small and medium enterprises (MSMEs). Total disbursement of KUR BRI in 2018 amounted to Rp80.18 trillion. With this disbursement, the micro KUR loans outstanding in 2018 reached Rp77.69 trillion, increase compared to the previous year figure of Rp69.18 trillion (increased by Rp8.51 trillion or 12.3%). While retail KUR loans

outstanding in 2018 rose by Rp3.6 trillion or 36.29% to Rp13.52 trillion in 2018.

Higher MSMEs loans growth compared to total loans makes the MSMEs loans composition this year reaching 75.88%, increase compared to 75.15% in 2017. This is in line with BRI's strategy to focusing on MSMEs loans.

Loans by Currencies

(Rp million)

Segments	2016	2017	2018	Growth (%) 2017-2018
Micro	221,802,205	252,850,654	291,615,908	15.33
Rupiah	221,802,205	252,850,654	291,615,908	15.33
Forex	-	-	-	-
Retail	252,989,680	287,436,229	330,633,963	15.03
Rupiah	242,857,971	276,062,883	316,065,763	14.49
Forex	10,131,709	11,373,346	14,568,200	28.09
Corporate	168,679,090	178,695,785	197,760,286	10.67
Rupiah	120,517,077	118,598,989	124,639,193	5.09
Forex	48,162,013	60,096,796	73,121,093	21.67
Total Loans Non Syariah Financing	643,470,975	718,982,668	820,010,157	14.05
Rupiah	585,177,253	647,512,526	732,320,864	13.10

Financial Review

Loans by Currencies

(Rp million)

Segments	2016	2017	2018	Growth (%) 2017-2018
Forex	58,293,722	71,470,142	87,689,293	22.69
Syariah Financing and Receivables	17,748,943	17,864,869	20,178,401	12.95
Lease Receivables	2,200,300	2,488,983	3,409,846	37.00
Total Loans	663,420,218	739,336,520	843,598,404	14.10
Allowance for Impairment Losses	22,806,452	30,104,137	35,603,123	18.27
Total Loans less Allowance for Impairment Losses	640,613,766	709,232,383	807,995,281	13.93

Loans by Segments

(Rp million)

Segments	2016	2017	2018	Growth (%) 2017-2018
Retail	252,989,680	287,436,229	330,633,963	15.03
Micro	221,802,205	252,850,654	291,615,908	15.33
Corporate	168,679,090	178,695,785	197,760,286	10.67
Syariah Financing and Receivables	17,748,943	17,864,869	20,178,401	12.95
Lease Receivables	2,200,300	2,488,983	3,409,846	37.00
Total Loans	663,420,218	739,336,520	843,598,404	14.10
Allowance for Impairment Losses	22,806,452	30,104,137	35,603,123	18.27
Total Loans less Allowance for Impairment Losses	640,613,766	709,232,383	807,995,281	13.93

Loans by Types

(Rp million)

Segments	2016	2017	2018	Growth (%) 2017-2018
Kupedes	211,417,693	239,446,222	274,265,895	14.54
Working Capital	186,324,358	206,806,224	244,518,672	18.24
Consumer	101,031,288	115,320,021	131,665,922	14.17
Investment	114,261,862	126,173,046	139,994,286	10.95
Program	10,547,008	15,132,136	19,794,242	30.81
Syndicated	19,845,592	16,066,562	9,737,048	(39.40)
Key Employees	43,174	38,457	34,092	(11.35)
Syariah Financing and Receivables	17,748,943	17,864,869	20,178,401	12.95
Lease Receivables	2,200,300	2,488,983	3,409,846	37.00
Total Loans	663,420,218	739,336,520	843,598,404	14.10
Allowance for Impairment Losses	22,806,452	30,104,137	35,603,123	18.27
Total Loans less Allowance for Impairment Losses	640,613,766	709,232,383	807,995,281	13.93

Financial Review

Allowance for Impairment Losses (CKPN)

Allowance for Impairment Losses (CKPN) is established to cover losses due to loan value impairment. Allowance for impairment losses is calculated using individual impairment and collective impairment approaches. Individual impairment method is used for loans that individually have significant value namely over Rp5 billion and have objective evidence of impairment. While collective impairment is used for loans value below Rp5 billion and loans value of above Rp5 billion however do not have objective evidence of impairment.

BRI CKPN in 2018 was Rp35.6 trillion, up by 18.27% from Rp30.10 trillion in 2017. The increase of CKPN reflects BRI prudence principles to anticipate impact of macroeconomics fluctuation to assets quality. With the increase of CKPN, NPL Coverage Ratio increased from 195.54% in 2017 to 200.61% in 2018.

In addition to establish adequate CKPN, BRI mitigates credit risk by taking into account the loan collaterals, guarantees, warranties or insurance.

BRI takes into account collateral as a future cash flow if the collateral dependent or repayment credit originates from collateral or collateral takeover is most likely to occur and is supported by a legal agreement on increasing collateral. In determining the value of collateral, BRI uses a lower value between the value of collateral binding with fair value or market value of collateral. Reevaluation of fair value or market value of collateral is conducted periodically. BRI has in place the procedures to ensure the execution of collateral, collateral or credit insurance is carried out at a fair value. The detailed methodologies used to compute Allowance for Impairment Losses are elaborated in the Risk Management chapter.

Assets Write-Off and Recovery

In 2018, BRI exercised credit assets written-off amounted to Rp12.16 trillion, up by 27.57% compared to Rp9.53 trillion in 2017. Credit written-off was the last measure taken following credit restructuring and other settlement efforts by BRI, however the customers remain not able to meet their obligations to BRI due to the problems in their businesses.

Credit assets written-off mostly occurred in the Micro and Retail Commercial segments in accordance with the composition of the loan outstanding of these segments that accounted for 56.85% of BRI's total loans. Recovery from this written-off was Rp6.3 trillion, increased by 24.98% from Rp5.04 trillion in 2017, or reaching recovery rate of 51.86%. Recovery is elaborated in details in Profit/Loss statements.

Investment

In 2018, BRI's investment amounted to Rp460.1 billion, grew 453.39% compared to Rp83.1 billion in 2017. This increase was driven by BRI's investment PT Danareksa Investment Management amounted to Rp372.27 billion with 35% share ownership and Lembaga Pembayaran Nasional amounted to Rp3.5 billion with 17.50% share ownership. The ownership of PT Danareksa Investment Management as of 31 December 2018 was 65% by PT Danareksa (Persero), 35% share by BRI, PT Bahana Artha Ventura to Rp72.61 billion in 2017 which amounted to Rp71.38 billion. The ownership of PT Bahana Artha Ventura as of 31 December 2018 was 64.65% by PT Bahana Pembinaan Usaha Indonesia, 35% by BRI and 0.35% by Employee Cooperative of PT Bahana Pembinaan Usaha Indonesia, and 17.5% for Lembaga Pembayaran Nasional, PT Pemeringkat Efek Indonesia is owned by BRI at 7.97%.

Financial Review

(Rp million)

Company	Business Sectors	Percentage	Total Investment		
		Ownership (%)	2016	2017	2018
PT Danareksa Investment Management	Securities Company	35.00	-	-	372,271
PT Bahana Artha Ventura	Venture Capital	35.00	-	71,382	72,607
PT Pemeringkat Efek Indonesia	Securities Rating	7.97	7,978	7,978	7,978
Lembaga Pembayaran Nasional	Finance	17.50	-	-	3,500
PT Kustodian Sentral Efek Indonesia	Custodian and Settlement	4.30	1,275	1,275	1,275
PT Kliring Berjangka Indonesia (Persero)	Clearing Institution	2.00	1,000	1,000	1,000
PT Sarana Bersama Pembiayaan Indonesia	Non Bank Financial Institution	8.00	536	536	536
PT Jakarta Kyoei Medical Center	Healthcare	1.68	220	220	220
PT Menara Proteksi Indonesia	Property	2.00	200	200	200
Bursa Efek Indonesia	Stock Exchange	0.87	135	135	135
BPR Toeloengredjo Dasa Nusantara	Banking	1.50	77	77	77
BPR Tjoekir Dasa Nusantara	Banking	3.00	77	77	77
BPR Toelangan Dasa Nusantara	Banking	1.50	66	66	66
PT Merapi Gelanggang Wisata	Sport Facility	0.64	50	50	50
PT Kendari Expressindo Bahari	Transportation	8.33	50	50	50
BPR Cinta Manis Agroloka	Banking	1.75	35	35	35
PT Sukapraja Estetika Padang Golf	Sport Facility	0.24	25	25	25
BPR Bungamayang Agroloka	Banking	1.13	23	23	23
PT Aplikanusa Lintasarta	Non Bank	0.03	20	20	20
PT Danareksa Finance	Financial Institution	0.01	1	1	1
PT BTMU BRI Finance	Financing	45.00	-	-	-
PT Kelola Jasa Artha	Remittance	14.22	-	-	-
PT Bringin Gigantara	Procurement and IT	5.14	-	-	-
Total			11,768	83,150	460,146
Allowance for Impairment Losses			(50)	(50)	(50)
Total Net			11,718	83,100	460,096

The impairment evaluation of the equity value was done individually given the objective evidence of impairment.

As at 31 December 2018, 2017 and 2016, all equity participation was categorized as "current" except the equity investment in PT BRI Ventura Investama (subsidiary) in PT Kendari Expressindo Bahari.

In 2018, BRI has received cash dividend from PT Sarana Bersama Pembiayaan Indonesia amounted to Rp11.72 billion while in 2016, received cash dividend from PT Sarana Bersama Pembiayaan Indonesia and PT Pemeringkat Efek Indonesia respectively at Rp170 million and Rp11 million.

Financial Review

In 2018, BRI Agro (subsidiary) has received cash dividend from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta respectively at Rp7 million, Rp6 million, and Rp25 million, while in 2017, from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta respectively at Rp8 million, Rp13 million and Rp19 million, and in 2016, from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta respectively at Rp7 million, Rp21 million and Rp26 million.

In 2018, PT Danareksa Sekuritas (subsidiary) has received cash dividend from PT Pemeringkat Efek Indonesia amounted to Rp776 million.

As at 31 December 2018, 2017 and 2016 total allowance for impairment losses on equity investment was respectively amounted to Rp50 million. Management believes that the allowance for impairment losses on the equity investment has been adequate.

Fixed Assets

In 2018, BRI total fixed assets was Rp26.91 trillion, increased by 8.74% compared to Rp24.75 trillion in 2017. The increase was due to the addition in the value of buildings, computers and machineries as well as furniture and fixtures.

(Rp million)				
Fixed Assets	2016	2017	2018	Growth (%) 2017-2018
Landrights	15,799,496	16,134,127	17,300,589	7.23
Buildings	3,160,913	3,675,421	4,959,992	34.95
Motor vehicles	2,153,644	2,204,637	2,284,879	3.64
Computers and machineries	6,407,952	7,097,817	8,286,786	16.75
Furnitures and fixtures	1,482,991	1,593,957	1,808,142	13.44
Museum assets	184	184	184	0.00
Satellite	-	3,284,664	3,284,664	0.00
Satellite in development	3,275,613	-	-	-
Total Cost	32,280,793	33,990,807	37,925,236	11.57
Accumulated Depreciation				
Buildings	1,359,559	1,529,321	1,785,676	16.76
Motor vehicles	1,420,049	1,705,407	1,955,595	14.67
Computers and machineries	3,835,864	4,607,771	5,516,494	19.72
Furnitures and fixtures	1,141,188	1,268,536	1,405,897	10.83
Satellite	-	127,737	346,715	171.43
Total Accumulated Depreciation	7,756,660	9,238,772	11,010,377	19.18
Book Value - Net	24,524,133	24,752,035	26,914,859	8.74

Other Assets

Other assets consists of interest receivables from government bonds, customer receivables, foreclosed collaterals, customer payables, other receivables and other assets. Until the end of 2018, total other assets was Rp23.38 trillion, increased by 10.95% compared to Rp21.07 trillion in 2017. The increase in other assets was mainly derived from the receivables from Perum Bulog amounted to Rp297.85 billion, up by 30.25% from Rp228.68 billion in 2017, and deferred expense for employee loans amounted to Rp2.25 trillion, increased by 262.9% from Rp617.83 billion in 2017.

Financial Review

LIABILITIES

(Rp million)

Balance Sheet Highlights	2016		2017		2018		Growth (%)
	Nominal	Composition (%)	Nominal	Composition (%)	Nominal	Composition (%)	2017-2018
Deposits From Customers	754,526,374	88.02	841,656,450	87.72	944,268,737	84.95	12.19
Demand Deposits	142,546,863	16.63	147,435,604	15.37	180,669,095	16.25	22.54
Saving Deposits	303,270,288	35.38	349,440,873	36.42	387,179,625	34.83	10.80
Time Deposits	308,709,223	36.01	344,779,973	35.94	376,420,017	33.86	9.18
Liabilities Due Immediately	5,410,313	0.63	6,584,201	0.69	8,462,958	0.76	28.53
Deposits From Other Banks	2,229,538	0.26	5,593,367	0.58	9,131,158	0.82	63.25
Securities Sold Under Agreement to Repurchase	7,302,398	0.85	12,136,684	1.26	37,379,394	3.36	207.99
Fund Borrowings	35,013,680	4.08	29,408,694	3.07	40,457,429	3.64	37.57
Marketable Securities Issued	24,800,781	2.89	30,619,658	3.19	31,190,216	2.81	1.86
Other Liabilities	27,984,492	3.27	33,440,657	3.49	40,733,069	3.66	21.81
Total Liabilities	857,267,576	100.00	959,439,711	100.00	1,111,622,961	100.00	15.86

In 2018, BRI total liabilities amounted to Rp1,111.62 trillion, increased by 15.86% compared to Rp959.44 trillion in 2017. The increase of liabilities was derived from the increase of Deposits from Customers amounted to Rp102.61 trillion, or increased by 12.19% from 2017.

(Rp million)

Deposits From Customers	2016	2017	2018	Growth (%)
				2017-2018
Demand Deposits	141,419,020	145,529,168	178,097,981	22.38
Wadiah Demand Deposits	1,127,843	1,766,901	2,277,850	28.92
Mudharabah Demand Deposits	-	139,535	293,264	110.17
Saving Deposits	298,110,406	343,420,737	379,918,705	10.63
Wadiah Saving Deposits	4,176,761	4,749,652	5,601,811	17.94
Mudharabah Saving Deposits	983,121	1,270,484	1,659,109	30.59
Time Deposits	293,029,378	326,417,937	357,413,513	9.50
Mudharabah Time Deposits	15,679,845	18,362,036	19,006,504	3.51
Total Deposits From Customers	754,526,374	841,656,450	944,268,737	12.19
Composition of Demand Deposits and Saving Deposits/CASA	59.09%	59.04%	60.14%	1.86
Composition of Time Deposits	40.91%	40.96%	39.86%	-2.69

Financial Review

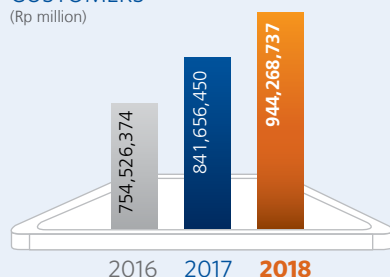
Digital banking progress has diverted the bank's customer in placing their funds. Today, the deposits interest rate is no longer a sole factor in attracting the customer's fund. Service convenience supported by digital technology led to higher value for the bank in acquiring customer deposits.

BRI recorded total deposits from customers amounted to Rp944.27 trillion, grew 12.19% compared to Rp841.66 trillion in 2017. Growth of deposits was mainly derived by an increase of demand deposits and saving deposits respectively by 22.54% and 10.8%. While time deposits grew 9.18%.

Deposits structure consists of low cost funds, current accounts and savings accounts (CASA) at 60.14% and time deposits at 39.86%. Higher CASA acquisition from time deposits is in line with BRI policy to reduce cost of funds. Low cost funds acquisition is attributed by the presence of 10,325 BRI units across the Archipelago and BRILink agents that has reached 401,550 agents.

TOTAL DEPOSITS FROM CUSTOMERS

(Rp million)



Liabilities Due Immediately

Liabilities Due Immediately among others consists of BRI obligation as the bank issuing ATM cards and Credit Cards, money transfer, cheque deposits, time deposits, clearing deposits, tax payment deposits and social grant deposits. Liabilities Due Immediately in 2018 amounted to Rp8.46 trillion, increased by 28.53% compared to Rp6.58 trillion in 2017. The increase was mainly derived from advance payment deposits, tax payment deposits, ATM and credit card deposits, social grant deposits, and insurance deposits.

Deposits From Other Banks and Other Financial Institutions

This account is used for short term interbank call money and as part of liquidity management strategy. Deposits included in this account are demand deposits, saving deposits, time deposits, interbank call money, and deposit on call.

In 2018, Deposits From Other Banks and Other Financial Institutions was Rp9.13 trillion, grew 63.25% compared to Rp5.59 trillion in 2017. The increase in this account was mainly derived from the increase of Interbank Call Money by 214.88% from Rp1.11 trillion in 2017 to Rp3.49 trillion in 2018.

Securities Sold Under Agreement to Repurchase

In 2018, total Securities Sold Under Agreement to Repurchase amounted to Rp37.38 trillion, increased by 207.91% compared to Rp12.14 trillion in 2017. The increase is in line with the funding diversification strategy

Financial Review

in addition to third party funds.

Fund Borrowings

In 2018, total Fund Borrowings was Rp40.46 trillion, increased by 37.57% from Rp29.41 trillion in 2017. Fund Borrowings was among others derived from the following parties:

Counterparty	Nominal	Due
China Development Bank Corporation	Rp13.06 trillion	16 September 2025
		30 March 2019, 30 September 2019, 13 December 2019, 30 September 2020, 19 December 2021, & 19 December 2022
Syndicated Club Loan	Rp12.1 trillion	
BNP Paribas	Rp1.8 trillion	24 May 2019, 8 July 2019, & 23 November 2019
Bilateral Loans	Rp728.15 billion	03 February 2025
Other Loans	RP12.77 trillion	-
Total	Rp40.46 trillion	

1. Loan from China Development Bank Corporation amounted to Rp13.06 trillion. The loan is allocated to finance infrastructure and industry projects in Indonesia. A long term loan with 10 years tenor and will be matured on 16 September 2025 as well as and cross-border transactions between Indonesia and the People's Republic of China.
2. Syndicated Club Loan amounted to Rp12.1 trillion or around USD1,250 million. This loan is allocated to strengthen long term funding and maturity profile. This loan will be matured in several phases, USD325 million will be due on 30 March 2019, USD155 million will be due on 30 September 2019, USD200 million will be due on 12 December 2019, USD70 million will be due on 30 September 2020, USD235 will be due on 19 December 2021, and USD265 million will be due on 19 December 2022.

Marketable Securities Issued

At the end of 2018, Marketable Securities Issued was at the position of Rp31.19 trillion, up by 1.86% from Rp30.62 trillion in 2017. Marketable Securities Issued throughout 2018 are as follows:

	Nominal	Due
BRI Shelf Registration Bonds II Phase IV (Rp million)	2,442,000	Serie A: 21 February 2023 Serie B: 21 February 2025
Global Bond BRI (USD)	500 million	20 July 2023

The following are securities that has been due during 2018:

1. BRI Shelf Registration Bonds I Phase I Serie B with a nominal of Rp925 billion due on 3 July 2018.
2. BRI Shelf Registration Bonds II Phase II Serie A with a nominal of Rp1,131 billion due on 16 April 2018.

Other Liabilities

This post consists of derivatives payable, acceptances payable, taxes payable, estimated losses on commitments and contingencies, liabilities for employee benefits and other liabilities.

In 2018, other liabilities amounted to Rp40.73 trillion, increased by 21.81% compared to Rp33.44 trillion in 2017. The increase was mainly due an increase of acceptances liabilities and other liabilities.

Financial Review

EQUITY

(Rp million)

Component	2016	2017	2018	Growth (%) 2017-2018
Capital stock	6.167.291	6.167.291	6.167.291	-
Additional paid-in capital - net	2.773.858	2.773.858	2.692.663	(2,93)
Revaluation surplus from fixed assets - net	13.824.692	13.824.692	13.824.692	-
Differences arising from the translation of foreign currency financial statements	23.490	54.199	49.850	(8,02)
Unrealized gain on available for sale securities and government recapitalization bonds - net of deferred tax	75.618	1.813.625	(2.070.378)	(214,16)
Gain on remeasurement of defined benefit plans – net of deferred tax	665.870	706.403	1.154.343	63,41
Treasury stock	(2.418.948)	(2.418.948)	(2.418.948)	-
Stock option	-	-	10.971	-
Provision for bonus share compensation	-	-	426.670	-
Equity of merging entity	483.908	443.016	-	(100,00)
Total Retained earnings	125.309.471	143.827.697	163.130.389	13,42
Total equity attributable to equity holders	146.905.250	167.191.833	182.967.543	9,44
Non-controlling interest	628.847	815.945	2.307.788	182,84
Total Equity	147.534.097	168.007.778	185.275.331	10,28

BRI recorded equity of Rp185.28 trillion, increased by 10.28% from Rp168.01 trillion in 2017. The increase of equity was mainly due to an increase of retained earnings by 13.42% from 2017 to Rp163.13 trillion. On the other hand, BRI pay dividend at 45% from 2017 profits.

Taking into account BRI business performance and to improve employee sense of belonging on the company and to provide long term incentive to employee to achieve the set targets, BRI Board of Directors decided to render Management and Employee Stock Ownership Program (MESOP). Stock allocation is provided to each employee based on the individual and company performance.

MESOP program will be completed at the latest on 31 March 2020 and will be paid with shares.

STATEMENTS OF PROFIT OR LOSS

BRI successfully posted consolidated net profit of Rp32.42 trillion in 2018, increased by 11.61% compared to Rp29.05 trillion in 2017. The increase of profit was due to an increase of interest income and sharia income in the

Financial Review

amidst of challenges macroeconomics conditions.

(Rp million)

Component	2016	2017	2018	Growth (%)
				2017-2018
Interest Income	91,379,317	100,093,333	108,458,358	8.36
Sharia income	2,636,677	2,819,042	3,124,446	10.83
Less: interest and Sharia expense	(28,576,804)	(29,894,281)	(33,917,032)	13.46
Interest income and Sharia income - net	65,439,190	73,018,094	77,665,772	6.37
Premium income	3,038,864	3,788,965	4,178,213	10.27
Claim expense	(2,760,154)	(3,403,551)	(3,232,491)	(5.03)
Premium income - net	278,710	385,414	945,722	145.38
Other Operating Income	17,287,857	19,271,287	23,425,430	21.56
Provision for impairment losses on financial assets and non financial assets - net	(13,700,241)	(16,994,115)	(17,792,693)	4.70
Provision for reversal of allowance for estimated losses on commitments and contingencies - net	347	(1,239)	912	(173.61)
(Provision for) reversal of allowance for impairment losses on non financial assets - net	(103,705)	(258,524)	(528,982)	104.62
Less: Other Operating Income	(35,156,837)	(38,614,076)	(41,990,284)	8.74
Operating income	34,045,321	36,806,841	41,725,877	13.36
Non operating income - net	1,714	216,395	27,817	(87.15)
Income before tax expense	34,047,035	37,023,236	41,753,694	12.78
Tax expense	(7,761,784)	(7,978,187)	(9,335,208)	17.01
Net income before extraordinary items	26,285,251	29,045,049	32,418,486	11.61
Net income	26,285,251	29,045,049	32,418,486	11.61

Interest Income and Interest Expense

This income post is a main contributor to increase the Company profitability. BRI income is mostly contributed by interest income and sharia income. While the growth of interest and sharia expense is in line with the fund acquisition which was generated from lending, sharia financing as well as other non credit assets.

interest income. Throughout 2018, interest income increased by 8.43% from Rp102.91 trillion in 2017 to Rp111.58 trillion. Credit interest income was recorded at Rp96.23 trillion, or a portion of 86.24% in interest income structure. While the portion of non credit interest income was 13.76%. While sharia income increased by 10.83%, from Rp2.82 trillion in 2017 to Rp3.13 trillion in 2018.

Interest income and Sharia income

Aligned with credit composition, sharia receivables and financing dominate 65.58% of BRI total assets, thus interest income from credit and sharia financing also recorded at 89.04% of BRI total interest income. Interest income consists of credit interest income and non credit

Financial Review

The Interest Income composition is detailed in the following table:

(Rp million)

Component	2016		2017		2018		Growth (%)
	Value	%	Value	%	Value	%	2017-2018
Loans	81,057,953	86.22	88,108,116	85.61	96,224,941	86.24	9.21
Government recapitalization bonds	201,241	0.21	78,020	0.08	100,364	0.09	28.64
Marketable securities held	7,609,791	8.09	8,913,955	8.66	9,082,912	8.14	1.90
Placements in BI and other banks	982,287	1.04	1,144,862	1.11	1,113,603	1.00	(2.73)
Current accounts in Bank Indonesia	158,570	0.17	158,770	0.15	100,677	0.09	(36.59)
Others	1,369,475	1.46	1,689,610	1.64	1,835,861	1.65	8.66
Sharia income	2,636,677	2.80	2,819,042	2.74	3,124,446	2.80	10.83
Total Interest income	94,015,994	100.00	102,912,375	100.00	111,582,804	100.00	8.43

Interest Expense

(Rp million)

Description	2016		2017		2018		Growth (%)
	Value	%	Value	%	Value	%	2017-2018
Time Deposits	17,114,973	59.89	16,429,538	54.96	17,957,244	52.94	9.30
Saving Deposits	2,886,158	10.10	2,703,451	9.04	3,014,237	8.89	11.50
Demand Deposits	1,661,252	5.81	2,102,010	7.03	2,636,745	7.77	25.44
Deposit from other banks & financial institutions	638,251	2.23	576,919	1.93	814,364	2.40	41.16
Marketable securities issued	1,129,485	3.95	2,226,531	7.45	2,378,334	7.01	6.82
Securities sold under agreement to repurchase	378,230	1.32	533,985	1.79	1,057,039	3.12	97.95
Fund borrowings	2,106,449	7.37	3,039,849	10.17	1,570,122	4.63	(48.35)
Others	1,626,504	5.69	1,040,408	3.48	3,113,310	9.18	199.24
Sharia expense	1,035,502	3.62	1,241,590	4.15	1,375,637	4.06	10.80
Total Interest Expense	28,576,804	100.00	29,894,281	100.00	33,917,032	100.00	13.46

Financial Review

In 2018, the increase of BI 7 Days Reverse Repo (BI7DRR) at 175 bps since May 2018 up to November 2018 led to the increase of interest expense by 13.46% from Rp29.89 trillion in 2017 to Rp33.92 trillion in 2018. The increase of interest expense is in line with the increase of interest expense in third party funds (TPF) with the largest interest increase in demand deposits by 25.44% to Rp2.64 trillion. In line with sufficiently high demand deposits growth during 2018 from Rp2.1 trillion in 2017 to Rp2.64 trillion in 2018 or increased by 25.44%. While Sharia Expense amounted to Rp1.38 trillion, increased by 10.8% compared to Rp1.24 trillion in 2017.

Net Interest Income and Sharia Income

Impact of the increase of BI7DRR which faster adjustment on liabilities compared to assets led to moderate growth

of interest income and sharia income by 6.37% from Rp73.02 trillion in 2017 to Rp77.67 trillion in 2018.

Other Operating Income

This post among others consists of fee based income (provision and other fees), recovery of assets written-off, gain on foreign exchange transaction, and gain on sale of securities and government recapitalization bonds.

In 2018, Other Operating Income amounted to Rp23.43 trillion, increased by 21.56% compared to Rp19.27 trillion in 2017. The increase was mainly due an increase of fee based income received after recovery of assets written-off.

Other Operating Income

(Rp million)

Description	2016		2017		2018		Growth (%)
	Value	%	Value	%	Value	%	2017-2018
Fee Based Income	9,226,076	53.37	10,442,411	54.19	12,018,941	51.31	15.10
Recovery of assets written-off	4,496,838	26.01	5,050,717	26.21	6,209,435	26.51	22.94
Unrealized gain on securities and government recapitalization bonds - Net	34,602	0.20	55,555	0.29	338,097	1.44	508.58
Gain on sale of securities and government recapitalization bonds - Net	450,895	2.61	784,501	4.07	534,952	2.28	(31.81)
Gain on foreign exchange - Net	-	-	184,077	0.96	951,009	4.06	416.64
Others	3,079,446	17.81	2,754,026	14.29	337,2996	14.40	22.48
Total Other Operating Income	17,287,857	100.00	19,271,287	100.00	23,425,430	100.00	21.56

Recovery of Assets Written-Off

Recovery of assets written-off amounted to Rp6.3 trillion, increased by 24.98% compared to Rp5.04 trillion in 2017. Significant growth of recovery of assets written-off indicates BRI success in accelerating auction settlement and collection over written-off assets.

Financial Review

Fee Based Income

(Rp million)

Description	2016		2017		2018		Growth (%)
	Value	%	Value	%	Value	%	2017-2018
Fee from Deposits	3,678,763,00	39.87	3,778,315,00	36.18	3,841,412,00	31.96	1.67
Non E-Channel Transactions	655,302,00	7.10	655,099,00	6.27	768,884,00	6.40	17.37
E-Channel and E-Banking Transactions	2,246,025,00	24.34	2,760,110,00	26.43	3,205,930,00	26.67	16.15
CMS	17,656,00	0.19	23,015,00	0.22	24,271,00	0.20	5.46
Credit	1,170,623,00	12.69	1,496,012,00	14.33	1,683,441,00	14.01	12.53
Trade Finance	775,136,00	8.40	791,659,00	7.58	1,265,042,00	10.53	59.80
International Business Transactions	126,970,00	1.38	147,750,00	1.41	179,960,00	1.50	21.80
Credit Card	183,511,00	1.99	222,080,00	2.13	312,840,00	2.60	40.87
Investment Services	111,180,00	1.21	141,345,00	1.35	201,693,00	1.68	42.70
Insurance Product	225,555,00	2.44	254,970,00	2.44	373,594,00	3.11	46.52
Others	35,355,00	0.38	172,056,00	1.65	161,874,00	1.35	(5.92)
Total	9,226,076	100.00	10,442,411	100.00	12,018,941	100.00	15.10

Dominated by 59.8% growth of Trade Finance in 2018 or amounted to Rp1.27 trillion from Rp791.66 billion in 2017, which indicates BRI success in improving banking service strategy for BRI corporate customers. The e-channel and e-banking transactions recorded at Rp3.21 trillion in 2018, grew 16.15% from Rp2.76 trillion in 2017.

Other Operating Expenses

Other Operating Expenses consists of salaries and employee benefits, general and administrative, foreign currency transaction losses and unrealized loss on changes in fair value of securities and government recapitalization bonds.

In 2018, BRI Other Operating Expenses amounted to Rp41.99 trillion, rose by 8.74% compared to Rp38.61 trillion in 2017. The increase was mainly derived from salaries and employee benefits with 53.4% composition from other operating expenses and increased by 9.7% from Rp20.44 trillion in 2017 to Rp22.42 trillion in 2018. The increase of salaries and employee benefits in line with the policy of providing a more attractive incentive to BRI marketers, which related to each employee performance. The increase of general and administrative was due to the increase of procurement and third parties expenses.

Other Operating Expenses

(Rp million)

Description	2016		2017		2018		Growth (%)
	Value	%	Value	%	Value	%	2017-2018
Salaries and Employee Benefits	18,593,976	52.89	20,440,958	52.94	22,423,271	53.40	9.70
General and Administrative	12,043,907	34.26	13,199,431	34.18	14,364,278	34.21	8.82
Foreign Currency transaction losses - net	274,109	0.78	-	-	-	-	-
Others	4,244,845	12.07	4,973,687	12.88	5,202,735	12.39	4.61
Total Other Operating Income	35,156,837	100.00	38,614,076	100.00	41,990,284	100.00	8.74

Financial Review

Provisions

Provision for allowance for impairment losses on financial assets was amounted to Rp17.79 trillion, increased by 4.7% compared to Rp16.99 trillion in 2017. The relatively low increase of provisions indicates BRI success in maintaining credit quality. This can be seen from maintained NPL Ratio of 2.27% in 2018.

Income Tax Expense

In 2018, Income Tax Expense amounted to Rp9.34 trillion, up by 17.01% compared to Rp7.98 trillion in 2017. The increase of tax expense was aligned with the increase of income. The tariff of corporate income tax to BRI was 20%, BRI received tax tariff reduction by 5% as it has met the requirements of being a public company to having a minimum 40% of its shares were traded at the Indonesia Stock Exchange and owned by more than 300 investors and each has only taking below 5% share ownership. BRI has implemented tax payment obligation in accordance with prevailing laws and regulations.

Income For The Year

BRI recorded Income For The Year amounted to Rp32.42 trillion, increased by 11,61% compared to Rp29.05 trillion in 2017. BRI consistencies in expanding its MSME business segment, capability to increase fee based income, success in maintaining low cost funds composition as well as ability to maintain credit quality and business operations efficiency have enabled BRI to maintain the achievement of income for the year in 2018.

Comprehensive Income

BRI recorded comprehensive income loss of Rp3.48 trillion, compared to comprehensive income of Rp1.84 trillion in 2017. The loss was due to the loss from unrealized securities.

Total Comprehensive Income

In 2018, total comprehensive income was Rp28.94 trillion, decrease compared to Rp30.88 trillion in 2017. The decrease was to the decrease of comprehensive income.

Income For The Year	2016*)	2017*)	2018
Other Comprehensive Income:			
Items not to be reclassified to profit or loss			
Remeasurement of defined benefit plans	159.569	61.655	159.569
Income tax related to item not to be reclassified to profit or loss	(530.727)	(15.414)	(150.455)
Revaluation surplus arising from premises and equipments	14.315.527	-	-
Items to be reclassified to profit or loss			
Differences arising from the translation of foreign currency financial statements	(25.579)	30.709	(4.349)
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds	1.658.696	2.286.250	(5.141.381)
Income tax related to items to be reclassified to profit or loss	(416.996)	(527.459)	1.216.705
Other Comprehensive Income For the Year - After Tax	15.160.520	1.835.741	(3.477.661)
Total Comprehensive Income For the Year	41.445.771	30.880.790	28.940.825
*As restated (Note 50)			

Financial Review

STATEMENTS OF CASH FLOWS

Cash Flows

(Rp million)

Description	2016	2017	2018
Net cash flows from operating activities	22,178,738	39,067,326	57,262,380
Net cash used in investing activities	(3,325,650)	(30,921,668)	(26,999,124)
Net cash provided by financing activities	7,076,118	(10,846,957)	(1,071,548)
Increase/decrease in cash and cash equivalents	25,929,206	(2,701,299)	29,191,708
Increase in cash from acquisition of BRI Finance	0	0	0
Effect of exchange rate	1,279	(427)	(52,076)
Cash and cash equivalents at beginning of period	163,388,757	189,319,242	186,617,516
Cash and cash equivalents at end of period	189,319,242	186,617,516	215,757,148

Total cash and cash equivalents of BRI in 2018 was Rp215.76 trillion, increased by 15.62% compared to Rp186.62 trillion in 2017. The increase of cash and cash equivalents was due to the increase of net cash flow from operating activities and the decrease of investing activities compared to 2017.

Cash Flows from Operating Activities

In 2018 cash flows from operating activities amounted to Rp57.26 trillion, increase compared to Rp39.07 trillion in 2017. Total cash from operating (before changes in operating assets and liabilities) was Rp43.99 trillion, decrease compared to Rp51.46 trillion in 2017.

Cash Flows from Investing Activities

Total cash flows used in investing activities amounted to Rp27 trillion, decreased from Rp30.92 trillion in 2017. The decrease was due to an increase of securities and recap bonds compared to the previous year. The increase of Securities and Recap Bonds in 2018 was Rp25.19 trillion, lower compared to Rp28.92 trillion in 2017.

Cash Flows from Financing Activities

In 2018, total cash flows from financing activities amounted to Rp1.07 trillion, decrease compared to Rp10.85 trillion in 2017. The decrease of cash flows for financing activities was due an increase of proceeds from fund borrowings to Rp10.83 trillion from 2017. Though the dividends payout was increased from Rp10.48 trillion in 2017 to Rp13.05 trillion, and payments of marketable securities due from Rp4.92 trillion to Rp8.94 trillion in 2018. BRI also recorded proceeds from loans and marketable securities amounted to Rp9.6 trillion.

Financial Review

FINANCIAL RATIO

The following Financial Ratio was calculated from the financial performance of holding company.

DESCRIPTION		2016	2017	2018
1	Capital Adequacy Ratio (CAR)	22.91	22.96	21.21
2	Non-performing earning assets and non-earning assets to total earning assets and non-earning assets	1.46	1.38	1.41
3	Non-performing earning assets to total earning assets	1.61	1.59	1.62
4	Allowance for impairment on financial assets to earning assets	2.75	3.11	3.26
5	Gross NPL	2.03	2.10	2.14
6	Net NPL *	1.09	0.88	0.92
7	Return on Assets (ROA)	3.84	3.69	3.68
8	Return on Equity (ROE)	23.08	20.03	20.49
9	Net Interest Margin (NIM)	8.00	7.93	7.45
10	Operating Expense to Operating Income (BOPO)	68.69	69.14	68.48
11	Loan to Deposit Ratio (LDR)	87.77	88.13	89.57
Compliance				
1	a. Percentage of Legal Lending Limit Violation			
	i. Related parties	0.00	0.00	0.00
	ii. Non-related Parties	0.00	0.00	0.00
	b. Percentage of Lending in Excess of Legal Lending Limit			
	i. Related parties	0.00	0.00	0.00
	ii. Non-related Parties	0.00	0.00	0.00
2	Reserve Requirement (GWM)			
	a. Reserve Requirement - Rupiah	6.94	6.52	7.16
	b. Reserve Requirement – Foreign Currency	8.03	8.15	8.01
3	Overall Net Open Position	6.67	4.22	3.73

Financial Review

SOLVENCY

The Bank's solvency is indicated by the following financial ratios:

Liquidity Ratio

- Loan to Deposit Ratio (LDR)**

Liquidity Ratio is a comparison of loan to deposit ratio or LDR. In 2018, BRI recorded LDR of 89.57%, slightly up from 88.13% in 2017. The increase of LDR indicates proper intermediary function by BRI to sustain economic growth. The LDR ratio was under BRI LDR target of 90% +/- 2% which is a maximum level to maintain BRI profitability.

- Macroprudential Intermediary Ratio (MIR)**

Pursuant to Bank Indonesia Regulation No. 20/4/PBI/2018 dated 3 April 2018, banking MIR was expected to reach 80% to 92%. In MIR calculation, securities issued and administered by KSEI was calculated and was not held by banks at a minimum of 2 months prior to report date and held corporate bonds. In 2018, BRI MIR ratio was 88.5%, increased compared to MIR in 2017 at 87.79%.

- Liquidity Coverage Ratio (LCR)**

To improve short term liquidity defense, BRI exercises Liquidity Coverage Ratio (LCR) management which is a ratio between high quality liquid asset (HQLA) with net cash outflow during the next 30 days under the stress scenario. In 2018, BRI LCR was at 217.44% and consolidated LCR was at 217.97%. With these LCR, BRI was able to maintain liquidity adequacy ratio far above the minimum limit of 100%.

- Profitability Ratio**

In the banking industry, profitability ratio is generally measured by using Return on Assets or ROA, Return on Equity or ROE, and net income margin or NIM.

Profitability Ratio (%)

	2016	2017	2018
ROA	3.84	3.69	3.68
ROE	23.08	20.03	20.49
NIM	8.00	7.93	7.45

- Return On Assets (ROA)**

BRI ROA in 2018 was at 3.68%, stable compared to 3.69% in 2017. This was among others due to BRI capability in maintaining assets quality and improving the portion of alternative income resources such as fee based income and recovery, as well as maintaining a moderate growth of OPEX.

- Return on Equity (ROE)**

By implementing capital optimization strategy such as higher dividends payout compared to 2017, BRI ROE in 2018 was 20.49%, or increased by 46 bps compared to 20.03% in 2017.

- Net Interest Margin (NIM)**

BRI NIM in 2018 was at 7.45% or lower than the 2017 level of 7.93%. The decrease of NIM was mainly due to an increase of interest expense impacted by an increase of benchmark interest rate BI7DRR at 175 bps in 2018.

Efficiency Ratio

- Operating Expense to Operating Income Ratio (BOPO)**

In 2018, BRI BOPO Ratio was at 68.48%, slightly decreased from the 2017 level of 69.14%. The decrease of BOPO was due the controlled operating expense impacted by business process re-engineering, such as business process digitization by BRI that affected on the increase of efficiency.

Moreover, BRI's ability to maintain its assets quality, eventually able to maintain the increase of provisions.

Efficiency Ratio (%)

	2016	2017	2018
BOPO (%)	68.69	69.14	68.48

Financial Review

• Capital Ratio - Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio (CAR) reflects the Bank's ability to manage credit risk, market risk, and operational risk. In 2018, BRI recorded CAR of 21.21%, slightly decreased from the 2017 level of 22.96%. This CAR Ratio was remained far above the banking regulator stipulation of 9%-10% from risk weighted assets (RWA) for the Bank with a level 2 risk profile. The CAR also has met Basel III stipulation for 2018 namely for capital buffer at 2.5% and for the bank systemic at 1,.5%.

• Compliance Ratio

- Percentage of Lending in Excess of Legal Lending Limit

In 2018, there were no debtors, related parties or otherwise, that did not meet or exceeded the Legal Lending Limit (LLL).

- Net Open Position Ratio (NOP)

NOP is the sum of the absolute values of the net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of commitments and contingent liabilities and receivables in the administrative accounts for each foreign currency, stated in Rupiah toward capital. In 2018, NOP ratio was at 3.73%, decreased from the 2017 level of 4,22%. This NOP is still far below the maximum level stipulated by BRI on the Commercial Banks' Net Open Position, namely 20% of the capital.

RECEIVABLES COLLECTABILITY LEVEL

Receivables collectability can be measured by assets quality ratio or Non Performing Loan (NPL). Credit collectability represented in NPL ratio was at 2.27% in 2018, slightly increased from the 2017 level of 2,23% however still far below BI stipulation of 5%. BRI will continue increasing the effectiveness of credit risk management to maintain and increase its assets quality.

Loan Collectability in 2016-2018*

(Rp million)

	2016	2017	2018
Loans	663,420,217	739,336,520	843,598,403
Current	619,793,792	692,099,915	793,276,668
Special Mention	29,474,869	30,784,126	31,173,877
Sub-Standard	3,730,004	2,995,624	2,479,185
Doubtful	1,756,805	4,229,123	2,380,777
Loss	8,664,747	9,227,732	14,287,896
NPL	14,151,556	16,452,479	19,147,858
NPL(%)	2.13	2.23	2.27

*Consolidated financial statements

SPOT AND DERIVATIVE TRANSACTIONS

To protect the value of asset portfolio in foreign currencies and hedging on interest rate, BRI exercised hedging transactions. In this instance, BRI did not issue derivative transactions for trading purposes. In practice, spot and derivative transactions refer to the risk management system that adheres to regulations and best practices. BRI's entire derivative transactions were intended to protect the interest of BRI and its customers.

Financial Review

Throughout 2018, BRI's spot and derivative transactions consist of currency and interest rate swap, interest rate swap, option, and purchase and sale of foreign currencies forward, foreign currency swap, and purchase and sale of foreign currency spot. BRI's spot and derivative transactions in details are presented in the following table:

Transactions	Derivative Receivables			Derivative Liabilities		
	2016	2017	2018	2016	2017	2018
Foreign currency and interest rate swap	32,204	64,708	25,671	179,286	115,981	67,944
Interest rate swap	59,443	60,475	69,307	53,780	54,261	91,211
Currency option	-	10,218	23,951	-	11,341	20,774
Shares option	12,250	16,984	16,468	-	-	-
Purchase and sale of foreign currency forward	-	6,883	72,275	1,991	15,156	94,922
Foreign currency swap	-	2,740	276,071	112,160	3,334	56,195
Purchase and sale of foreign currency spot	10	904	2,067	-	785	1,297
Total	103,907	162,912	485,810	347,217	200,858	332,343

CAPITAL STRUCTURE POLICY

Capital structure management is intended to ensure that BRI consistently has adequate capital level to set off inherent risks in its business without compromising the value provided to its shareholders.

In 2018, BRI CAR was at 21.21%, slightly decreased from the 2017 level of 22.96%. OJK Regulation No. 34/POJK.03/2016 and Bank Indonesia Regulation No. 15/12/PBI/2013 on the obligation of Minimum Capital of Commercial Banks, stated that level 2 (satisfactory) risk profile has a minimum CAR of 9% up to 10%. Other than CAR requirement, BRI must also form additional buffer capital consisting of

1. Capital conservation buffer at 2.5% of the Risk-Weighted Assets (RWA).
2. Countercyclical Buffer at 0% of RWA.
3. Capital Surcharge for D-SIB at 1% of RWA.

Thereby BRI total minimum CAR at the level of 11,76%-13,32%. BRI CAR in 2018 of 21.21% has met the regulatory requirements both banking and financial service regulators.

On capital structure, in 2018, BRI maintained Tier-1 capital amounted to Rp164.93 trillion and Tier-2 capital amounted to Rp8.69 trillion. While Tier-1 ratio reached 20.15% or above the required minimum Tier-1 ratio of 6%. BRI Tier-1 consists of CET-1 since BRI's main source of capital is retained earnings. BRI CET-1 ratio was 20.15% in 2017, or significantly above the minimum requirement of 4.5%.

Financial Review

BRI Capital Structure

Component	Consolidated (Rp million)		
	2016	2017	2018
Core Capital (Tier 1)	136.670.139	154.668.699	164.924.546
Common Equity (CET 1)	136.670.139	154.668.699	164.924.546
Supplementary Capital (Tier 2)	6.240.293	7.083.240	8.693.875
Total Capital	142.910.432	161.751.939	173.618.421
RWA for Credit Risk after calculating specific risks	502.423.401	566.659.194	659.319.661
RWA for Market Risk	9.535.428	6.889.063	11.078.731
RWA for Operational Risk	111.898.899	130.967.728	148.209.848
Total RWA	623.857.728	704.515.985	818.608.240
CAR Ratio	22,91%	22,96%	21,21%
CET 1 Ratio	21,91%	21,95%	20,15%
Tier 1 Ratio	21,91%	21,95%	20,15%
Tier 2 Ratio	1%	1,01%	1,06%
Tier 1 Minimum Ratio	6,00%	6,00%	6,00%
CET 1 Minimum Ratio	4,50%	4,50%	4,50%
Minimum CAR Based on Risk Profile	9,00%	9,00%	9,00%

MATERIAL COMMITMENT FOR CAPITAL EXPENDITURES

Throughout 2018, BRI exercised material commitment for capital expenditures with several parties, which has been planned in the Bank Business Plan 2018, namely:

Objects	Value (Rp million)
Contractor for the construction of Menara BRI Gatot Subroto Package 2	845,950
ATM Procurement	564,260
Rental of Hub and Remote VSAT Phase-1 Integration to BRI-sat	278,543
Rental of communication channel	275,895
Procurement of AS/400 Power-8 (E880)	220,000
Contractor for the construction of Menara BRI Gatot Subroto Package 1	112,900
Pengadaan Cash Recycling Machine (CRM)	192,958
Maintenance agreement	80,000
EDC Procurement	74,572
Upgrade of server in DC GTI and Tabanan	69,027
Mainframe machine Procurement	69,000

The source of funding was entirely from the Company's internal funds. The currency denominations are in Rupiah, hence BRI does not have to exercise any exchange rate risk protection

Financial Review

Capital Expenditures

Throughout 2018, BRI exercised capital expenditures that consist of:

Capital Expenditures	Consolidated (Rp million)		
	2016	2017	2018
Land and Premises	903,822	957,857	2,555,168
Meubelair and Inventory	143,069	125,049	248,210
Vehicles	243,909	84,034	88,353
Computer and software	1,422,607	750,309	1,243,266
Satellite in development	959,041	183,877	-
Total	3,672,448	2,101,126	4,134,997

HEDGING POLICY

BRI has applied hedging policy to minimize risks, with the following elaboration:

General Policy

Hedging consists of on-balance and off-balance sheet transactions is performed to protect the value of financial assets, financial obligations, revenues and costs, and cash flows from interest rate risk and/or exchange rate risk at Banking Book and Trading Book positions.

Hedging transactions observe the following principles:

1. A transaction may be exercised as an alternative of the follow-up and risk mitigation options in the event that the moderate limit of Market Risk Profile parameter is exceeded
2. A transaction may be exercised when there are indications of macroeconomic changes that may result in losses, among others the trend of market variable changes namely interest rate and exchange rate.
3. BRI is not allowed to maintain a position over hedging transactions performed by related parties.
4. BRI shall pass-on the transactions of a related party at the same time and in the same amount simultaneously to other banks that are not related parties.

Hedging Transaction Techniques

Hedging transactions may be done as macro hedging and micro hedging.

- **Macro Hedging**

This technique is used to mitigate the impacts of economy risk to BRI's entire portfolio. Macro hedging is proposed by the Treasury Division and decided by ALCO.

- **Micro Hedging**

Micro hedging may be done on individual transaction. The Treasury Division has the discretion to exercise micro hedging transaction without requiring proposal from the business division that manages a portfolio on the basis of cost and benefit analysis as well as the ability to control the micro hedging transaction.

In 2018, derivatives receivable for hedging conducted by BRI was amounted to Rp485.81 billion, increased from the 2017 amount of Rp162.91 billion. While derivatives payable amounted to Rp332.34 billion.

Financial Review

COMMITMENTS AND CONTINGENCIES

Assessment on commitments and contingencies with individual credit risk uses objective evidence. The commitments and contingencies of BRIS (subsidiary) (shariah compliant) are assessed using Bank Indonesia's collectability guideline.

In 2018, the minimum estimated loss of commitments and contingencies that shall be formed was Rp1.16 billion, which in line with Bank Indonesia's requirements. The total commitment liabilities in 2018 was Rp158.09 trillion, increased by 22.4% compared to 2017. This was due to the increase of Unused loan facilities granted to debtors and increase of sale of spot and foreign currencies. During the same period, contingency liabilities increased by 31.9%, driven by the increase in the Standby L/C and Bank Guarantee.

Description	2016	2017	2018
Commitment			
Commitment Receivables	12,219,746	4,038,459	16,316,902
Purchase of Spot and Foreign Currencies	12,219,746	4,038,459	16,316,902
Commitments Liabilities	136,821,075	129,159,708	158,089,597
Unused credit facilities granted to debtors	120,916,072	107,073,032	130,854,091
Irrevocable letters of credit	8,541,152	8,980,671	8,693,691
Sale of spot and foreign currencies	7,109,202	13,000,508	18,476,485
Unused financing facilities granted to debtors	254,649	105,497	65,330
Commitments - Net	(124,601,329)	(125,121,249)	(141,772,695)
Contingencies			
Contingencies Receivable	45,208	70,905	112,273
Interest receivable under settlement	45,208	70,905	112,273
Contingencies liabilities	24,523,015	34,030,380	44,886,051
Guarantees issued:			
Standby L/C	3,838,190	10,841,726	13,535,519
Bank Guarantees	20,684,825	23,188,654	31,350,532
Contingencies - Net	(24,477,807)	(33,959,475)	(44,773,778)

Financial Review

PRIME LENDING RATE

In general, Prime Lending Rate is calculated based on 3 (three) components, namely Fund Cost for Credit arising from customer fund raising activities, operating expenses incurred for fund raising activities and lending and profit margin components from lending. Prime lending calculation does not take into account the risk premium component of the debtor, whose amount depends on the assessment of the risk

of each debtor. As such, the amount of credit interest charged to debtors is not necessarily the same as the prime lending rate.

The prime lending rate calculation applies to corporate loans, retail loans, micro loans, and consumer loans (mortgages and non-mortgages). In non-mortgages of consumer loans does not include the distribution of funds through Credit Cards and Unsecured Loan. However, Bank Indonesia submitted the credit classification according to the bank's

internal criteria. The external pressure has led BI to set a monetary policy strategy, hence from May 2018 to November 2018 BI was aggressively increased the BI7DRR benchmark interest rate by 175 bps. This directly resulted in an increase of cost of funds which was corrected in the deposit interest rate higher than the loan interest rate. This directly affected the achievement of BRI NIM and BOPO in 2018. On CAR, with a level of 21.21% far above the minimum CAR requirement of 14.75%, BRI CAR was still in a very safe level.

Interest Rate	Corporate Loans	Retail Loans	Micro Loans	Consumer Loans	
				Mortgage	Non Mortgage
TMT December 2018	9.95%	9.95%	17.50%	9.98%	12.50%

Information of the existing prime lending rate is published and provided in each of BRI's office and/or on the Company website www.bri.co.id.

ACHIEVEMENTS AND TARGETS IN 2018

Bank Only

Description	2016 Target	2016 Realization	Achievement (%)	2017 Target	2017 Realization	Achievement (%)	2018 Target	2018 Realization	Achievement (%)
Assets	964.55	964.00	99.94	1,054.98	1,076.44	102.03	1,213,156	1,234,200	101.73
Income For The Year	25.44	25.75	101.22	27.76	28.47	102.56	31,608	31,701	100.29
Loans	653.70	635.29	97.18	715.29	708.00	98.98	796,627	804,338	100.97
Third Party Funds	719.00	723.85	100.67	787.12	803.33	102.06	900,738	898,033	99.70
BOPO	71.30%	68.69%	97.71	69.62%	69.14%	100.69	68.41%	68.48%	99.90
LDR	90.92%	87.77%	96.54	90.88%	88.13%	96.97	88.44%	89.57%	101.28
NPL (Gross)	2.16%	2.03%	93.98	2.11%	2.10%	100.47	2.35%	2.14%	109.10
NPL (Net)	1.25%	1.09%	87.20	1.18%	0.88%	125.42	1.05%	0.92%	112.20
NIM	8.09%	8.00%	98.89	7.85%	7.93%	101.02	7.57%	7.45%	98.39
CAR	21.92%	22.91%	104.52	21.29%	22.96%	107.84	21.39%	21.21%	99.16

Financial Review

In 2018, BRI's overall performance (Bank only) was in line with the targets defined in the Bank Business Plan. However, TPF, BOPO, and NIM as well as CAR were not met the targets. On TPF, external pressures rendered significant influence. The outflow of foreign funds puts pressure on rupiah liquidity in the country. However, the growth of BRI TPF (12.19%) was recorded still above the growth of industrial TPF (6.45%) hence the market share of BRI TPF increased from previously 15.91% in 2017 to 16.77% in 2018.

TARGET 2019

In 2019, business environment is projected to relatively stable. GDP growth increase and the inflation rate is well maintained as well as declining external pressures support the stable exchange rate of the rupiah, thereby the pressure of an increase in interest rates decreases in 2019

Internally, business process re-engineering such as lending process digitization, particularly micro loan is expected to sustain this segment, as BRI business flagship. To that end, BRI financial targets for 2019 are as follows:

- Loan growth of 12% - 14%
- To maintain LDR position at 90% +/-2% level
- Operating Expense increase of 9%-11%
- To maintain credit quality or NPL at 2,0%-2,2% level
- To maintain capital adequacy ratio above 20%

SUBSEQUENT EVENTS

On 3 January 2019, BRI convened the Extraordinary General Meeting of Shareholders (EGMS) regarding the agenda of the changes of the Company's management, BRI shareholders approved the following:

- a. Ratified the honorably termination of Jeffry J. Wurangian as Commissioner, effective as of 20 September 2018.
- b. Honorably terminate Kuswiyoto as Director of Corporate Banking, effective as of the closing of this EGMS.
- c. Appointed Sunarso as Vice President Director.

BUSINESS PROSPECTS

Macroeconomics Prospects

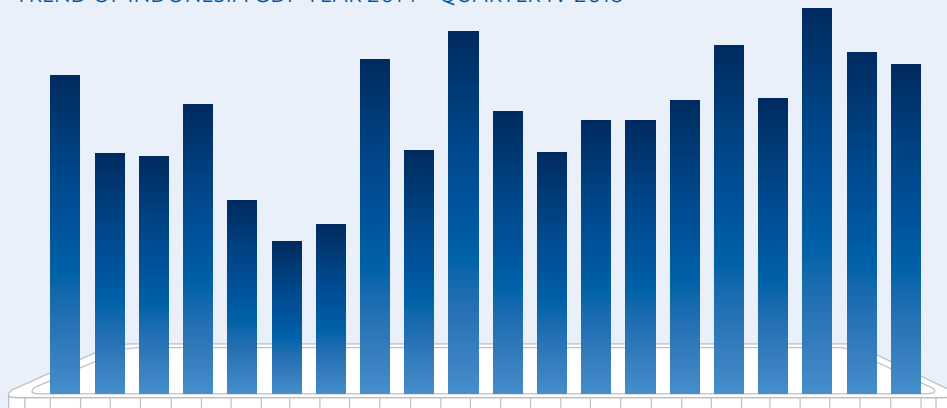
Amidst the global economic trend, Indonesia's economy grew steadily in 2018. Indonesia's GDP growth was at the level of 5.17%, higher compared to the same period in 2017 at 5.07%. Economic growth was mainly supported by household consumption, increased investment and government spending. Household consumption which contributed 55.74% to GDP continued to grow due to maintained purchasing power and high consumer confidence. While investment, experienced a fairly high growth supported by building investment, related to infrastructure and property projects, as well as non-building investment. On government expenditure, the budget realization continues to grow, especially for goods expenditure and personnel expenditure. On the trade, exports continued to grow positively amidst global pressure.

Financial Review

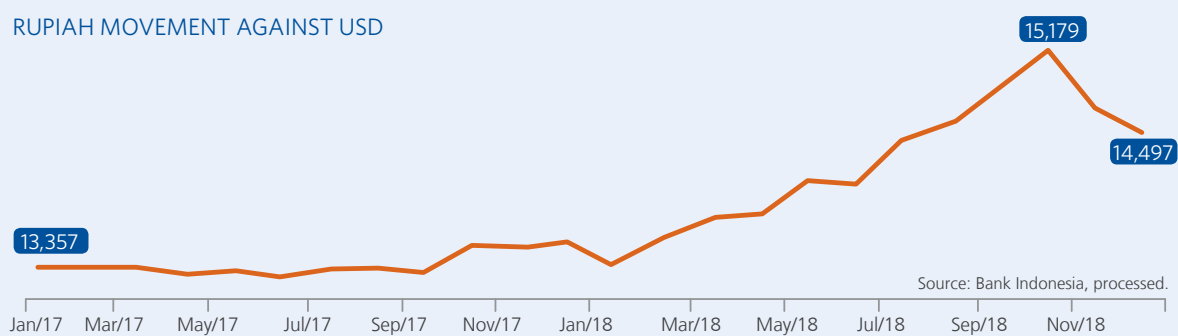
Indicators	2016	2017	2018
GDP Growth (%)	5.03	5.07	5.17
GDP Nominal (USD billion)	932.31	1,015.38	1,042.15
GDP/Capita (USD)	3,605	3,877	3,927
Export (USD billion)	145.19	168.83	180.06
Import (USD billion)	135.65	156.98	188.63
Trade Balance (USD billion)	8.78	11.84	-8.57
Foreign Exchange Reserve (USD billion)	116.36	130.20	117.21
Reference Rate (%) 7 Day Reverse Repo	4.75	4.25	6
Inflation (%)	3.02	3.61	3.13
JCI (real value)	5,297	6,356	6,111

Source: BPS, BI 2018
Note : Conversion with exchange rate of Rp 14.000,-

TREND OF INDONESIA GDP YEAR 2014 - QUARTER IV 2018



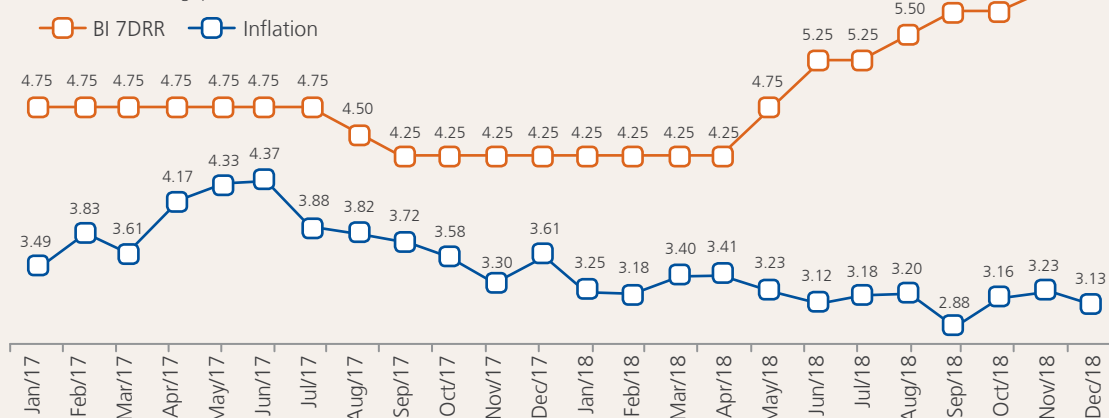
RUPIAH MOVEMENT AGAINST USD



Financial Review

INFLATION AND BI 7DRR MOVEMENT

Source: Bloomberg, processed



Banking Industry Prospects

The banking performance in 2019 is forecasted to again record positive growth. The Financial Services Authority (OJK), Bank Indonesia (BI), and LPS estimate double-digit credit growth, while deposits are expected to be at intervals of 8% -11%.

YoY %	2017		2018		2019	
	Loans	TPF	Loans	TPF	Loans	TPF
OJK	8.24%	9,35%	10%-12%	10%-12%	10%-13%	8%-10%
BI	8.24%	9,35%	10%-12%	9%-11%	10%-12%	9%-11%
LPS	8.24%	9,35%	10%	7.6%	12.4%	9%

The future challenges that must be addressed by banking industry are the direction of policies and regulations that will be implemented by the government, and monetary and financial services authorities. The following are regulatory plans that have an impact on the banking business:

- SOE Holding establishment Plan for Banking and Financial Services Sector.
- ASEAN Free-Trade Implementation.
- Bank Indonesia Regulation No. 20/6/PBI/2018 implementation concerning the Electronic Money, Obligation to Record Floating Funds for Electronic Money at BUKU Banks IV.
- Regulation on compulsory Foreign Exchange Export for natural resource sector entrepreneurs effective as of 1 January 2019.

The implementation of the above policies represents opportunities and challenges for the banking industry both in the short term and long term. As such, the banks shall strengthen the structure of its assets and liabilities, actively innovate in creating products and services that are fits the customer needs, and develop the business processes with improvements on the service level agreements (SLA) including digitization and digitalization processes hence to deliver more efficient and productive operational activities.

Financial Review

BRI Business Prospects

Indonesia's GDP growth in 2019 which is projected to improve than 2018, is expected to have a positive impact on the domestic household consumption sector aligned with the increase in people's purchasing power. The support from macro conditions accompanied by improvements in BRI's internal business processes are expected to support BRI's business expansion.

- Micro Business

To maximize business potential in the Micro segment, one of them is managing KUR products in order to become a commercial Micro credit's pipeline, named Kupedes. This optimism was supported by the Government's economic policies related to the development of the Micro business sector as seen from the increase in the distribution of People's Business Credit (KUR) by BRI from Rp79.74 trillion in 2018 to Rp86.97 trillion in 2019. This is an opportunity for BRI to maintain Micro loans growth that has advantages and has proven to be the market leader in Micro loans through Kupedes and KUR.

- Consumer Business

The potential in the Consumer segment will be maximized with Briguna's flagship products, namely loans for fixed income segments of employees, as well as mortgages or Home Ownership Loans through cross-selling optimization with the Corporate and SOE segments.

- Low Cost Funds

The increase in loan disbursement, especially in the Consumer and Micro segments, is expected to be balanced with BRI's ability to maintain the growth of Third Party Funds (TPF) through effective marketing strategies for flagship products, Simpedes and Britama. With the increase in the APBN portion for non-energy subsidies and the transfer of funds to the regions, it is expected to contribute to the growth of Deposits in the Micro segment as seen in the previous 2 years.

- Business Operations

BRI will continue its efforts in efficiency by limiting the opening of operating units and employee recruitment. Hence to maintain service quality and support continued business growth, BRI will encourage the growth of the BRILink agent business, maximize the use of information technology by building Big Data and harmonizing business processes in various credit system's initiatives and decisions.

- Assets Quality

For credit quality, BRI will remain implementing a strategy to maintain the level of NPL (Non Performing Loans) ratio in 2019 in the range of 2.0% to 2.2% by maximizing credit settlement through intensification of cooperation with the prosecutor for the execution of collateral..

Financial Review

MARKETING ASPECT

BRI's achievements in 2018 is inseparable from the results of marketing communication activities for the company's products and services. The marketing communication activities are intensively carried out by BRI to increase awareness, knowledge, and activation of products, and services and programs both to existing customers (increasing loyalty) and prospective customers (increasing purchase intention).

The implementation of an integrated marketing communication strategy (Integrated Marketing Communication) through effective & efficient communication media is able to create optimum awareness as well as the proper and relevant positioning for each target audience in each segment, and increase brand value for BRI.

To communicate products and services to customers and public, various marketing program, product promotion and service are conducted with regard to market segmentation, preferences and changes in people's lifestyles. BRI maximizes communication media such as Above The Line (print and electronic), Below The Line, Media Out of Home (OOH) and is also supported by BRI's digital media and Social Media, Instagram (@bankbri_id), Twitter (@promo_BRI,

@BANKBR_ID, @KontakBRI) and Facebook (@BRIofficialpage / Bank BRI) and Youtube (Bank BRI) with total followers reaching 849,192 in 2018.

Various marketing activities and promotions for customers are generally carried out in accordance with the segmentation and customer preferences of BRI as follows:

Bank BRI as the Official Prestige Partner of Asian Games & Asian Para Games 2018

To support the Indonesia in Asia's Biggest International Sports event, namely the Asian Games & Asian Para Games 2018, BRI with SOE For The Nation became the Official Prestige Partner Asian Games & Asian Para Games 2018. This is to strengthen the Company's brand images and brand awareness which is illustrated by the positive values in sports such as perseverance in practice, sportsmanship and integrity that are in line with BRI's work culture.

Various marketing and promotional activities carried out by BRI as one of the Official Prestige Partners. BRI launched several products specifically designed with Asian Games characters namely the BRIZZI Card 2018 Asian Games Edition, the BRI Touch Card 2018 Asian Games Edition and the Special Edition Debit Card 2018 Asian Games. The aim to launch 3 (three) products for the 2018 Special Asian Games Edition is to unite the momentum of the Asian Games 2018 to accomplish successful implementation of the National

Non-Cash Movement (Cashless Society), a program promoted by the Government.

In addition to 3 (three) products' launching for the 2018 Asian Games Special Edition, BRI also organized a series of events to enliven the Asian Games reception, including Road To Asian Games Appreciation Team Thomas Uber Cup Indonesia Badminton Athletes, BRI Sunday Fest Asian Games Series, Road To Asian Games Protection of Indonesian Tennis Athletes, 2018 Asian Games Parade and marketing and promotion through communication media of Above The Line and Out of Home.

As an Official Prestige Partner, BRI also supports and welcomes the Asian Para Games 2018. Marketing and promotional activities to welcome the 2018 Asian Para Games include the launch of the BRIZZI Special Edition for the Asian Para Games 2018. BRI also welcomes and enlivened activities such as The Asian Para Games 2018 Test Event by establishing a Money Changer booth and event branding, set up the Asian Para Games booth at the Harmoni Pasar Klewer event, Parade Momo and BRI Sunday Fest which was followed by the Asian Para Games Torch 2018 presentation to BRI's President Director.

In addition, BRI was also appointed by the government as the only bank to disburse the bonus for athletes.

New Products Launch

In 2018 BRI synergized with the Indonesian Ministry of Tourism to launch the BRI Wonderful Indonesia Credit Card to support the target of 270 Million domestic tourists.

Financial Review

This card is a collaboration with the issuance of Co-Branding Card between BRI and the Ministry of Tourism, where BRI has a role to popularize the Wonderful Indonesia Brand. BRI Wonderful Indonesia Credit Card is also equipped with other interesting features, such as Rewards Point benefits for each transaction using the card, which can be exchanged to Garuda Miles and or Air Asia Big Point. Cardholders may get a double point for transactions in MCC Travel & Tour, Airlines, double points for transactions at MCC Hotel.

In addition, BRI also launched the Tabungan SiMuda (student and youth) product, an initiation by Financial Services Authority (OJK). Tabungan SiMuda has the features that are dedicated to students and youth to make investments from an early age such as SiMuda Rumahku (House Down Payment) and SiMuda My Investment (Investment Mutual Funds).

To support the Government's Education program, BRI launched a loan product called Briguna Pendidikan that provides convenience and assistance to continue education to a higher level.

The launch of BRI other new products, namely the issuance of GPN Logo debit cards, BRI World Access Credit Cards, BRIZZI Co-Branding with Leading Universities in Indonesia, and BRI digital products namely REMBO and PINANG managed by BRI's subsidiary.

Events/Hobby Activities

a. Music

In 2018, BRI pampered millennial with various kinds of music events both domestically and internationally including the Harmoni Pasar Klewer, Fifth Harmony Concert: PSA Tour, Yovie Widianto & His Friends, Back in Trio Lestari Block 2018, Musi Festival 2018 and Mariah Carey : Live in Concert with SOE.

BRI customers can enjoy various benefits and privileges for BRI Bank card holders (BRI Credit Cards, BRI Debit, BRI Priority, and E-Pay) where BRI provides various facilities and privileges for customers such as promo ticket discounts up to 50%, promos exchange BRI Points, VIP entry paths without queues and other interesting games and prizes in BRI Booth.

b. Food

For culinary lovers, BRI provides various promos offered to its customers, especially BRI Credit Card holders and BRI Debit Cards in various famous restaurants throughout Indonesia, including Pizza Hut, McD, Dum Dum, Es Teller 77, Secret Recipe, CFC, CoCo, Bakso Afung, Abuba Steak, and others. BRI also holds events for culinary lovers such as the Ramadan Culinary Festival, Pasar Nusantara and Pasar Tiban.

c. Travel

The holiday trend that has become a community need nowadays is utilized by BRI with promotion programs offering airplane tickets and vacation packages in collaboration with airlines and travel agents such as the Lion Air Exhibition, Air Asia and the Garuda Indonesia Online Travel Fair (GOTF) 2018 and several programs such as Garuda Indonesia Discount promos, JCB Credit Card promos & Foreign Airlines such as ANA Airlines, and Turkish Airlines. The offer includes special prices for business class. For hotel bookings and tour packages, BRI cooperates with Accor Hotels Group, Traveloka, Tiket.com, and Agoda with discount offers and special prices.

d. Sport

In order to support sports both nationally and internationally, BRI realizes its support for various sporting events that take place during 2018 including IBL 2018, DBL, JRBL, Toba Ganesha Run, Kartini Run, Sun Down Family Run with OJK, TNI Run, Oeang Run, Electric Run and Golf Tournaments, such as the Indonesian Open and Junior Golf Tournaments. BRI also has an annual marathon event with the name BRI Run.

Financial Review

e. Fashion

BRI collaborates in organizing various fashion shows and accessories including Versace Spring Summer 2018 Collection, Ramadhan Fashion Soiree, Alleira Batik, Batik by Dharmapertiwi, and Spring Summer Collection Show by Sapto Djojokartiko, Passion Jewellery. BRI also provides convenience for customers through discount programs, 0% installment programs and point exchange programs for several well-known products such as Polo by Ralph Lauren, Banana Republic, Guess, GAP, Superdry and others.

Market Share (Bank Only)

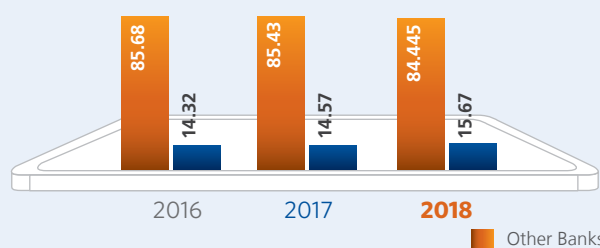
BRI's market share in terms of assets, loans, and third party funds (TPF) to the industry continued to show improvement. The following is BRI's market share in the last three years.

BRI Market Share 2016-2018

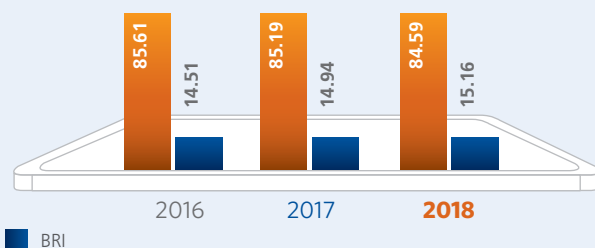
Year	Assets			Loans			TPF		
	BRI	Industry	Share	BRI	Industry	Share	BRI	Industry	Share
2016	964,001	6,729,799	14.32%	635,291	4,377,195	14.51%	723,845	4,836,758	14.97%
2017	1,076,438	7,387,634	14.57%	708,001	4,737,972	14.94%	803,327	5,289,377	15.19%
2018	1,234,200	7,877,836*)	15.67%	804,338	5,160,155*)	15.16%	898,033	5,573,389*)	16.11%

*) Data November 2018

ASSETS SHARE
(%)



LOANS SHARE
(%)



Financial Review

Marketing Strategy in 2019

To increase its business both in terms of deposits and loans, the support of integrated marketing communication activities is vital for BRI. The communication strategy aims to increase awareness, knowledge, and activation of BRI products and services as well as programs both to existing customers (increasing loyalty) and prospective customers (increasing purchase intention).

In general, in achieving BRI's objectives at the end of 2022 to become "The Most Valuable Bank in South East Asia and Home to the Best Talent", through the 2019 strategy theme of "Leading Consumer Banking in Indonesia", BRI's marketing strategy will focus more on products that are substantially based on individuals/retail both on the transaction, lending, and specifically on funding.

Starting in 2019, BRI's marketing activities will also be influenced by external and internal conditions. Externally, the decline in the banking NIM has resulted in increased revenues of BRI through products transactions. In addition, the influence of millennial and post millennial generation developments that have "consumerism as life" habit also requires an approach to products that can meet their needs dynamically and through more flexible, personal and easily accessible communication channels, such as the use of digital communication channels as this generation is very potential to become a future customer of BRI. Internally,

in terms of retail funding in this case savings, is an entry gate for E-Banking products & features that are able to become the main locomotive in fee-based income.

Micro, small and medium enterprises (MSMEs), which is BRI's business backbone and targeted to increase their market share, will also receive special priority to ensure sustainability from the aspects of awareness, image & loyalty. In addition, the communication strategy is also focused on the Business to Business (B2B) segment and is conducted in a more customized manner to be more optimal in capturing opportunities & potential of the value chain on the market. Programs that can strengthen the fund structure in this case CST Program will get more attention considering its strategic role to ensure funding stability as well as price competitiveness.

BRI also captures business potential from the wealth management services and financial planning with the concept of one stop financial solution in the customers financial management. Several strategies to increase funds acquisition and fee-based income include:

1. Organize national/regional scale programs and integrated with other work units including BRI subsidiaries to build an ecosystem that can increase value and profit for BRI.
2. Utilize corporate customer value chains to increase funds acquisition, particularly demand deposits and savings.
3. Sustain cross selling for insurance, investment and other financial service products to existing customers with the development of supporting application systems for reporting, monitoring and evaluation activities such as customer portfolio management applications, medallions and other applications in accordance with BRI's business and customers needs.
4. The implementation of sales effectiveness programs that focus on CASA growth collaboration and productivity of cross selling products that are oriented towards customer needs.

Enhance customer experience in all BRI e-channels and e-banking as well as carry out product development and marketing strategies that focus on the target markets of millennials, women and netizens (active internet users).

DIVIDEND AND DIVIDEND POLICY

Dividend Policy

In deciding the dividends amount for the shareholders, BRI pays attention to the projected factors for future business growth, fulfillment of the capital adequacy ratio and the sustainable factor of the return on

Financial Review

equity in the next three years. The decision to determine the dividends amount is taken at the Annual General Meeting of Shareholders (AGM).

Total Dividend Payout

Pursuant to the Annual General Meeting of Shareholders held on 22 March 2018, based on the Company's net profit for fiscal year 2017 amounted to Rp28.47 trillion,

with 45% ratio, the dividend was distributed at Rp13.05 trillion. The shareholders approved the increase of dividend payout ratio from 40% of net profit in 2017 to 45% of net profit in 2018. Total cash dividend per share was Rp106.75 and has been paid on 25 April 2018 to the Shareholders of names are listed in the Shareholders Registry dated 31 March 2018.

BRI Dividend Payout

Description	2016	2017	2018
Net Profit (Rp billion)	26,285.25	29,045.05	32,418.49
Dividend Distribution Percentage (%)	30	40	45
Cash Dividend per Share (Rp full)	311.66	428.61	106.75
Payment Date	22-Apr-16	13-Apr-17	25-Apr-18

CONTRIBUTION TO THE STATE

Aligned with its business growth, BRI has directly and indirectly contributed to the state. The indirect contribution was provided by fostering economic growth through lending and other banking services. BRI also engages in various government programs particularly in the eradication of poverty and equal prosperity, among

others by the disbursement of people's business loans (KUR) and infrastructure financing. Moreover, BRI also participates in safeguarding the nation sovereignty by providing banking services to the abandoned, isolate and desolate remote areas (3T) supported by BRISat satellite technology.

BRI direct contribution to the state is through tax payments as well as dividend payout to the Government of RI as BRI ultimate shareholder. The following is BRI contribution on Taxes and dividends.

Taxes and Dividends Contribution

No	Taxes	2016	2017	2018
1	Income Tax Article 21	1,029,521	834,583	1,319,719
2	Income Tax Article 22	33,817	20,789	19,541
3	Income Tax Article 23	104,646	133,348	170,931
4	Income Tax Article 26	756,000	959,794	1,102,587
5	Income Tax Article 26)	4,020,859	3,904,048	4,197,500
	Sub Total Tax Output	5,944,843	5,852,562	6,810,278
6	VAT & VAT for Luxury Goods	116,204	108,370	156,647
7	Corporate Income Tax	8,877,164	9,064,649	9,845,709
8	Dividends	4,363,259	6,000,477	7,472,281
	Total (Taxes + Dividend)	19,301,470	21,026,058	24,284,915

Financial Review

MANAGEMENT/EMPLOYEE STOCK OPTION PROGRAM

IN 2018, BRI has exercised the Management and or Employee Stock Option Plan (MSOP) that adheres to the Extraordinary GMS dated 3 October 2003, as disclosed in the Deed No. 6 Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock option that will be implemented in 3 (three) phases. Stock options are rewarded to the Board of Directors and employees of certain positions and titles that met the requirements as stipulated by the Management Stock Option Plan.

BRI employee has executed stock option for MSOP I starting 10 November 2004, MSOP II starting 10 November 2005 and MSOP III starting 15 November 2006. During the period of 2004 to 2010 the execution on stock option

of 569,876,000 shares has been done for MSOP I, II and III, 4,728,500 shares in 2010, 4,553,000 shares in 2009, 7,499,000 shares in 2008, 31,379,000 shares in 2007, 250,721,000 shares in 2006, 185,610,000 shares in 2005 and 85,385,500 shares in 2004. The shares agio from the execution in 2010 was Rp43,062, at Rp14,367 in 2009, at Rp29,013 in 2008, at Rp140,960 in 2007, at Rp619,376 in 2006, at Rp184,859 in 2005 and at Rp49,514 in 2004.

USE OF PUBLIC OFFERING PROCEEDS

BRI exercised the Initial Public Offering or IPO on 10 November 2003. In accordance with the elaboration in the IPO prospectus, the details of proceeds allocation from the IPO amounted to Rp1.47 trillion is as follows:

No	Use of IPO Proceeds	Plans	2004	2005	2006	2007	2008	2009	Achievement
1	Core Banking and IT System Upgrade	883.27	196.24	564.35	646.96	698.87	723.36	883.27	100%
2	Network expansion	441.63	213.68	419.34	441.63	441.63	441.63	441.63	100%
3	Product research and development	147.21	147.21	147.21	147.21	147.21	147.21	147.21	100%
Total		1,472.11	557.13	1,130.90	1,235.80	1,287.71	1,312.20	1,472.11	100%

As of 31 December 2018, there were no balance recorded from IPO proceeds as by 2009 BRI has utilized the proceeds in full.

Financial Review

INFORMATION ON MATERIAL TRANSACTIONS WITH CONFLICT OF INTEREST AND/OR TRANSACTIONS WITH RELATED PARTIES

BRI does not engage in material transactions with conflict of interest. BRI engages in transactions with related parties due to the relationship of ownership and/or management. All transactions with related parties have been made according to the mutually agreed policies and terms.

The following table illustrates the details of related parties with the Bank and the nature of its transactions.

Related Parties	Relationships	Elements of Transactions
Ministry of Finance of the Republic of Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Loans
Ministry of Defense	Ownership relationship through the Government of the Republic of Indonesia	Irrecoverable L/C
Key employees	Control Relationship on company's activities	Loans, Sharia receivables and financing
Lembaga Pembiayaan Ekspor Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks, Securities
Government of the Republic of Indonesia (RI)	Ownership of majority shares through the Ministry of Finance of the Republic of Indonesia	Securities, Government Recapitalization Bonds
Perum BULOG	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Adhimix Precast Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Aerotrans Services Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Aneka Tambang (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Angkasa Pura I (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Sharia receivables and financing
PT Asuransi Jiwasraya	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell
PT Asuransi Jasa Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Premises and Equipments
PT Asuransi Bringin Sejahtera Artamakmur	Ownership relationship through the Government of the Republic of Indonesia	Premises and Equipments
PT Bahana Artha Ventura	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Bank BNI Syariah	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Bank Mandiri (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities, Securities purchased under agreement to resell
PT Bank Mandiri Taspen	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell

Financial Review

Related Parties	Relationships	Elements of Transactions
PT Bank Negara Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT Bank Syariah Mandiri	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Bank Tabungan Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT BTN Syariah	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT BNI Multifinance	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Citra Waspphutowa	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Danareksa Investment Management	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Dirgantara Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Loans, Acceptances receivable, Irrevocable L/C
PT Garuda Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables, Loans, Guarantees issued
PT Garuda Maintenance Facility Aero Asia Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables, Acceptances receivable
PT Kereta Api Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Kimia Farma (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Kimia Farma Trading dan Distribusi	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Koperasi Karyawan BRI Syariah	Management Relationship	Sharia receivables and financing
PT Krakatau Steel (Persero) Tbk	Ownership Relationship	Acceptances receivable
PT Kresna Kusuma Dyandra Marga	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Len Industri (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Len Railways System	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Mandiri Utama Finance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks
PT Pegadaian (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Sharia receivables and financing
PT Pembangunan Perumahan (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Acceptances receivable

Financial Review

Related Parties	Relationships	Elements of Transactions
PT Pertamina (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Loans Acceptances receivable, Irrevocable L/C, Export bills and notes receivables
PT Pertamina Hulu Rokan	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Pertamina Patraniaga	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Perusahaan Listrik Negara (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Guarantees issued Irrevocable L/C, Export bills and notes receivables
PT Perusahaan Gas Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Petrokimia Gresik	Ownership relationship through the Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT Pindad (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Perkebunan Nusantara XI	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Pembangkitan Jawa-Bali	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Prima Armada Raya	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Pupuk Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Pupuk Kalimantan Timur	Ownership relationship through the Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT Sarana Multigriya Finansial (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks, Securities
PT Trans Jabar Tol	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Telekomunikasi Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Telekomunikasi Selular Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Waskita Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Guarantees issued
PT Waskita Beton Precast Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Sharia receivables and financing
PT Wijaya Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Export bills and notes receivable
PT Wijaya Karya Beton Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Wijaya Karya Bangunan Gedung	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
Yayasan Pendidikan Telkom	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing

Financial Review

SIGNIFICANT TRANSACTIONS

All significant transactions with related parties are elaborated below:

(Rp million)

	31 December		
	2016	2017	2018
ASSETS			
Current accounts with other banks			
PT Bank Mandiri (Persero) Tbk	146,848	95,995	62,270
PT Bank Negara Indonesia (Persero) Tbk	16,553	17,429	26,291
PT Bank Tabungan Negara (Persero) Tbk	5	3,982	3,809
PT Bank Syariah Mandiri	74	33	44
PT Bank BNI Syariah	74	79	3
	163,554	117,518	92,417
Placements with Bank Indonesia and other banks			
Lembaga Pembiayaan Ekspor Indonesia	200,000	135,675	1,200,000
PT Bank Mandiri (Persero) Tbk	58,400	43,400	650,200
PT Mandiri Utama Finance	-	-	200,000
PT BNI Multifinance	-	-	100,000
PT Sarana Multigriya Finansial	-	-	100,000
PT Bank Syariah Mandiri	-	-	36,000
PT BTN Syariah	4,000	8,550	30,200
PT Bank Tabungan Negara (Persero) Tbk	8,220	7,200	29,500
PT Bank BNI Syariah	2,000	2,000	2,000
PT Bank Negara Indonesia (Persero) Tbk	200,000	135,675	2,000
	472,620	332,500	2,349,900
Securities (Note 7)			
Pemerintah Republik Indonesia (RI)	92,284,499	123,064,282	141,668,852
PT Bank Tabungan Negara (Persero) Tbk	1,481,711	1,367,453	1,905,291
Lembaga Pembiayaan Ekspor Indonesia	843,790	1,386,317	1,685,747
PT Pupuk Indonesia (Persero)	116,011	990,729	990,581
PT Perusahaan Listrik Negara (Persero)	460,620	645,144	982,849
PT Sarana Multigriya Finansial (Persero)	296,580	480,181	912,628
PT Bank Mandiri (Persero) Tbk	142,070	682,133	707,878
PT Pegadaian (Persero)	569,660	627,632	634,129
PT Bank Negara Indonesia (Persero) Tbk	89,573	617,343	426,530
PT Telekomunikasi Indonesia (Persero) Tbk	231,282	237,256	388,149
Others	4,532,365	4,089,882	3,717,873
	101,048,161	134,188,352	154,020,507
Export bills and notes receivables			
PT Pertamina (Persero)	932	799,827	2,429,223
PT Waskita Karya (Persero) Tbk	-	-	2,000,000
PT Wijaya Karya (Persero) Tbk	190,513	18,267	801,173
PT Perusahaan Listrik Negara (Persero)	-	-	665,197
PT Garuda Indonesia (Persero) Tbk	-	-	497,832

Financial Review

(Rp million)

	31 December		
	2016	2017	2018
PT Garuda Maintenance Facility Aero Asia Tbk	-	3,134	122,201
PT Waskita Beton Precast Tbk	167,995	7,797	69,447
PT Angkasa Pura I (Persero)	-	-	58,105
PT Wijaya Karya Beton Tbk	30,455	14,134	51,060
PT Aerotrans Services Indonesia	-	4,719	39,009
Others	246,362	45,541	125,408
	636,257	893,419	6,858,655
Government Recapitulation Bonds			
Government of the Republic of Indonesia (RI)	3,318,434	3,317,840	1,505,273
Securities purchased under agreement to resell			
PT Asuransi Jiwasraya	-	-	1,149,156
PT Bank Mandiri Taspen	-	-	102,213
PT Bank Mandiri (Persero) Tbk	229,983	-	-
	229,983	-	1,251,369
Loans			
PT Perusahaan Listrik Negara (Persero)	27,446,991	27,039,931	23,616,099
Perum BULOG	16,112,248	9,049,660	16,316,937
PT Pertamina (Persero)	-	1,760,382	11,575,627
PT Pupuk Kalimantan Timur	1,621,845	1,776,795	3,032,393
PT Garuda Indonesia (Persero) Tbk	1,968,132	2,375,195	2,897,733
PT Dirgantara Indonesia (Persero)	1,735,635	2,438,770	2,893,383
Kementerian Keuangan Republik Indonesia	4,307,997	3,450,797	2,804,944
PT Trans Jabar Tol	-	748,931	2,438,362
PT Kresna Kusuma Dyandra Marga	-	-	2,338,069
PT Petrokimia Gresik	980,595	1,428,976	2,222,289
Others	39,539,172	46,166,684	40,651,278
	93,712,615	96,236,121	110,787,114
Sharia receivables and financing			
PT Waskita Beton Precast Tbk	-	400,000	512,000
PT Pegadaian (Persero)	300,000	400,000	400,000
PT Adhimix Precast Indonesia	-	-	314,043
PT Angkasa Pura I (Persero)	-	-	229,824
PT Citra Waspphutowa	-	-	213,515
PT Kimia Farma (Persero)	-	-	110,000
PT Kimia Farma Trading and Distribusi	-	-	100,000
PT Koperasi Karyawan BRI Syariah	112,576	105,436	92,410
PT Prima Armada Raya	-	-	85,798
Yayasan Pendidikan Telkom	-	-	85,370
Key Employees	13,346	17,180	9,946
Others	80,916	74,482	285,525
	506,838	997,098	2,438,431

Financial Review

(Rp million)

	31 December		
	2016	2017	2018
Acceptances Receivable			
PT Dirgantara Indonesia (Persero)	-	-	716,140
PT Garuda Maintenance Facility Aero Asia Tbk	66,490	274,365	421,000
PT Krakatau Steel (Persero) Tbk	-	136,471	173,595
PT Pertamina (Persero)	-	607,723	57,812
PT Pembangunan Perumahan (Persero) Tbk	119,260	189,270	51,003
PT Wijaya Karya Bangunan Gedung	-	-	12,031
PT Pertamina Patra Niaga	23,759	-	11,326
PT Len Industri (Persero)	6,459	2,379	7,975
PT Aneka Tambang (Persero) Tbk	-	241	7,953
PT Len Railways System	-	2,131	7,593
Others	278,677	126,536	11,265
	494,645	1,339,116	1,477,693
Investment in associated entities			
PT Danareksa Investment Management	-	-	372,271
PT Bahana Artha Ventura	-	71,382	72,607
	-	71,382	444,878
Total assets from related parties	200,583,107	237,493,346	281,226,237
Total consolidated assets	1,004,801,673	1,127,447,489	1,296,898,292
Percentage of total assets from related parties to total consolidated assets	19.96%	21.06%	21.68%

Details of balance of transaction with related parties dated 31 December 2018 and 2017 are as follows:

(Rp million)

	31 December		
	2016	2017	2018
LIABILITIES			
Demand Deposits			
Government Entities and Institutions	44,484,819	45,075,744	53,016,669
Key employees	632	1,547	26,672
Others	23,533	19,629	1,435
	44,508,984	45,096,920	53,044,776
Saving deposits			
Government Entities and Institutions	18,806	80,414	89,093
Key employees	86,529	147,366	167,112
Others	6,150	11,933	44,581
	111,485	239,713	300,786
Time deposits			
Government Entities and Institutions	79,043,913	93,732,744	85,832,772
Key employees	118,601	120,479	157,555
Others	828,258	1,592,220	1,878,913
	79,990,772	95,445,443	87,869,240

Financial Review

(Rp million)

	31 December		
	2016	2017	2018
Deposits from other banks and financial institutions			
Government Entities and Institutions	499,475	1,146,162	1,251,129
Securities sold under agreement to repurchase			
Government Entities and Institutions	1,454,477	1,465,014	1,934,600
Acceptances payable			
Government Entities and Institutions	494,645	1,339,116	1,477,693
Fund borrowings			
Government Entities and Institutions	105,510	5,685	454,595
Compensation to key employees management			
Present value of defined benefit pension liability	369,514	275,514	366,707
Present value of work separation scheme liability	80,094	61,379	129,433
Present value of old-age benefits liability	68,082	61,989	92,444
Present value of grand leaves liability	42,531	37,813	54,069
Present value of gratuity for services liability	37,807	29,720	42,492
Present value of other benefit program of defined benefit payment liability	-	-	11,523
	598,028	466,415	696,668
Total liabilities to related parties	127,763,376	145,204,468	147,029,487
Total consolidated liabilities	857,267,576	959,439,711	1,111,622,961
Percentage of liabilities to related parties to total consolidated liabilities	14.90%	15.13%	13.23%

(Rp million)

	31 December		
	2016	2017	2018
COMMITMENTS AND CONTINGENCIES IN THE ADMINISTRATIVE ACCOUNTS			
Guarantees Issued			
PT Wijaya Karya (Persero) Tbk	2,348,096	2,516,028	3,479,242
PT Perusahaan Gas Negara (Persero) Tbk	2,457,968	2,316,148	2,361,314
PT Pembangunan Perumahan (Persero) Tbk	225,841	714,859	2,333,382
PT Pertamina (Persero)	141,439	1,428,608	1,922,168
PT Dirgantara Indonesia (Persero)	1,507,044	1,252,015	1,254,834
PT Garuda Indonesia (Persero) Tbk	298,690	407,897	1,178,058
PT Perusahaan Listrik Negara (Persero)	640,776	572,200	1,003,360
PT Waskita Karya (Persero) Tbk	2,310,583	1,897,681	882,663
PT Pertamina Hulu Rokan	-	-	719,000
PT Telekomunikasi Selular Tbk	463,357	492,264	519,702
Others	3,605,578	5,919,721	5,061,296
	13,999,372	17,517,421	20,715,019

Financial Review

(Rp million)

	31 December		
	2016	2017	2018
Irrevocable L/C			
PT Dirgantara Indonesia (Persero)	947,591	1,512,405	1,263,630
PT Kereta Api Indonesia (Persero)	270,468	-	748,692
PT Pindad (Persero)	62,824	514,038	542,655
PT Perusahaan Listrik Negara (Persero)	1,477,564	248,777	426,691
Kementerian Pertahanan	541,153	93,905	409,729
PT Pupuk Kalimantan Timur	-	53,504	260,822
PT Pertamina (Persero)	835,210	756,452	196,051
PT Perkebunan Nusantara XI	-	4,344	190,210
PT Petrokimia Gresik	86,325	38,430	168,222
PT Pembangkitan Jawa-Bali	103,498	107,853	123,510
Others	2,129,483	2,463,202	755,917
	6,454,116	5,792,910	5,086,129
Salaries and allowance for the Board of Commissioners and Directors			
Salaries and allowances for the Board of Directors	74,062	92,556	362,081
Salaries and allowances for the Board of Commissioners	27,543	29,863	128,603
	101,605	122,419	490,684
Tantiem, bonuses and incentives for the Board of Commissioners, Directors and key employees			
Tantiem for the Board of Directors	217,443	239,461	268,226
Tantiem for the Board of Commissioners	84,028	99,622	99,290
Bonuses and incentives for key employees	103,171	94,456	40,088
Total	404,642	433,539	407,604

Details of balance of transaction with related parties dated 30 December 2018 and 2017 are as follows:

(%)

	31 December		
	2016	2017	2018
ASSETS			
Current accounts with other banks	0,016	0,010	0,007
Placements with Bank Indonesia and other banks	0,047	0,029	0,181
Securities	10,057	11,902	11,876
Export bills and notes receivable	0,063	0,079	0,529
Government Recapitalization Bonds	0,330	0,294	0,116
Securities purchased under agreement to resell	0,023	-	0,096
Loans	9,326	8,536	8,542
Sharia receivables and financing	0,050	0,088	0,188
Acceptances receivable	0,049	0,119	0,114
Investment in associated entities	-	0,006	0,034
Total	19,961	21,063	21,683

Financial Review

(%)

	31 December		
	2016	2017	2018
LIABILITIES			
Demand deposits	5,192	4,700	4,772
Saving deposits	0,013	0,025	0,027
Time deposits	9,331	9,948	7,905
Deposits from other banks and financial institutions	0,058	0,119	0,113
Securities sold under agreement to repurchase	0,170	0,153	0,174
Acceptances payable	0,058	0,140	0,133
Fund borrowings	0,012	0,001	0,041
Compensation to key employees management	0,070	0,049	0,063
Total	14,904	15,134	13,228

As at 31 December 2018 and 2017, BRI (Holding Company) has insured the fixed assets to PT Asuransi Bringin Sejahtera Artamakmur and PT Asuransi Jasa Indonesia (Persero) (related parties).

MATERIAL INFORMATION ON INVESTMENT, EXPANSION, DIVESTMENT, ACQUISITION, OR DEBT AND CAPITAL RESTRUCTURING

Investment

In 2018, BRI purchased land for Rp1.17 trillion, premises for Rp1.39 trillion, four and two-wheel vehicles for a total of Rp88.35 billion, computer and machineries for Rp1.24 trillion, and office equipment for Rp125.05 billion.

Expansion

During 2018, BRI opened 145 cash offices and hired 121,800 BRILink Agents. The expansion was mainly aimed to add e-channel network as one of efforts to improve financial access and financial literacy including at the 3T remote areas or abandone, desolate and isolate areas.

Divestment

During 2018, BRI as individually or consolidated did not exercise any divestment.

Acquisition

On 20 December 2018, BRI has acquired PT Sarana NTT Ventura (become PT BRI Ventura Investama or BRI Ventures) with 97.61% share ownership portion. An don 21 December 2018, BRI also has acquired PT Danareksa Sekuritas (DS) with 67% share ownership portion.

Debt and/or Capital Restructuring

In 2018, BRI did not exercise any debt and or capital restructuring.

Financial Review

REGULATORY CHANGES

No.	Regulations	Subject	Description	Impact for BRI
1	Financial Services Authority Regulation No. 2/POJK.03/2018 Date March 26, 2018	Systemic Bank and Capital Surcharge Determination	<ol style="list-style-type: none"> 1. Systemic bank determination on the domestic financial market aims to identify banks that have a significant impact on the domestic financial system. Thus, a methodology is needed in assessing the systemic level of a bank domestically which reflects the adverse effects that have the potential to occur in the event that a systemic bank fails. Risk from systemic banks is mitigated through the determination of capital surcharge based on the level of the Bank's systemic impact on the domestic financial system. Determination of the capital surcharge is part of the supervision measures carried out under normal conditions. 2. The Financial Services Authority (OJK) coordinates with Bank Indonesia (BI) to establish a systemic bank and a Capital Surcharge conducted every semester. Banks designated as systemic banks must form a capital surcharge. 3. In establishing a systemic bank, the OJK composes a methodology using the following indicators: <ol style="list-style-type: none"> a. Bank size (size) b. Complexity of complexity; and c. Linkages with the financial system (interconnectedness) 4. OJK sets a capital surcharge in 5 (five) groups (bucket). The amount of capital surcharge for each bucket is: <ol style="list-style-type: none"> a. 1.0% of RWA for Systemic Banks Bucket 1 b. 1.5% of RWA for Systemic Banks Bucket 2 c. 2.0% of RWA for Systemic Banks Bucket 3 d. 2.5% of RWA for Systemic Banks Bucket 4 e. 3.5% of RWA for Systemic Banks Bucket 5 	BRI as a bank that has been established as a systemic bank has an obligation to fulfill the capital surcharge.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
2	Bank Indonesia Regulation No. 20/3/PBI/2018 Date March 29, 2018	Required Statutory Reserve in Rupiah and Foreign Currencies for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units	<ol style="list-style-type: none"> As a continuation of the reformulation of the Monetary Policy Operational Framework which has been launched since 2016 in order to improve the effectiveness of monetary policy transmission, steps are taken to accelerate the strengthening of bank liquidity management through improving the Required Minimum Current Account arrangements for conventional and sharia banking institutions. The strengthening measures are carried out in the form of increasing the amount of Statutory Reserves in Rupiahs for Conventional Commercial Banks (BUK) that must be met on average, applying the obligation to fulfill and calculate Required Minimum Current Account on average for Required Minimum Current Account in foreign currencies for BUK and enforcing Required Minimum Current Account compliance and calculation obligations. On average for Rupiah Statutory Reserves for Sharia Commercial Banks (BUS) and Sharia Business Units (UUS). This strengthening is an effort to increase flexibility in managing bank liquidity to be more efficient so that it can encourage the banking intermediation function and support financial market deepening besides being able to sustain the stability of movements in money market interest rates as the operational target of monetary policy. 	There was a change in regulations which became a reference in fulfilling bank liquidity, but the total obligation to fulfill the Statutory Reserves in rupiahs for BUK did not change, namely 6.5% of Deposits in the Conventional Commercial Banks Rupiah and the total obligation to fulfill the Statutory Reserves in foreign currency Conventional Commercial Banks also remained unchanged, 8% of deposits in foreign currency of Conventional Commercial Banks.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
3	Bank Indonesia Regulation No. 20/4/PBI/2018 Date March 29, 2018	Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units	<ol style="list-style-type: none"> 1. Bank Indonesia introduces macroprudential policy instruments namely Macroprudential Intermediation Ratio (RIM d / h. GWM-LFR) and Macroprudential Liquidity Buffer (PLM d / h Secondary GWM) which are part of macroprudential policies to prevent and reduce systemic risk and disruption to the intermediary function banking. 2. RIM's policy instruments are expected to encourage the banking intermediation function to the real sector in accordance with the capacity and target of economic growth while maintaining the principle of prudence. Whereas with the PLM policy instrument, it is expected to be able to overcome banking liquidity risk given that liquidity risk is able to amplify other risks into systemic risk. 3. This policy is also implemented in Islamic banking so that it can strengthen intermediation and improve the resilience of Islamic banking (RIM Syariah and PLM Syariah). 4. This macroprudential policy instrument is countercyclical and can be adapted to changes in economic and financial conditions. 5. RIM and PLM policies for conventional banks are well known through the GWM-LFR and secondary GWM policies that are part of the reserve requirement policy. As for Islamic banks, the Shariah RIM policy has been implemented in the form of a ratio of financing to third party funds which is also part of the reserve requirement policy. In its development these instruments undergo improvements, including: <ol style="list-style-type: none"> a. by adding securities components to produce calculations for RIM and RIM Syariah b. flexibility in applying PLM c. introducing Sharia PLM policy instruments for Sharia banks. 	BRI must fulfill GWM-RIM and PLM in accordance with the latest provisions regulated by Bank Indonesia.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
4	Bank Indonesia Board of Governors (PADG) Regulation No. 20/30/PADG/2018 Date 30 November 2018	Amendment to PADG No. 20/10/PADG/2018 concerning Required Minimum Current Account in Rupiah and Foreign Exchange for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units	<p>Background</p> <p>In an effort to maintain adequate bank liquidity, Bank Indonesia increased the flexibility and distribution of liquidity for both conventional banking and Islamic banking by increasing the average reserve requirement in Rupiah for BUK, BUS and UUS, which were initially 2% (two percent) to 3% (three percent) to ensure continued macroeconomic and financial system stability. Amendments to the said obligations are stated in the implementing regulations (PADG) concerning Minimum Statutory Reserves in Rupiah and Foreign Exchange for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units.</p> <p>Substance</p> <p>Changes to the arrangements in this PADG include the following:</p> <ol style="list-style-type: none"> Statutory Reserves in Rupiah for BUK: <ol style="list-style-type: none"> Average Statutory Reserves portion from 2% to 3% Daily Statutory Reserves portion of 4.5% to 3.5% Statutory Reserves in Rupiah for BUS and UUS: <ol style="list-style-type: none"> Average Statutory Reserves portion from 2% to 3% Daily Statutory Reserves portion of 3% to 2% 	BRI must fulfill Rupiah Statutory Reserves and Foreign Currency Statutory Reserves in accordance with the latest provisions regulated by Bank Indonesia.
5	Bank Indonesia Regulation No.20/6/PBI/2018 May 4, 2018	Electronic Money	<p>Background:</p> <ol style="list-style-type: none"> the business model of Electronic Money's (EM) implementation is growing and varied in line with the development of technological innovation and increasing community needs in the use of Electronic Money; the disparity in the performance of licensed organizers and the more diverse parties applying for EM permits needs to be addressed by strengthening institutional aspects to filter credible EM organizers, among others through regulating minimum paid-up capital, composition of share ownership, licensing groupings, additional paid-in capital along with the development of activities, and more detailed mechanism for managing float funds; 	1. BRI as an Electronic Money Operator that has obtained a license from Bank Indonesia is obliged to submit an application for prior approval before developing products and/or activities and cooperation with other parties related to Electronic Money.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
		c.	EM implementation needs to be based on good financial conditions in order to be able to provide optimal benefits for the Indonesian economy, by always prioritizing strengthening consumer protection and preventing money laundering and financing of terrorism, as well as minimizing systemic risks;	2. BRI must submit a statement and representation and warranties no later than 6 (six) months after Bank Indonesia Regulation No. 20/6/PBI/2018 dated 4 May 2018 concerning the application of Electronic Money.
		d.	the link between the implementation of EM activities and the implementation of increasingly tight and complex business activities, especially those carried out in the same entity or business group, requires strengthening the implementation of integrated supervision of EM organizers and affiliated parties that have the potential to affect the continuity of the implementation of electronic money.	

The scope of this Electronic Money PBI arrangement includes:

- a. general requirements;
- b. the principle and scope of implementation of the EM;
- c. EM licensing and approval, including, among other things, obligations and grouping of permits, general requirements and aspects of feasibility, procedures for filing and processing applications for permits and approvals, appraisal of capability and propriety; controlling shareholder, permit evaluation; and licensing and approval policies;
- d. the implementation of the EM includes the application of risk management, information system security standards, EM transaction processing in the Indonesian territory, interconnection and interoperability, the application of anti money laundering and prevention of terrorism funding, the application of consumer protection principles, implementation of EM activities, and the implementation of Digital Financial Services (LKD);
- e. merger, consolidation, separation and take over;
- f. report and supervision;
- g. sanctions; other provisions; transitional provisions; and closing conditions.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
6	Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia as Chair of the Policy Committee for Financing for Micro, Small and Medium Enterprises No. 11 of 2017	Guidelines for People's Business Loans implementation	<p>a. People's Business Loans (KUR) agents consist of Financial Institutions or Cooperatives with healthy conditions and good performance, collaborate with the Guarantor company in KUR distribution, and have the KUR online data system with the Program Credit Information System (SIKP).</p> <p>b. KUR distributed by KUR Agents, namely KUR Mikro, KUR Kecil, KUR Penempatan TKI, and KUR Khusus. The KUR distribution is prioritized in the Production Sector, namely the agricultural sector, hunting and forestry, the marine and fisheries sector, the manufacturing industry sector, the construction sector, and the production service sector.</p> <p>c. The maximum ceiling is set as follows:</p> <ul style="list-style-type: none"> · KUR Mikro is a maximum of Rp. 25,000,000.00 (twenty five million rupiah) for each individual. · KUR Kecil above Rp. 25,000,000.00 (twenty five million rupiah) and a maximum of Rp. 500,000,000.00 (five hundred million rupiahs) per individual. · KUR Penempatan TKI is a maximum of Rp. 25,000,000.00 (twenty five million rupiah) · KUR Khusus above Rp. 25,000,000.00 (twenty five million rupiah) and a maximum of Rp. 500,000,000.00 (five hundred million rupiah) for each individual member of the group. <p>d. The KUR Mikro interest rate, KUR Kecil, KUR Penempatan TKI, and KUR Khusus are 7% (seven percent) effective per year or adjusted to Interest Rates/Margin flats/equivalent annuities.</p> <p>e. KUR Mikro agents, KUR Kecil, KUR Penempatan TKI, and KUR Khusus are required to check prospective KUR recipients through a Debtor Information System (SID) or Financial Information Service System (SLIK).</p> <p>f. Prospective recipients of KUR Mikro agents, KUR Kecil, KUR Penempatan TKI, and KUR Khusus are regulated further in this ministerial regulation.</p>	BRI will make adjustments to some of BRI's internal provisions regarding the People's Business Loans (KUR) Implementation Guidelines, KUR Mikro, KUR Penempatan TKI, and KUR Khusus.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
			g. The Financing Policy Committee for Micro, Small and Medium Enterprises is based on a report from the Financial Services Authority, stopping the distribution of KUR in the event that KUR Agents have a level of non-performing loans above 5% (five percent) for 6 (six) consecutive months.	
7	Bank Indonesia Regulation No. 20/8/PBI/2018 dated 2 August 2018	Loan to Value Ratio for Property Credit, Financing to Value Ratio for Property Financing and Advances for Motor Vehicle Loans or Financing	a. Conventional Commercial Banks (BUK) are required to calculate credit and collateral value in calculating the Loan to Value (LTV) Ratio for Property Loans (KP). b. This stipulation regulates the procedure for valuing collateral and the independent criteria for assessors. c. In this stipulation there is an adjustment of the LTV ratio for the 1st facility and the 2nd facility and so on compared to the LTV ratio as stipulated in Bank Indonesia Regulation No. 18/6/PBI/2016. d. There is a change in regulation regarding the Administrative Obligations and Obligations of the Bank in fulfilling the provisions of the LTV Ratio in the event that the bank provides additional credit (top up) based on the Property which is still collateral from the previous KP. e. In the event that a Bank provides a KP by taking over KP from another Bank, the Bank must fulfill the provisions stipulated in this regulation. f. There is a change in regulation regarding the obligations of the Bank that gives KPs for property ownership that are not yet fully available. g. In the event that the Bank provides KP for ownership of property that is not yet fully available, then the Bank is required to gradually withdraw the KP as stipulated in this regulation. h. In implementing the LTV Ratio arrangement, Banks are required to comply with the precautionary principle in granting KP which is regulated in this provision. i. Banks may transfer KPs for property ownership that have not been fully available before the period of 1 (one) year for non performing KP.	1. BRI will pay attention to the arrangement of LTV in the Bank Indonesia Regulation, considering that there is currently an easing of LTV provisions from Bank Indonesia. 2. BRI will review the policies and procedures related to Mortgages and Motor Vehicles Loans.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
			<ul style="list-style-type: none"> j. Banks must have internal guidelines for granting KP and information systems for monitoring the implementation of the LTV Ratio setting. k. KP for the implementation of the housing program of the Central Government and/or Regional Government is exempted from this Bank Indonesia Regulation with the conditions as stipulated in this regulation. l. For banks that provide KKB, they must fulfill the conditions of Advances as stipulated in this regulation. m. Banks are prohibited from providing Credit for fulfillment of Advances for KP or KKB to debtors. n. Banks that violate the provisions in this Regulation can be penalized. 	
8	Regulation of the Financial Services Authority No. 14/POJK.03/2018 dated 16 August 2018	Assessment of Quality of Commercial Bank Assets to Encourage Growth in the Housing Sector and Increased Foreign Exchange	<ul style="list-style-type: none"> a. Earning Assets in the form of export-oriented funds to financial institutions that meet certain requirements are determined to have current quality. Furthermore, it is stipulated that the portion of Earning Assets that obtain collateral from financial institutions that meet certain requirements is determined to have current quality. b. Determination of the credit quality and the provision of other export-oriented funds can only be based on the accuracy of payment of principal and/or interest which is part of the component in the assessment factor in the form of ability to pay. c. This stipulation also regulates the minimum requirements for evaluating special collateral for residential property which will be used as a deduction factor for Allowance for Earnings Assets (PPA). d. When this Financial Services Authority Regulation is applicable, the stipulations in PBI No. 14/15/PBI/2012 dated October 24, 2012 concerning Asset Quality Rating for Commercial Banks are declared to remain valid insofar as they do not conflict with the provisions of this Financial Services Authority Regulation. 	BRI will review BRI's internal policies regarding Earning Assets Quality and Foreclosed Collateral Quality by taking into account the regulation in OJK No. 14/POJK.03/2018 dated 16 August 2018 concerning the Evaluation of Quality Assets of Commercial Banks to Encourage Growth in the Housing Sector and Increased Foreign Exchange.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
9	Regulation of the Financial Services Authority No. 15/POJK.03/2018 Date August 15, 2018	The Maximum Lending Limit for the Maximum Limits of Bank Funds to Encourage the Growth of the Tourism Sector and Increased Foreign Exchange	<p>a. Resume from Financial Services Authority Regulation No. 15/POJK.03/2018 Date August 15, 2018 is the exception of the LLL or BMPD calculation on the provision of export-oriented funds to Financial Institutions owned by the central government and stipulated by Law with the status of sovereign and business activities providing financing for national exports.</p> <p>b. The exception also applies to the provision of funds that obtain collateral from financial institutions owned by the central government and stipulated by law with the status of sovereign and business activities providing financing for national exports. In this POJK also added a category related to development goals, namely the construction of the National Tourism Strategic Area (KSPN) which was set and prioritized by the central government as referred to in the Presidential Regulation concerning the acceleration of the implementation of national strategic projects. With the addition of these categories for the provision of Bank Funds to SOEs that aim to establish a National Tourism Strategic Area, it is set to be at most 30% of the Bank's Capital.</p>	BRI will specifically regulate the Affirmation Letter concerning POJK No. 15/POJK.03/2018 dated 15 August 2018 concerning the Legal Lending Limit or the Maximum Limit of Bank Funds Distribution to Encourage the Growth of the Tourism Sector and Increased Foreign Exchange.
10	Financial Services Authority No. 16/POJK.03/2018 dated 16 August 2018	Amendment to the Financial Services Authority Regulation No. 44/POJK.03/2017 Concerning Limitation of Giving Credit or Financing by Commercial Banks for Land Procurement and/or Land Processing	<p>Background:</p> <p>a. This Financial Services Authority Regulation was issued in order to improve Indonesia's economic growth.</p> <p>b. To improve economic growth, there is a need for a policy that encourages the growth of priority sectors, in this case the housing sector.</p> <p>Substance</p> <p>Stipulation paragraph (2) article 2 in the Financial Services Authority regulation No. 44/POJK.03/2017 concerning Limitation of Giving Credit or Financing by Commercial Banks for Land Procurement and/or Land Processing (State Gazette of the Republic of Indonesia 2017 Number 150, Additional State Gazette Republic of Indonesia Number 6093) amended, and Provisions of Article 2 added 2 new verses namely paragraph (3) and paragraph (4), so that it reads as follows:</p>	BRI will follow up on the Financial Services Authority Regulation by reviewing BRI's internal policies on Construction Working Capital Loans to be in line with the Government's objectives in efforts to improve Indonesia's economic growth, namely by encouraging the growth of priority sectors, especially the housing sector.

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
			a. Article 2 paragraph (2) Prohibition as referred to in paragraph (1) is excluded for: <ul style="list-style-type: none"> · Transfer of Credit or Financing from the Developer to other Developers to save Credit or Financing insofar as it does not add to the credit or debtor allocation. · Extension of the Credit or Financing term for saving Credit or Financing, without adding debtor allocation or financing. · Lending or Financing and/or purchase or guarantee of Securities or Sharia Securities from the developer for Land Procurement and/or Land Processing for the construction of affordable housing, with certain requirements, and/or. · Lending or Financing for Land Processing to Developers, with certain requirements. 	
			b. Article 2 paragraph (3) Certain requirements as referred to in paragraph (2) letter c are: <ul style="list-style-type: none"> · for affordable, non-collateralized houses, at least 90% (ninety percent) of the land area financed is used for the construction of affordable non-collateralized houses and public facilities and/or social facilities needed for residents of the modest house concerned. · for simple flats, at least 90% (ninety percent) of the land area and 75% (seventy five percent) of the total floor area are used for the construction of simple flats along with public facilities and/or social facilities needed for residents of flats simple concerned. 	

Financial Review

No.	Regulations	Subject	Description	Impact for BRI
			<ul style="list-style-type: none"> For shop houses (shop houses), at least 90% (ninety percent) of the land area is used for the construction of shop houses (shop houses) along with public facilities and/or social facilities for residential and business needs of the owner of the shop house (shop), or for traditional market stalls or kiosks, at least 90% (ninety percent) of land area is used for the use of traditional market stalls or kiosks along with public facilities and/or social facilities for the business interests of traditional market kiosks or kiosks owners. 	
		c.	<p>Article 2 paragraph (4) Certain requirements as referred to in paragraph (2) letter d are:</p> <ul style="list-style-type: none"> Lending or Financing for Land Processing is intended for the construction of landed houses or flats, and not commercial areas. There is an agreement between the Bank and the Developer which contains the condition that the Developer must start the implementation of the construction of the house or apartment at the latest 1 (one) year from the date of signing the agreement, and Lending or financing is carried out in stages based on project progress financed. 	

Financial Review

ACCOUNTING POLICY CHANGES APPLICATION

BRI and its subsidiaries have applied the following accounting standards starting January 1, 2018, which are considered relevant to the consolidated financial statements, specifically:

No	Accounting Policy	Changes of Material	Impact of the Changes to BRI
1	SFAS No. 2 (2016 Amendment), "Disclosure Initiative on Statement of Cash Flow":	Requires the entity to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and as well as non-cash changes.	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.
2	SFAS No. 46 (2016 Amendment), "Recognition of Deferred Tax Assets for Unrealized Losses on Income Tax"	<ul style="list-style-type: none"> The temporary difference may be deducted when the carrying amount of the debt instrument assets measured at fair value and the fair value is less than its tax base, regardless of whether the entity estimates to recover the carrying amount of the debt instrument through sale or use, To determine whether the taxable profit will be available so that the deductible temporary differences can be utilized, then the valuation of the deductible temporary differences shall be made in accordance with the tax regulations, Tax deductions arising from the reversal of deferred tax assets are excluded from future estimated taxable income. Then the entity compares the deductible temporary differences with the estimated future taxable income that does not include the tax deductions resulting from the reversal of the deferred tax asset, Some of the entity's assets exceed the carrying amount if there is sufficient evidence that it is probable that the entity will achieve it. 	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.
3	SFAS No. 15 (2017 Adjustment), "Investments in Associates and Joint Ventures"	At initial recognition, the entity may choose to measure its investee at fair value on an investment-by-investment basis.	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.
4	SFAS No. 67 (2017 Adjustment), "Disclosure of Interests in Other Entities"	Disclosure requirements in SFAS No. 67, other than those described in paragraphs PP 10 - PP 16, are also applied to any interest in an entity classified in accordance with SFAS No. 58 "Non-current Assets Held for Trading and Discontinued Operations".	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.

Financial Review

No	Accounting Policy	Changes of Material	Impact of the Changes to BRI
5	SFAS No. 13 (2017 Amendment), "Investment Property"	Amends paragraph 57 to reflect the principle that the usage change includes the assessment on whether the property meets, or stops meeting, the definition of investment property and the supporting evidence that the change of utility has occurred. Moreover, the amendment of SFAS No. 13 regarding the Diversion of Investment Property also recharacterized the list of conditions in paragraph 57(a)-(d) as an incomprehensive list of examples.	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.
6	SFAS No. 53 (2017 Amendment), "Share-Based Payment, Classification and Measurement of Share-Based Payment Transactions"	Aims to clarify the accounting treatment regarding the classification and measurement of share-based payment transactions.	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.
7	SFAS No. 111, "Accounting for Wa'd"	Regulates the entity that give or receive wa'd not recognizing assets and liabilities that may happen from wa'd when the contract occurs. The SFAS No. 111 is complemented with examples of wa'd application on sharia hedging and repo transactions.	There were no significant changes to financial reporting and disclosures in the consolidated financial statements.

Financial Review

BUSINESS CONTINUITY INFORMATION

The threat for BRI's business continuity can be sourced from potential disruption/disasters caused by nature, humans and technology. To anticipate the impact of the potential disruption, BRI Board of Directors develops and implements a Business Continuity Management (BCM) Policy which is regulated in BRI Circular Letter NOSE: S.26-DIR/DMR/12/2016.

The objectives of the BCM policy are among others to protecting the safety and security of employees, customers and other stakeholders within the BRI Operating Units Unit (Disaster Management Plan), and maintaining the continuity of the key business/operational activities, safeguarding BRI assets and having an adequate response during disruptions/disasters (Business Continuity Plan).

The implementation of the BRI BCM covers all BRI work units, which among others are implemented through the establishment of a Crisis Management Team, Call Tree and alternate sites determination. BRI work units have also conducted a Threat and Disaster Risk Assessment (PRAB) which aims to identify the resources required in the preparation to address threats/disasters at each work unit.

The BCM trial is organized every year and prioritized in the disaster-prone work units including Head Office Building namely BRI Building 1 and 2, IT Building and BRI Corporate University Building and Student Dormitory in Ragunan.

The BCM implementation has been well tested in the disaster events experienced by several BRI work units. In 2018 there was an earthquake and tsunami with a magnitude of 7.4 SR which was centered at the north of Palu City that had impacted the operations and business of BRI Work Units in Palu, Donggala, Sigi, Mamuju and its surroundings. With the existence of BCM, the business continuity of BRI work units at the disaster areas can be immediately addressed and ensure that the business continues as usual.

Human Capital

BRI'S HUMAN CAPITAL MANAGEMENT FOCUSES ON THE CAPABILITY DEVELOPMENT AND EMPLOYEE COMPETENCY TO ENHANCE THE ACCELERATION OF THE COMPANY'S GROWTH THROUGH DIGITIZATION IN ORDER TO FOSTER THE COMMUNITY ECONOMIC EMPOWERMENT.

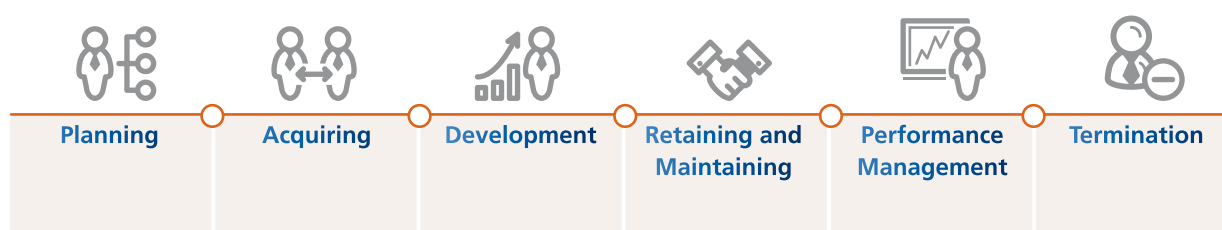


In an era of increasingly competitive business competition with increasingly complex business demands, BRI remains focusing on human capital development. BRI Human Capital, in this case the Employees and all BRI people, is one of the Company's main assets to support the realization of the Company's vision to become the Most Valuable Bank in South East Asia and Home to the Best Talent in 2022. To that end, the acceleration and equal development of Employee capabilities/competency is a top priority for BRI.

The ISO 9001: 2015 certification achieved by BRI is the Company's commitment in developing and providing the best service to all employees. Through this certification, it can be ascertained that the data management, communication and compensation systems and human capital benefits in the Company are in line with good quality management. The entire service to employees is provided through a fast, precise, and accurate technology-based media.

HUMAN CAPITAL MANAGEMENT POLICY

BRI's human capital management and development design is guided by the established Human Capital Architecture. The BRI Human Capital management strategy framework is implemented through the employee lifecycle stages consisting of:



In order to align the Human Capital management strategy framework in BRI with the prevalent practices of human capital management in the industry, in 2018 BRI reviewed the Human Capital management strategy guidelines. The employees role that have not been reflected in the framework of the previous Human Capital management strategy will be formulated and deployed in the employee value proposition concept.

Human Capital

HUMAN CAPITAL ARCHITECTURE



HUMAN CAPITAL MANAGEMENT STRATEGY IN 2018

In order to ensure the human capital management policy continues in lined with the plan, BRI realizes the need for an appropriate operational strategy and in accordance with the Company's work culture characteristics. The implementation of the right strategy will have an impact

on employee satisfaction, engagement and productivity which has a direct influence on the Company's business performance.

In 2018, the operational strategies of the Human Capital management implemented by BRI include:

a. Planning

Human capital planning at BRI is carried out by integrating the Company's business plan and the plan

Human Capital

for human capital needs so that it is formulated with accurate results to produce optimum productivity levels (right people, right skills, right place, right time, right cost). In addition to headcount planning for 2019, BRI began to adapt long-term strategic workforce planning (SWP) in 2018.

b. Acquiring (Recruitment, Selection and Placement)

Acquiring is the process of getting the best candidates by looking at the projections of the manpower availability. As an entity with organizational growth and dynamic business development, BRI requires the support of the fulfillment of appropriate and accurate human capital. To that end, the acquiring process at BRI is carried out through a mechanism of recruitment and/or selection with priority from the local male and female candidates.

The process of recruitment and attracting candidates for Employees is carried out through cooperation between BRI and the best tertiary education institutions in Indonesia through participation in the job fair including campus hiring as well as other outreach recruitment programs. In addition, since 2013 BRI has also launched an e-recruitment application that aims to expand the coverage of screening the best candidates for employees throughout Indonesia.

In 2018, e-recruitment apps has been used in all recruitment process from acceptance of application forms to documentation of recruitment results for all BRI's employee across Indonesia. In addition, the video based assessment and online test feature has been developed in 2018 that enable every candidate to participate in recruitment process free of charge without going to the selection location. With this facility, the average new + 250,000 CV was generated every year under this e-recruitment system.

c. Development

BRI strives to develop the competence of its employees, in both the hard competency and soft competency. Competency development is carried out objectively by providing equal opportunities for employees in the framework of 70-20-10 models for learning development.

In addition, BRI also provides equal opportunities to all employees to develop their careers. This is done by increasing the type of authority of tasks and responsibilities that are higher than the current level (job enrichment) or by increasing the number of tasks and responsibilities of employees at the same level outside of the current tasks and responsibilities (job enlargement).

Human Capital

Career development programs are also carried out based on fair opportunity principles, where every employee has the same opportunity for growth and development while taking into account the Company's needs, job family, position, ability, performance recognition, talent classification, position availability, and other requirements.

d. Retaining and Maintaining

One of the keys to win the competition in capturing and retaining the best employees (talent war) in the Company is through a good remuneration management system. In addition to being able to retain employees of excellent performance in the company, a good remuneration system can invite the best talent candidates outside the company to join, and maintain the motivation of employees to always provide best performance. To that end, the BRI remuneration system management is carried out on a fair basis internally but remains externally competitive, in line with the Company's strategy, and in compliance with regulations..

The remuneration strategy at BRI is carried out by considering market conditions, prevalent industrial practices, and the Company's ability to accommodate changes in the Employees' demographics and manpower costs management.

In general, BRI's remuneration system includes the provision of wages, adjustments to the annual wage rate, Religious Holidays Allowances (THRK), Annual Leave Allowances, and Large Leave Allowances given for each 6-year working period. In addition, the Company also provides health facilities for employees and their family members, which includes first-degree outpatient care, advanced outpatient care, delivery, dental care, General Medical Check Up, glasses reimbursement benefits and pensioner health

programs. BRI also provides variables compensation to Employees include expansive benefits adjusted to regional characteristics, performance allowances, certain office benefits, overtime compensation, performance achievement bonuses, and Long Term Incentive programs through share ownership by Employees. Meanwhile, to support its service, BRI provides service facilities including lump sum for housing rental, official housing, and vehicles rental.

Industrial relations

The Company believes that all BRI personnel are assets and the backbone of the Company in achieving every objective. To that end, the Company strives to create an open and positive working atmosphere. One of the efforts taken by the Company is by maintaining the industrial relations conductivity between Employees and the Company.

In establishing relationships with employees, BRI always upholds the basic principles of industrial relations management, namely:

Upholding Freedom of Association

Every BRI Employee is permitted to gather, associate and express his/her opinion. In the scope of the Company, every employee can easily register and join a labor union membership. BRI Labor Unions are the Company's strategic partners in creating quality and harmonious industrial relations.

Several measures conducted by the Company to maintain harmonious industrial relations between the Company and Employees are among others realized by:

Human Capital

1. Preparation of Collective Labor Agreement (CLA) between BRI and BRI Labor Union (SP). In 2017 BRI and SP BRI signed a Collective Labor Agreement (CLA) for the period of 2017-2019 in which the CLA document regulated the personnel administration, rights, obligations, benefits, and the Company as well as Employees facilities. This CLA has also been approved by the Ministry of Manpower of the Republic of Indonesia.
2. The Bipartite Cooperation Institution (LKS) Forum is held as a means of communicating the latest Company policies, accommodating all aspirations/proposals from Employees, as well as a coordination between the Company management and Employees hence the disputes or problems that may arise in the Work Unit can be detected early.
3. Implementation of periodic meetings between National Labor Union Managers and Central Level Management.
4. The implementation of activities that can increase the level of engagement of Employees towards the Company and conduct other forms of communication such as in worship, social activities, sports, arts and other activities involving Employees.

Anti-Discrimination Policy Implementation

BRI strives to uphold the principle of equality and implements anti-discrimination policies in every function of human capital management (from the planning process to employment termination). One of the equality principle implementations in the Company is the opening of employment opportunities for disabled employees. The positions that can be filled and the types of work that can be done are adjusted to the level of expertise and skills of each employee with disabilities.

In 2018, the number of BRI employees with disabilities was 95 personnel with details as follows:

Work Unit	2018		
	Male	Female	Total
Head Office	21	13	34
Regional Office	34	27	61
Total	55	40	95

Diversity Program

As one of the Nation Pride SOEs with the Work Units across Indonesia, the demographics of BRI personnel are very diverse. The Company believes that diversity at BRI is an added value that can support the Company to remain the best. To that end, the Company is committed to supporting every diversity program. The support is manifested through budget allocations for physical and spiritual development that can be used to carry out commemoration of religious activities and other activities that support diversity.

Handling of Employees Complaints

Apart from Bipartite LKS facilities, the Company also provides other alternative means to meet the information and handling complaints of all Employees that can be accessed easily and realtime. Other than through the Human Capital Call Center service, in 2018 the Company launched a chatbot service in the Telegram application which was named BRIGITA. Through BRIGITA, all BRI Employees can ask questions related to HR that will be replied in real time.

Monitoring of Discipline Violation Cases' Settlement

To strengthen the corporate governance (GCG), the Company facilitates reporting of disciplinary violations by Employees through a Whistle Blowing System (WBS) which is directly monitored by the Company's top management.

Human Capital

Management is committed to upholding the Employees discipline in the Company in an effort to maintain a good atmosphere and work ethics. To this end, the Company in 2018 has enhanced the Industrial Relations Portal Application. The enhancement enables the Head Office Management to monitor every progress in resolving disciplinary violations in all BRI Work Units.

e. Performance Management

BRI bases its performance appraisal on 2 (two) elements, namely (i) employee performance achievement on agreed key performance indicators (KPI), and (ii) fulfillment or improvement of employee competency.

This system was formed with the aim of (i) ensuring Employees' performance to be in line with the Company's performance, (ii) encouraging, motivating and directing the Employees to continually improve their performance, (iii) establishing clear relationships between performance achievement plans and Employee career development (promotion), and (iv) the recognition of the performance results appraisal is one of the factors that influence the determination of compensation and benefits as well as the determination of the Employees' talent class.

To create a driven culture performance climate in the Company, BRI sharpened the performance appraisal aspects, including by standardizing the content of Objective Performance (SKO) of Unit Managers, Employees in structural positions, and marketers. The sharpening is also done by attracting and locking the value of the Competency Target (SK) at the beginning before the SKO evaluation period and the application of 360 competency reviews in some of the Head Office Work Units.

f. Termination

Banking and financial services are the trust-based industries where every aspect of the business is highly regulated in every aspect. In the aspect of human capital management, the Company always ensures that all applicable labor relations regulations are in conformity and are subject to the prevailing legal stipulations, including the Termination of Employment (PHK).

The Employment Termination (PHK) is the employment relationship termination between the Company and Employees in accordance with the prevailing Laws and Regulations. Several types of terminations applied in BRI includes::

1. On Their Own Request
2. Un-skillful
3. Strengths of Employees
4. Achieve Retirement Age
5. Detained by the Law Enforcement
6. Declared Guilty Based on Court Decision
7. Subject to disciplinary punishment
8. Health reasons
9. Passed away

The details of the Employment Termination (PHK) occurred during 2018 in BRI are as follows::

Termination Types	Male	Female	Total
Retirement age	654	161	815
Health issue	9	7	16
Own request	1,073	685	1,758
Passed Away	97	40	137
Others	276	92	368
Total	985	2,109	3,094

Human Capital

HUMAN CAPITAL MANAGEMENT FOCUS IN 2018

Aligned with the Company's ongoing transformation and the destination statement of Human Capital management in 2018, namely Build and Deliver Compelling Employee Value Proposition, the focus of Human Capital management in 2018 is as follows:

1. General improvement of human capital policies
2. Implementation of the talent management system
3. Expansion of Employee career development programs
4. Sharpening the performance appraisal system
5. Penetration of work culture

Human Capital General Policy Development

As the leading commercial bank in Indonesia with the vision of becoming the Most Valuable Bank in South East Asia and Home to the Best Talent in 2022, BRI requires reliable human capital support and has knowledge, skills and work attitudes that are in line with the Company's core vision.

In order to support this realization, it is necessary to develop a General Policy which serves as a guideline for human capital management with the aim of ensuring the alignment of all human capital policies in BRI and Subsidiaries and Affiliates.

Talent Management System

BRI prioritizes the regeneration process and leadership succession to ensure a solid organization continuity. In 2018, BRI has refined the Talent Management Policy which was used as the foundation to refine the succession plan mechanism. With a good succession plan mechanism, filling in key jobs can be done more effectively and efficiently. To support this, BRI has developed an application called Brilliance.

In December 2018, BRI recorded a total of 89,943 employees, decreased by 3.65% (year to date) compared to the end of 2017 at 93,351 personnel. The decrease was due to the adoption of selective growth and hiring freeze policies to optimize employee productivity as seen from the increase in Earning per Employee (EPE) reaching Rp518 million per Permanent Employee compared to Rp306 million per Permanent Employee in 2017.

Expansion of Employee Career Development Program

Talent Mobility

One of the talent mobility is the implementation of career development programs through enrichment and development of duties to BRI Subsidiaries and affiliates vertically (promotion) or horizontally (rotation/mutation). The enrichment can provide different insights for Employees because they can undergo assignment experience in the Company/Institution with a different business focus from BRI, hence it is expected that this can enrich the experience and increase the expertise of the Employees.

Performance Based Career Development

BRI in principle provides equal opportunity to every employee for the career development. The career development refers to the stipulations governing the employee career path and carried out through the implementation of planned special training, such as enrichment, job enrichment, and job enlargement.

Sharpening the Performance Assessment System

As part of the human capital management system, the Company regularly conducts employee performance assessment based on the performance target plan agreed at the beginning of the year and is equipped with an assessment of the Employee work attitude and competency.

Human Capital

In order for the implementation of a performance management system in the Company to remain relevant to prevalent practices, BRI consistently continues to refine its Performance Management System (SMK). In 2018 the Company standardized the Key Performance Indicator (KPI) for the majority of positions aimed at creating an objective performance appraisal system for all BRI Employees, hence BRI may provide appreciation to Employees both in terms of careers, compensation, education and others..

BRI recorded a breakthrough in its Performance Management System in 2018, especially for its Marketing Officers. BRI has improved this system online where the individual target achievement of marketing officers is undertaken automatically, hence the employee can directly monitor each of their achievement.

Performance Assessment

In 2018 a quarterly performance appraisal cycle has been carried out at BRI Vocational Schools Marketers. This is an effort to support the achievement of "Home to the Best Talent" aspirations, namely the internalization of the performance driven culture for each BRI employee. The Company will make the quarterly performance appraisal cycle the foundation for building a culture of caring for performance so that the strategy is expected to increase the productivity of BRI Workers, especially the Marketers.

Performance Based Benefits

The Company also gives awards in the form of variable based incentives. The incentive scheme is a combination of the previous incentive scheme which is intended to enable Marketers to be more motivated in achieving their targets.

CORPORATE CULTURE REVITALIZATION

Corporate culture is one of the foundations to support the Company's achievement in aspirations and answer long-term business challenges. Work Culture was formed to become the Company's foothold and as a guideline for all BRI personnel in behaving and acting, and having value in supporting the Company's performance.

The implementation of BRI Work Culture Revitalization is formulated in:

- Five core values of work culture called BRILIAN. The core values are important values that serve as guidelines for employees in behaving and behaving, both in dealing with customers, fellow workers and other external parties;
- Ten main behavioral attitudes of BRI people; and
- Twenty acts of BRI's work culture.

Core Values of Work Culture

To achieve a well-internalized work culture, behaviors, symbols and systems are needed. Therefore, BRI initiated the five core values of the Company's work culture as follows:



Integrity

Integrity that has the meaning of always having commendable thought, saying and behavior, maintaining the honor, and obeying the rules. Behavior that shows the value of integrity is open, honest, sincere and obedient to the rules.



Professionalism

Professionalism that has the meaning of always committed to work thoroughly and accurately with the best ability and full of responsibility. Behavior that shows the value of professionalism is continuous learner and fairness.

Human Capital



Trust

Trust that has the meaning of always-building confidence and trust among stakeholders for the sake of the Bank's progress. Behavior that shows the value of trust is mutual respect and prioritizing the interests of the Bank and the Country.



Innovation

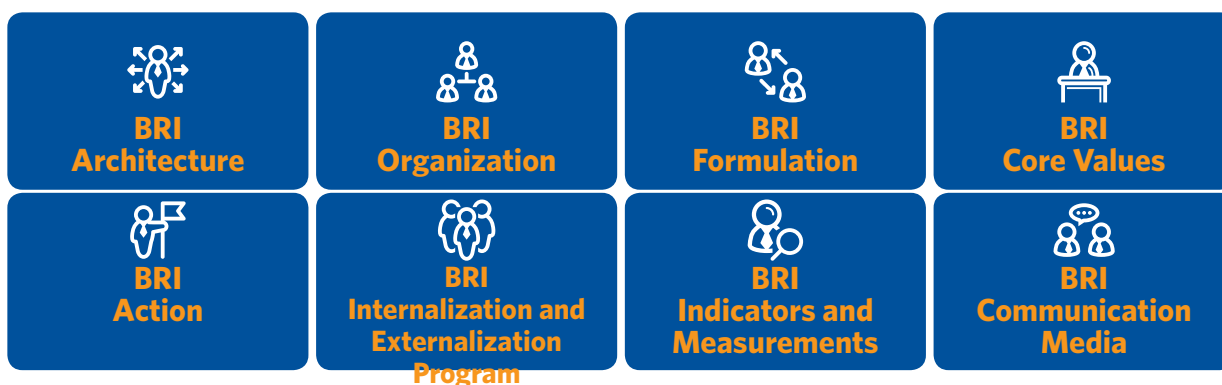
Innovation that has the meaning of always utilizing the ability and expertise to find new solutions and ideas to produce products/policies in answering the challenges of the Bank's problems. Behavior that shows the value of innovation is visionary and pioneering change.



Customer Centric

Customer Centric that has the meaning of always placing the customer as the main partner of mutual benefit to grow on an ongoing basis. Behavior that shows the value of customer centric is to serve more than customers' expectation sincerely and collaboratively.

The scope of Corporate Culture Revitalization includes:



The Corporate Culture Revitalization consists of two programs:

1. Internalization Program; and
2. Externalization Program.

Corporate Culture Internalization Program

The following various internalization program has been established by BRI:

Performance Improvement Forum (PIF)

A forum established for employees to participate actively in the creation of strategies and actions that can improve performance of each work unit in order to achieve its target.

Focus Group Discussion (FGD)

A discussion forum organized with both internal and external parties as part of PIF series of activities. This forum is a formal mechanism to improve transparency culture to improve operating units' performance. The discussion in FGD includes service quality, issues, critics and recommendations, including solutions for an operating units.

Human Capital

SportArtcular	Sports and arts activities held by the Company in collaboration with all BRI Community to welcome BRI Anniversary.
Family Gathering (FG)	Activity organized by the Bank for refreshing for employees and their families as well as a means to apply Know Your Employee principles.
Change Agent Forum (CAF)	Forum organized at BRI Operating Units in order to create, develop, expand, evaluate and monitor BRI's Corporate Culture programs.
The Best Change Agent	Award program for the best Change Agent selected through a selection process with certain criteria.
New Employee Assistance	A coaching program to new employee in a work unit for 1 (one) year supported by a prepared manual, which aims to assist the process of adjusting new employee.
BRI Excellent Award (BEA)	A reward program for employee and the Operating Unit that consistently has the best performance, culture and innovation in the Bank that is expected to be a means to find the best talent, and to encourage the emergence of positive cultures to support Bank's competitiveness.
Forum BRI Millenials	An internalization program of work culture aimed at BRI millennials' employee in the form of discussion forums to discuss the condition of the Bank or the latest banking with a relaxed atmosphere.

Corporate Culture Externalization Program

The BRI's externalization program is as follows:

BRI Communities (BRIComm)	BRI Communities (BRIComm) is established on 25 April 2018. A community formed by BRI employees who have an interest in interest in a similar activity. Currently BRI already has various communities including bicycle community, photography, basketball, golf, running, band, dance, tennis and more.
Bussines Gathering	Relationship-building activity performed by BRI Employee with certain customers or communities that aims to increase BRI's customer loyalty.
Social Activity (BRI Peduli)	BRI's social responsibility activities towards social development.
Religious Activity	The religious activities are performed by BRI Spirituality Board.

Human Capital

Monitoring of Corporate Work Culture Implementation

The implementation of the BRI Work Culture is able to produce an increase in the quality of Human Capital management reflected in the following benchmarks:

1. Value of Corporate Value Self Assessment (CVSA) which is a reflection of the implementation of Corporate Culture values by all BRI Persons and reported in real time on line by the Change Agent (CA) that has been determined in each Work Unit.
2. BRI Internal Service Survey (BISS) value which is the result of a survey or input from customers, both internal and external to each BRI Work Unit regarding Service Quality provided to customers.
3. Value of Corporate Culture Index (CCI) that shows the ratio between the performance of the Work Unit and the value of CVSA and BISS. The CCI value is a measurement index to identify the relationship between the magnitude of the Company's performance compared to organizational culture..

Culture of Innovation with the BRI Excellence Award (BEA)

To increase engagement and innovation competitiveness, the Company periodically organizes the BRI Excellence Award (BEA) event. BRI's Board of Directors views awards to Workers and Work Units that consistently show superior performance is important. In the 2018 BEA program, the Company opens the opportunity as widely as possible for Workers to contribute to increasing the growth of sustainable business performance. The interest of workers to participate in the 2018 BEA event is also good, this is evidenced by the sending of 1,026 proposal ideas by all BRI Workers throughout Indonesia.

HUMAN CAPITAL MANAGEMENT INFORMATION SYSTEM

BRI has a Management Information System (SIM) to manage information technology-based human capital that is integrated in the process of managing Human Capital, from planning to terminating employment. SIM management principles are dual control in order to produce accurate data/information and comprehensive.

In order to improve the effectiveness and efficiency of human capital management, IT system development continues to lead to automation and Employee Self Service (ESS) with BRISTARS application support, which is a web-based application that can be accessed by all employees to perform services independently and carry out business processes in the field human capital. In addition to being accessible via the web, the Company also innovated in 2018 by launching the mobile version of the BRISars application that allows Workers to access HR applications in their hands.

HUMAN CAPITAL DEVELOPMENT

Policy

Human capital education and development refers to the framework of methods and aspects with equal opportunity for all BRI's employees. The education and development include organization induction, vision and mission, corporate culture, required technical competency, and leadership skill. The framework is established based on business needs and aligned with the Company's human capital strategy.

The selected BEA qualified program is further developed to be realized and implemented by the Company. One of the innovation idea launched since the previous year and has been undertaken in 2018 was BRISPOT, a digital transformation under Micro loans business process.

Human Capital

BRI has 2 (two) types of education programs to support business needs and are aligned with the Company's human capital strategy, namely Development Program (Competency Development Program and Management Development Program), and Enhancement Program with the following explanation:

Development Program

The educational program for BRI's prospective candidates or employees is aimed at providing competency learning for certain position. This program is divided into 3 (three) elements:

1. Management Development Program
Educational program aimed at improving the employees' competence for preparation to occupy corporate title positions ranging from Assistant position level up to Executive Vice President.

2. Competency Development Program
Educational program developed based on competency analysis results, company's requirements and actual condition at operating units. This program is divided into two major groups, namely hard competency and soft competency for every Job Title.
3. Master & Doctoral Degree Program
Educational program for BRI's employees that aim at enhancing employees' competence through formal education levels such as master degree and doctoral degree.

Enhancement Program

The enhancement program for employees' competence is divided into 3 (three) levels, namely Basic, Intermediate and Advanced that in line with the employees' position level. The parameters to determine the levels include variety of business product, sales mode, degree of analysis, participants background, business scale, business model, branch level, and so forth.

Development Program

No	Position	Curriculum	Education Objectives
1	AMP Mikro	AMP Mikro Development Program	Participants are able to understand updates to micro business conditions and policies, understand the BRISPOT tutorial, understand AML & CFT.
2	Unit Head	Unit Head of Development Program	Participants are able to understand AML & CFT, risk management, understand simple claims, understand BRI savings products, micro loans and e-banking services.
3	Mantri Kupedes	Mantri Kupedes Development Program (Reguler)	Participants are able to understand AML & CFT, understand risk management and GCG, implement BRILian work culture, understand BRI savings products, micro loans and e-banking services.
4	Mantri Kupedes	Mantri Kupedes Development Program (Shifting)	Participants are able to market BRI deposit products, micro loans and e-banking services.
5	Mantri KUR	Mantri KUR Development Program (Reguler)	Participants are able to understand AML & CFT, understand risk management and GCG, implement BRILian work culture, understand BRI savings products, micro loans and e-banking services.
6	Mantri KUR	Mantri KUR Development Program (Shifting)	Participants are able to market BRI deposit products, micro loans and e-banking services.
7	SPBM	SPBM Development Program	Participants can understand the BRILink Agent business, implement the funding culture, apply the BRILian work culture, understand BRISPOT.
8	BRILink Agents Officers	BRILink Agents Officers Development Program	Participants are able to understand BRI product knowledge, savings and micro loans, understand smart practices and digital financial services.

Human Capital

Development Program

No	Position	Curriculum	Education Objectives
9	Administrative Officers of SOE Creative House (RKB)	Administrative Officers of RKB Development Program	Participants are able to implement work culture, rights, obligations and prohibition of employees and BRILIans, understand product knowledge and e-banking.
10	RM of Retail Funds	RM of Retail Funds Development Program	Participants are able to carry out work activities as Retail Fund RM at Branch Offices / Sub-Branch Offices.
11	Sales Person Dana, Jasa, dan E-Channel	Sales Person Dana, Jasa, dan E-Channel Development Program	Participants understand BRI product knowledge, both savings products, banking services & e-channels.
12	RM of Retail Loans Function	RM of Retail Loans Function Development Program First Level	Participants are able to identify the potential and competencies of the commercial retail business, integrated marketing (Integrated Banking Solution), monitoring the credit portfolio, funds, and other bank services.
13	RM of Retail Loans Function	RM of Retail Loans Function Development Program Second Level	Participants are able to identify the potential and competencies of the commercial retail business, integrated marketing (Integrated Banking Solution), monitoring the credit portfolio, funds, and other bank services.
14	RM of BRIGuna Loans	RM of BRIGuna Loans Development Program	Participants are able to carry out work activities as Relationship Managers at Branch Offices / Sub-Branch Offices, as follows: <ul style="list-style-type: none"> - Identification of business potential and competition - Marketing and monitoring of other banks credit, fund and service portfolios - Credit quality control and handling of non-performing loans.
15	RM of Consumer Loans	RM of Consumer Loans Development Program	Participants are able to carry out work activities as Relationship Managers at Branch Offices / Sub-Branch Offices as follows: <ul style="list-style-type: none"> - Identification of business potential and competition - Marketing and monitoring of other banks credit, fund and service portfolios - Credit quality control and handling of non-performing loans.
16	RM of Program Loans	RM of Program Loans Development Program	Participants are able to carry out work activities as Account Officers at Branch Offices / Sub-Branch Offices as follows: <ul style="list-style-type: none"> - Identification of business potential and competition - Marketing and monitoring of other banks credit, fund and service portfolios - Credit quality control and handling of non-performing loans.
17	Collection Employee	Collection Employee Development Program	Participants are able to identify credit card debtor problems.
18	Assistant Operations & Service Manager	Assistant Operations & Service Manager Development Program	Participants are able to carry out Branch Office operations, which include: <ul style="list-style-type: none"> - Management of marketing activities for savings products and other deposit transaction banking services - Leading functions that are responsible for service & e-channel operations. - AML & CFT Management

Human Capital

Development Program

No	Position	Curriculum	Education Objectives
19	Supervisor of Sub Branch Office	Supervisor of Sub Branch Office Development Program	Participants are able to supervise <ul style="list-style-type: none"> - Activities for marketing deposit products and other bank transaction services, - Activities and supervision of service and operational & e-channel activities - Planning activities related to AML & CFT management - Human capital management activities
20	Supervisor of BRI Unit	Supervisor of BRI Unit Development Program	Participants are able to carry out the operational activities of the BRI Unit which includes : <ul style="list-style-type: none"> - Service management for every banking activity - Manage e-channels (ATM, EDC & other e-channels) - Manage and monitor BRI Unit Cash - Manage operational activities efficiently and prudently - Manage HR.
21	Supervisor of Cash Service	Supervisor of Cash Service Development Program	Participants are able to carry out Excellent Service, Cash administration, Reconciliation, cash ratio management and Cash Machine in the Work Unit.
22	Supervisor of Operations Service	Supervisor of Operations Service Development Program	Participants are able to carry out their duties and responsibilities in the form of supervision of services related to account opening, cross selling and bundling activities, maintenance of customer data including CIF and supervising Prima service activities.
23	Supervisor of Operations Support	Supervisor of Operations Support Development Program	Participants are able to supervise: <ul style="list-style-type: none"> - Budget management and increased fee-based income - Management of secretarial administration - Management of human capital in an orderly manner - Management and maintenance of fixed assets / logistics - Management and maintenance of IT & e-channel application and device systems
24	Supervisor of Business Support	Supervisor of Business Support Bisnis Development Program	Participants are able to supervise activities to support marketing, sales and credit & credit administration.
25	RAU Sumber Associate Auditor	RAU Sumber Associate Auditor Development Program	Participants are able to understand the organization & internal audit charter, business risk framework, the role of internal audit, monitoring, implementing planning and conducting individual audits.
26	RAU Sumber Unit Head	RAU Sumber Unit Head Development Program	Participants are able to understand the organization & internal audit charter, business risk framework, the role of internal audit, monitoring, implementing planning and conducting individual audits.
27	RAK	RAK Development Program	Participants are able to understand the organization & internal audit charter, business risk framework, the role of internal audit, monitoring, implementing planning and conducting individual audits.
28	Associate Auditor	Associate Auditor Development Program	Participants are able to understand the organization & internal audit charter, business risk framework, the role of internal audit, monitoring, implementing planning and conducting individual audits.
29	Lateral Joiner	Lateral Joiner Development Program	Participants are able to understand the organization & internal audit charter, business risk framework, the role of internal audit, monitoring, implementing planning and conducting individual audits.

Human Capital

Development Program

No	Position	Curriculum	Education Objectives
30	ADK Officers	ADK Officers Development Program	Participants are able to carry out credit administration and documentation.
31	Customer Service of BRI Unit	Customer Service of BRI Unit Development Program	Participants can carry out prime service activities for customers or prospective customers who will use banking products and services.
32	Fund, Service and Reconciliation Officer	Petugas Dana, Jasa dan Rekonsiliasi Development Program	Participants are able to carry out operational administrative services & service funds.
33	Customer Service of Branch Office	Customer Service of Branch Office Development Program	Participants are able to carry out CS duties and responsibilities, carry out account opening services, other facilities & services..
34	Teller	Teller Development Program	Participants are able to carry out Teller cash management, customer transactions (cash and non-cash) and marketing products.
35	Foreign Exchange Officer	Foreign Exchange Officer Development Program	Participants are able to understand the overview of BRI's Trade Finance services, Incoterm and Remittance, International Business General Policy & International Transaction Risk Mitigation.
36	Dunner	Dunner Development Program	Participants are able to understand Dunner's job descriptions, Credit Basics, Product Knowledge Consumer Credit Loans and apply Customer Complaints Acceptance and Settlements.
37	Social Assistance Officer	Social Assistance Officer Development Program	Participants are able to understand the flow of Bansos, Overview of Assignments, Monitoring and Evaluation, Complaint Handling, Knowledge.
38	IT Officer	IT Officer Development Program	Participants are able to carry out the management and maintenance of IT and e-channel application and equipment systems.
39	Secretary	Secretary Development Program	Participants can carry out the main responsibilities, schedule and document letters or in-out documents.
40	Unit Administration Officer	Unit Administration Officer Development Program	Participants are able to carry out Administrative and Reporting activities on Micro Credit Portfolios, other bank funds and services, secretarial and human capital, and availability of logistics.
41	Operational Support Officer	Operational Support Officer Development Program	Participants are able to carry out budget management activities and increase fee-based income at Branch Offices, human capital management activities, management and maintenance activities of fixed assets/logistics, and activities to improve service quality to customers.
42	Trade Processing Centre Officer	Trade Processing Centre Officer Development Program	New employees are able to carry out trade processing center activities.
43	Credit Card Contact Centre Skill	Credit Card Contact Centre Skill Development Program	Participants are able to understand the provisions of credit cards, credit cards & Risk Management.
44	Agent Helpdesk	Agent Helpdesk Development	Participants were able to carry out the operational activities of the Helpdesk service in the form of information center and complaint handling delivered by internal customers (BRI Operational Unit) through Contact Centers & Telesales Channels namely Call & Non Call (Social Media managed by BRI).

Human Capital

Development Program

No	Position	Curriculum	Education Objectives
45	Agent Contact Center Skill Banking	Agent Contact Center Skill Banking Development Program	Participants are able to carry out operational activities of Contact Center Skill Banking services in the form of information center and complaint handling delivered by BRI banking customers, BRI Prioritas customers, BRILink & Merchant customers, and core collaboration customers.
46	Credit Investigator	Credit Investigator Development Program	Participants are able to carry out inspection activities, collateral assessment, verification of the legality of collateral and business as well as the process of binding collateral in accordance with applicable regulations.
47	Clearing Officer	Clearing Officer Development Program	Participants are able to carry out excellent administrative and operational service activities related to clearing.
48	Credit Risk Analysis	Credit Risk Analysis Development Program	Participants are expected to be able to carry out credit risk analysis and evaluation.
49	Staff of the International Business and Treasury Section of the Regional Office (Staff BIT Regional Office)	Staff of the International Business and Treasury Section of the Regional Office (Staff BIT Regional Office) Development Program	Participants are expected to be able to understand products, services and international business processes and treasury.
50	Officer Development Program (ODP) Internal	Officer Development Program (ODP) Internal	Aim to prepare BRI leadership cadres from BRI employees who have superior achievement to fill strategic positions.
51	PPS General Affairs	Staff Development Program (PPS General Affairs)	Aims to prepare staff who are ready to carry out their duties and responsibilities properly.
52	PPS IT	IT Staff Development Program (PPS IT)	Aims to prepare IT Staff who are ready to carry out their duties and responsibilities properly.
53	All Supervisors	Supervisor Development Program (Management Development Program)	Aims to prepare leaders who are able to lead an organizational function as a first line manager and perform the banking basis in general.
54	Assistant Manager	Assistant Manager Development Program	Aims to prepare leaders who are able to lead several organizational functions and use banking knowledge proactively in their work units.
55	Manager	Manager Development Program	Aims to provide hard skill, soft skill, attitude to the employees who will and have assumed the position as Manager.
56	Sub Branch Manager	Sub Branch Manager Development Program	Aims to provide hard skills, soft skills, attitudes to employees who will and have assumed the position as the Sub Branch Manager.
57	Branch Manager	Branch Manager Development Program	Aims to provide (hard skill, soft skill, attitude) for employees who will and have occupied the position as Branch Manager.

Human Capital

Development Program

No	Position	Curriculum	Education Objectives
58	Assistant Vice President and Vice President	Assistant Vice President Development Program (AVPDP) and Vice President Development Program (VPDP) (Management Development Program)	Aims to provide hard skills, soft skills, conducts that will and have occupied the position of the Assistant Vice President and Vice President.

Enhancement Program

No	Position	Curriculum	Learning Objective
1	MP Mikro	MP Mikro Enhancement Program	Participants are able to understand critical points of operational risk, credit risk, legal risk and reputation risk in managing micro businesses.
2	AMP Mikro	AMP Mikro Enhancement Program	Participants are able to apply the BRI Unit Service Guide, monitor the application of AML CFT, understand the product knowledge of BRI deposits, micro loans and e-banking services.
3	Unit Head	Unit Head Enhancement Program	Participants are able to manage microcredit problems, monitor loan insurance processes, implement AML CFT.
4	Mantri Kupedes	Mantri Kupedes Enhancement Program	Participants can manage Kupedes Insurance, apply BRI Unit service guides & implement sales strategies.
5	Mantri KUR	Mantri KUR Enhancement Program	Participants can understand the product knowledge of savings, micro-loans and e-banking services, to mentor micro debtors.
6	Mantri Briguna	Mantri Briguna Enhancement Program	Participants can understand the terms of Briguna's insurance, product knowledge deposits and Briguna loans, understand Briguna's policies.
7	BRILink Agent Officer	BRILink Agent Officer Enhancement Program	Participants can understand the rights and responsibilities of the PAB, understand the product knowledge of BRI savings & Micro loans.
8	Administrator of RKB	Administrator of RKB Enhancement Program	Participants can understand the duties and responsibilities of the RKB Coordinator/PA, understand the product knowledge of BRI deposits & Micro loans.
9	RM of Retail Funds	RM of Retail Funds Enhancement Program 2019	Participants are able to identify potential and competition for business funds, and other bank services.
10	Sales Person Funds, Services & E-Channel	Sales Person Funds, Services & E-Channel Enhancement	Participants are able to carry out supporting activities for the acquisition and marketing of retail deposits & other bank services.
11	Relationship Manager of Retail Loans	Relationship Manager of Retail Loans Enhancement Program (Advanced)	Participants are capable of conducting debtor/prospective debtor marketing activities & initiating credit with a business transaction approach.

Human Capital

Enhancement Program

No	Position	Curriculum	Learning Objective
12	RM of Program Loans	RM of Program Loans Enhancement Program	Participants are able to carry out credit quality control activities adequately.
13	Relationship Manager of NPL Loans	Relationship Manager of NPL Loans Enhancement Program	Participants are able to carry out activities to settle intracomptable and extracomptable non-performing loans through legal channels to minimize risks in order to protect BRI's interests.
14	Relationship Manager of Consumer Loans	Relationship Manager of Consumer Loans Enhancement Program	Participants are able to conduct marketing activities of debtors/prospective debtors & initiate credit to build relationships with companies for HOP/COP programs.
15	Relationship Manager of BRlguna Loans	Relationship Manager of BRlguna Loans Enhancement Program	Participants are able to conduct marketing activities of debtors/prospective debtors & initiate credit with a pattern of identifying potential activities & briguna business competition.
16	AMPK Consumer	AMPK Consumer Enhancement Program	Participants are able to apply the leadership function by building their own potential in communication.
17	Loans Marketing Assistant Manager	Loans Marketing Assistant Manager Enhancement Program	Participants are able to conduct marketing activities of debtors/prospective debtors in a business transaction approach.
18	RM of Agriculture Loans	RM of Agriculture Loans Enhancement Program	Participants are able to carry out marketing activities & initiate agricultural sector loans.
19	AMPD	AMPD Enhancement Program	Participants are able to identify the potential and competition of other bank funds and services businesses, and marketing and monitoring the fund portfolio and other bank services.
20	Supervisor of Business Support	Supervisor of Business Support Enhancement Program (Basic)	Participants are able to manage loan product marketing activities, implementation and supervision of credit administration activities.
21	Supervisor of Business Support	Supervisor of Business Support Enhancement Program (Intermediate)	Participants are able to manage loan product marketing activities, implementation and supervision of credit administration activities.
22	ADK Officer of Commercial & Program	ADK Officer of Commercial & Program Enhancement (Basic)	Participants are able to carry out credit administration activities
23	ADK Officer of Commercial & Program	ADK Officer of Commercial & Program Enhancement (Intermediate)	Participants are able to carry out credit administration activities.

Human Capital

Enhancement Program

No	Position	Curriculum	Learning Objective
24	ADK Officer of Briguna & Consumer	ADK Officer of Briguna & Consumer Enhancement (Basic)	Participants are able to carry out consumer credit marketing program activities, conduct credit disbursement processes, manage credit documents and compile credit reports.
25	ADK Officer of Briguna & Consumer	ADK Officer of Briguna & Consumer Enhancement (Intermediate)	Participants are able to carry out consumer loan restructuring, carry out the credit disbursement process, and prepare credit reports.
26	Associate Auditor	Associate Auditor Enhancement (Intermediate)	Participants can perform the Audit for Brinet.
27	Resident Auditor Unit	Resident Auditor Unit Enhancement (Intermediate)	Participants are able to carry out audits effectively and efficiently.
28	Resident Auditor of Branch Office	Resident Auditor of Branch Office Enhancement (Intermediate)	Participants can carry out audits and provide consultations as SBP (Strategic Business Partners) in branch offices, Sub Branch Offices, Cash Offices, and other BRI outlets.
29	Supervisor of BRI Unit	Supervisor of BRI Unit Enhancement (Basic)	Participants are able to manage marketing activities and other transaction banking services, implement BRI's terms and policies, manage and monitor BRI.
30	Supervisor of Operations Support	Supervisor of Operations Support Enhancement (Intermediate)	Participants are able to supervise HR management activities to supervise Bank Financial Transactions to ensure the efficiency of operations and supervision of activities.
31	Operations Support Officer	Operations Support Officer of Branch Office Enhancement (Basic)	Participants are able to implement the provisions of Logistic, the provisions of management of human capital.
32	Unit Admin Officer	Unit Administration Officer Enhancement (Basic)	Participants are able to carry out administrative activities and reporting of microfinance portfolios, funds and other bank services, secretarial and human capital.
33	Operations & Services Manager	Operations & Services Manager Enhancement (Intermediate)	Participants are able to manage the marketing of savings products and other transaction banking services; Implementation and Supervision of office and operational services, e-channel and logistics, Management of AML & CFT, Administrative activities, Planning, implementation and operation of e-channels.
34	Operations & Services Assistant Manager	Operations & Services Assistant Manager Enhancement (Intermediate)	Participants are able to carry out Branch Office operations, which include: <ul style="list-style-type: none"> - Manage marketing activities for savings products and other deposit transaction banking services. - Leading functions that are responsible for the activities and supervision of services and operations including e-channels. - AML & CFT Management.
35	Cash Service Supervisor	Cash Service Supervisor Enhancement (Basic)	Participants are able to update product knowledge, service awareness, operational oversight, bank secret AML CFT, and conduct cash management and security.

Human Capital

Enhancement Program

No	Position	Curriculum	Learning Objective
36	Customer Service Unit and PA KUR	Customer Service Unit and PA KUR Enhancement (Intermediate)	Participants are able to carry out banking services and education, the process of verifying deposits and loans.
37	Cash Service Supervisor	Cash Service Supervisor Enhancement (Intermediate)	Participants can properly book & verify cash management processes properly, understand the latest products and practice digital banking, understand the risks of AML & CFT and bank confidentiality.
38	IT Officer	IT Officer Enhancement	Participants are able to carry out management and maintenance of IT and e-channel application and equipment systems including complaint handling and problem solving to support the efficient operations.
39	Sub Branch Office Supervisor	Sub Branch Office Supervisor Enhancement (Intermediate)	Participants can implement and resolve problems that arise in the Sub-Branch Office so that they can maximize business processes and guarantee accuracy in carrying out operational activities.
40	Customer Service of Branch Office/ Sub Branch Office/Cash Office	Customer Service of Branch Office/Sub Branch Office/Cash Office Enhancement	Participants are able to carry out customer service professionally to prevent abuse and crime.
41	Foreign Exchange Officer	Foreign Exchange Officer Enhancement (Basic)	Participants can carry out trade finance excellent service activities to ensure efficient and secure transactions.
42	Foreign Exchange Officer	Foreign Exchange Officer Enhancement (Intermediate)	Participants can carry out trade finance excellent service activities to ensure efficient and secure transactions.
43	Funds Service Officer	Funds Service Officer Enhancement (Intermediate)	Participants are able to carry out the duties and responsibilities of administration of funds, services, trade finance operations to achieve the set fee-based income targets.
44	Operations Service Supervisor	Operations Service Supervisor Enhancement	Participants are able to perform the duties and responsibilities of the SLO properly and properly in accordance with the prevailing regulations.
45	Corporate Loans Relationship Manager (RM)	Corporate Loans Relationship Manager (RM) Enhancement Program	Participants are able to carry out marketing activities on loan products in the corporate segment as well as cross selling deposit products and other bank services.
46	Credit Risk Analyst	Credit Risk Analyst Enhancement Program	Participants are able to apply their insights and knowledge related including financial statement analysis, bankruptcy, taxation to be able to support their work as credit risk analysts.
47	Division Head of Credit Risk Analyst	Division Head of Credit Risk Analyst Enhancement Program	Participants are able to understand macroeconomic conditions, trade finance and treasury products, and company valuation to support their duties and responsibilities.

Human Capital

Enhancement Program

No	Position	Curriculum	Learning Objective
48	Relationship Manager (RM)	Corporate Funds Relationship Manager (RM) Enhancement Program	Participants are able to conduct financial services marketing activities and fund mobilization and trickle down business through intensive and continuous collaboration with customers.
49	Regional Relationship Manager (RRM)	Regional Relationship Manager (RRM) of Corporate Funds Enhancement Program	Participants are able to conduct financial services marketing activities and fund mobilization and trickle down business through intensive and continuous collaboration with customers.
50	Staff Section Head of Investment Services Division (DIS)	Staff Section Head of Investment Services Division (DIS) Enhancement Program	Participants are able to carry out marketing activities of trust and corporate services, custodian services, and Public Housing Savings (Tapera) hence the business target is achieved in order to increase BRI's fee-based income.
51	Staff of International Business and Treasury (BIT)	Staff of International Business and Treasury (BIT) Enhancement Program	Participants are able to carry out international business marketing activities and treasury products for performance achievement and expansion of international business as well as achieving performance and marketing targets for treasury products.
52	Section Head of International Business and Treasury (BIT)	Section Head of International Business and Treasury (BIT) Enhancement Program	Participants are able to carry out international business marketing activities and treasury products for performance achievement and expansion of international business as well as achieving performance and marketing targets for treasury products.
53	Group Head, Section Head, Staff and Dealer of Treasury Business Division	Group Head, Section Head, Staff and Dealer of Treasury Business Division Enhancement Program	Participants are able to conduct marketing and service activities for corporate and retail treasury customers, which include foreign exchange, money market, fixed income and derivative transactions and support portfolio management.
54	Relationship Manager (RM)	Medium Loans Relationship Manager (RM) Enhancement Program	Participants are able to conduct marketing activities and the provision of integrated banking solution services to middle segment customers and their value chains to increase credit growth, funds (average balance), and fee based income from medium segment customers and their value chains.
55	Relationship Manager (RM)	Relationship Manager (RM) of Agriculture Medium Enhancement Program	Participants are able to conduct marketing activities and the provision of integrated banking solution services to the medium agricultural segment customers and their value chains to increase credit growth, funds (average balance), and fee-based income from middle-class agricultural segment customers and their value chains.

Human Capital

Enhancement Program

No	Position	Curriculum	Learning Objective
56	Marketing Manager	Marketing Manager Enhancement Program	Participants are able to translate a strategy in real and orderly action in its implementation, understand the Digital Era, carry out proper Sales Supervisory (sales Coaching and Counseling), carry out communication, negotiation and presentation skills to obtain customers.
56	Sub Branch Manager	Sub Branch Manager Enhancement Program	Participants are able to translate a strategy in real and orderly actions in its implementation; maximize revenue, streamline costs and organize portfolios in the Work Unit.
57	Branch Manager	Branch Manager Enhancement Program (Branch Simulator)	Participants can manage the Work Unit by using the 4DX approach, finding the lead measure according to the problems in their respective work units.

In 2018, BRI has conducted various educational programs with the realization of the number of education participants totaling 2,987,284 participants with a composition of 4.4% being In Class and 90% e-Learning education, and the remaining 3.5% being FPK/FGD participants and 2.1% for socialization the details are as follows:

No	Educational Programs	2016	2017	2018
1	Development	12,769	11,326	9,895
2	Enhancement	1,202,377	1,604,946	2,799,661
3	FPK/FGD	128,163	93,691	109,762
4	Dissemination	149,114	63,231	67,963
5	Literacy	-	-	3
TOTAL		1,492,423	1,773,194	2,987,284

Enhancement program includes certifications, public course and e-Learning. While Educational development includes master degree.

In implementing human capital development programs, BRI is supported by 8 learning centers across Indonesia that equip with an average capacity of 500 participants, professional lecturers from various BRI business disciplines, as well as adequate and latest educational and training facilities with optimum support of information technology.

BRI applies Enterprise Learning Management System to support the operation of its education and competency development. This is an integrated information technology and system that cover participants data management, educational program data, administration and distribution of education materials, results evaluation, and supporting facilities.

Human Capital

BRI Corporate University

Educational facility provided by BRI Corporate University that has been established since 2015 is the realization of BRI's commitment to elevate employees' capacity through quality educational programs in line with the Company's business growth and strategic objectives. The BRI Corporate University's architecture is described as follows:



BRI Corporate University Architecture consists of the following components:

- **Basic Foundation**

Basic foundation is a principal element that serve as a platform of all educational activities in BRI Corporate University, which consist of:

- a. **Corporate Strategic Objectives**

All educational activities in BRI Corporate University shall be in harmony with the Company's strategic objectives.

Human Capital

- b. **Personal Character, Culture, Values & Competency**
BRI Corporate University education reflects and enhance good character, culture, values and competency of employees and in line with the Company's strategic objectives achievements.

- **Building Block**

Building block is the supporting elements of BRI Corporate University operations that consist of:

a. Program Design & Development	Design and development of education curriculum, syllabus and material based on the analysis of educational requirements, meeting the education rules, and implementing the latest education best practices.
b. Profesional Lecturer	Lecturer with expertise in knowledge and skills that in line with BRI core business and core competency, and qualified in education teaching and management.
c. Students Motivation	Educational program participants that have active learning culture and high motivation in developing their competencies to enhance individual and organization performance.
d. Modern Facilities	Modern, equip, convenience educational facilities, and in line with dynamic educational program activities.
e. Adequate Budget	Availability of educational budget to support Educational Programs.
f. Technology	Utilization of the latest communication technology and information to support educational programs to keep abreast of participants requirements in such programs.
g. Branding & Marketing	Internal and public awareness on the Company's commitment in sustainable education activities.
h. Quality Assurance & Measurement	Quality management and performance measurement of educational programs.
i. Alliances	Cooperation or partnership with third parties supporting BRI Corporate University to achieve the vision, mission and strategic targets.
j. Risk & Compliance	All educational programs take into account risk aspects toward human capital and the Company, and compliance aspect on prevailing regulations.

These elements serve as a platform for BRI Corporate University integrated management system.

- **Academy**

Academy is an element in BRI Corporate University that develops educational programs aligned with BRI core business and core competency.

- **Enterprise Learning Management System (Learning Management & Knowledge Management System)**

Enterprise Learning Management System is an integrated information system and technology that includes participants data management, educational programs data, administration and distribution of education materials, evaluation results, and supporting facilities.

Human Capital

• Output BRI Corporate University

Output of BRI Corporate University aims at creating employees of high character, competence and performing, and the creation of great entrepreneur leaders.

This output eventually enhances the achievement of Center of Excellence as the vision of BRI Corporate University.

Roadmap

Long Term Roadmap

Destination Statement	2018	2019	2020	2021	2022
	Leading MSME & Operational Excellence Through Digital Banking	Leading Consumer Banking in Indonesia	Integrated Financial Solution	The Most Valuable Banking Group in Indonesia	Most Valuable Bank in SEA & Home to The Best Talent
Human Capital Roadmap	2018	2019	2020	2021	2022
	Build & Deliver Compelling EVP	Ensuring Performance Driven	Strengthen BRI Employee Brand	Preserving BRI Position as the Employer Choice	Home to The Best Talent
BRI Corpu Roadmap	2018	2019	2020	2021	2022
	The Best Corporate University in Indonesia	Integrated Learning Solution for BRI Group	Integrated Operation Excellence for BRI Group	Intelligence Learning (Intelligent, Personalized, Digital Data Driven)	Center of Professional Excellence

The roadmap that was previously established was amended where BRI Corporate University is targeting to achieve The Best Corporate University in Indonesia earlier by 2018 instead of 2021. Thereby the target of BRI Corporate University in 2021 is to develop personalized educational program based on artificial intelligence data driven.

Human Capital



The training program is based on 3 (three) aspects that need to be considered in preparing education for workers within a company, namely Competence to Do Work; Business Challenges; and Management & Leadership.

To answer these aspects, BRI has 2 (two) types of education programs as described previously, namely Development Program (Competency Development Program and Management Development Program), and Enhancement Program.

To realize the performance of these programs, BRI has created employees' post namely Learning Designer and Lecturer. The Learning Designer is created for employee responsible in developing analysis, curriculum, learning material and designing evaluation. While Lecturer is created for employee that has certain skills and assigned to transfer knowledge and skill in accordance with the set curriculum, learning materials and methods.

In creating a system that enable the achievement of competence learning process or its targets, BRI applies systematic approach of continuous learning. The continuous learning is an ability that can build and develop the employees' skill, knowledge and attitude, thereby effective performance can be achieved and can quickly adapt to every changes in their surroundings. In this program, Formal Learning is used as well as Informal Learning such as Coaching & Mentoring, Community of Practice (COP), On The Job Learning, Online Collaboration Forum, and so forth.

Human Capital



SMARTUBE

The employees knowledge is an important assets for the Company, in which it will be unusefull if other employees are deprived from this information nor if it does not well documented. The Company can document this knowledge by creating a Knowledge Management System (KMS), a system that can be applied for the management of employees' knowledge. KMS aims at updating tacit knowledge into explicit knowledge – from undocumented knowledge into documented knowledge.

BRI's KMS is developed with a platform called BRISmart. In BRISmart a feature called Smartube is created. Smartube can be utilized by the employees to watch videos that function as knowledge sharing with employees. With Smartube, employees can experience more attractive – not boring – learning process, or in other word function as a collaborative learning and knowledge management media.



BRI INSTITUTE

BRI Institute is a technology and business institute established upon the foundation to create competent human capital that are able to address the challenge in current digital era.

Aligned with BRI aspiration to become the Home to The Best Talent in 2022, we enhance this vision by continuously enhancing the existing and prospect human capital capacity, hence to achieve the goal to be the "company of choice" for Indonesia's best talents. This is undertaken by providing non formal and formal quality education for all BRI's employees.

Human Capital

In non formal education, BRI has established the Corporate University that in 2018 successfully attained the award as Indonesia's Best Practices of Corporate University for the category of Financial Services and Best of the Best Indonesia's Best Practices of Corporate University in all industry. In formal education, BRI always cooperates with the best universities in Indonesia to recruit the best talents to join BRI. In addition, BRI also regularly sends its best employees to participate in master programs at several qualified universities such as the USA, UK, Australia and Asia.

To emphasize the vision to become the Home to The Best Talent, BRI has the initiative to establish a formal educational institution. This establishment is not an easy task. In its development, BRI has to fulfill all requirements and procedures set by the Government.

Since 2016, the Government through the Ministry of Research, Technology and Higher Education has carried out the Moratorium on the establishment of new University. This new moratorium only allowed the establishment of Vocational and Technology Institutes with study program in STEM or Science, Technology, Engineering and Mathematics.

This moratorium was one of the reason for BRI to establish a Technology Institute. The other background of this establishment is that Technology Institute is considered align with BRI business as the requirement of future human capital fulfillment that are competent in technology will be increasing, given that the financial and banking industry become one of the most disrupted industry by the current digital technology advances.

Pursuant to the decree of Ministry of Research, Technology and Higher Education, the new University can only be established under principle of non-profit legal entity called "Organizing Agency". To address this, BRI through Employee Welfare Foundation, established the BRILian Indonesia Gemilang Foundation (YBIG). The YBIG is then acted as the "Organizing Agency" and conducted the application process for the establishment of new university to the Ministry of Research, Technology and Higher Education. Eventually the Establishment Permit for BRI Technology and Business Institute, which further called BRI Institute was officially attained from the Ministry of Research, Technology and Higher Education effective as of 14 November 2018.

Human Capital

BRI Institute has developed 6 (six) Study Programs in technology that focusing on micro financial technology, insurance technology, digital sharia banking, digital banking business and financial, digital banking, and entrepreneurship technology. This is specifically intended to fulfill competent human capital requirements for BRI, and generally for the financial industry in Indonesia in addressing the competition in the current digital economic era.

AWARDS

On 15 October 2018 BRI Corporate University received the Indonesia's Best Practices of Corporate University 2018 award in the event organized by PLN Corporate University in cooperation with SWA magazine defeating the other 23 participants. BRI Corporate University received 1stPlace in the category of financial services as well as the best of the best for all sectors (financial services, non financial services and manufacturing & processing).



Human Capital

Indonesia's Best Practice of

CORPORATE UNIVERSITY 2018

1ST PLACE



Company	Learning Need Analysis	Learning Design	Learning Delivery	Learning Evaluation	Leadership Learning	Digital Learning	Integrated Learning	Final Scores	Rating
Bank BRI	90.83	91.67	90.00	90.50	89.17	91.67	92.00	90.83	EXCELLENT

HUMAN CAPITAL DEVELOPMENT COSTS

BRI's education and human capital development cost in 2018 was recorded at Rp603 billion. BRI succeeded in carrying out education cost efficiency at 32.9% with a cost per employee of Rp202,000 per participant through technology implementation (e-learning). The following are the details of BRI's 2018 human capital education costs:

LEARNING COST

Program		Rupiah (million)
		Real 2018
Development		106,678
Enhancement		323,566
Total Dev & Enh		430,244
FPK/FGD		155,736
Socialization		3,418
Literacy		444
Support		13,211
Total FPK, Socialization, Literacy, & Support		172,809
Total Costs		603,053

LEARNING PARTICIPANTS

Program		2017	2018	Rupiah (Million)
				%
Development		11,326	9,895	(12.6)%
Enhancement		1,604,946	2,799,661	74.4%
Total Dev & Enh		1,616,272	2,809,556	73.8%
FPK/FGD		93,691	109,762	17.2%
Socialization		63,231	67,963	7.5%
Literacy		-	3	-
Total FPK, Socialization & Literacy		156,922	177,728	13.3%
Total Participants		1,773,194	2,987,284	68.5%

Human Capital

LEARNING COST EFFICIENCY

Learning Cost Efficiency (Biaya per Peserta)

Rupiah (Thousand)

Program	2017	2018	% Efficiency
Development	11.623	10.781	7,2%
Enhancement	159	116	27,3%
Cost per Participant I	239	153	36,0%
FPK/FGD	1.465	1.419	3,1%
Socialization	63	50	20,5%
Literacy	-	147.887	-
Cost per Participant II	936	972	(3,9)%
Total Cost per Participant I & II	301	202	32,9%

There was an efficiency of 32.5% compared to the realization of Dec 2017, which was influenced by: Increased number of Enhancement participants dominated by e-learning, resulting in lower per-participant costs.

LEARNING EFFECTIVITY

During 2018 BRI carried out educational development and enhancement programs to 2,987,284 participants. The results of the evaluation of BRI's education effectiveness reached 87.21.

Program	Learning Evaluation			Total Evaluation
	Level 1	Level 2	Level 3	
Development	85.20	87.60	-	86.88
Enhancement	81.19	91.17	86.60	87.26
Average	81.20	91.16	86.33	87.21

Note:
 Passing Grade 75
 Level 1 : Student Reaction & Satisfaction (30%)
 Level 2 : Student Learning Result (Skill & Knowledge Improvement) (50%)
 Level 3 : Student Learning Behaviour (Application) (20%)

REMUNERATION MANAGEMENT

Performance and Remuneration Assessment

BRI applies competency-based performance assessments to ensure objective and fair results. The performance appraisal system in 2018 continues to be refined. In establishing the Key Performance Indicator (KPI) in the Performance Management System (SMK) process, BRI always integrates the Company's targets to all its Workers, so that Individual KPIs and Corporate KPIs can be in line.

The company consistently standardizes KPI content for all positions at BRI (except Staff and Administrative Officers), this is intended to sharpen performance appraisal so that objectivity and fairness of performance appraisal

can be maintained. In addition to the standardization of KPI content in 2018 the Company has automated the achievement of KPI targets for Marketers' Position and implemented monitoring of KPI achievement with the cycle of quarterly Performance Appraisal.

BRI designs the structure of employee remuneration based on several factors such as work performance, competency, and the level of living costs in each geographical Work Unit to ensure a fair, competitive system, and according to the needs and capabilities of the Company.

Types of Compensation and Benefits

Compensation and benefits for BRI Workers, namely:

- Fixed compensation, consisting of Basic Wages and Benefits.
- Variable compensation given to employees based on performance achievements.

Human Capital

- To provide a sense of security and comfort in work, BRI provides facilities in the form of benefits to employees. This benefit is received during the working period such as health care programs or those received after the end of employment relationships such as pension plans, as well as other facilities commonly provided by similar companies in the banking industry.
- To improve Employee engagement and sense of belonging to the Company and provide long-term motivation/incentives to Employees to achieve the Company's stated performance targets, BRI provides Management and Employee Stock Ownership Program (MESOP) to BRI Workers in in 2017. Workers who are given a share allocation are permanent workers with certain performance. The granting of share rights (Grant date) is determined on 31 December 2016 with a vesting period of 2 (two) up to 3 (three) years.

Increase in Compensation

BRI applies a merit increase strategy in the application of compensation workers. This means that workers who have high performance will get higher compensation as well. Or arguably the increase in wages is directly proportional to the performance of workers.

In 2018 BRI also adjusted the amount of wage compensation and formulas for performance benefits that were more challenging than in previous years, especially for marketers who were the spearheads of the Company.

PENSION PROGRAMS

To improve employees convenience during their active employment, BRI prepares a benefit program following the employment termination or retirement: Various programs implemented are:

- Defined Benefit Pension Plan (PPMP)
- Defined Contribution Pension Program (PPIP)
- Old-Age Benefit (THT)
- Jamsostek Old Age Security Program (JHT)
- Pension Guarantee Program (BPJS Employment)
- Retirement Health Care (Prospens)

In the retirement preparation, employees are entitled to receive entrepreneurship education from the Company as provision for retirement.

HUMAN CAPITAL MANAGEMENT PERFORMANCE

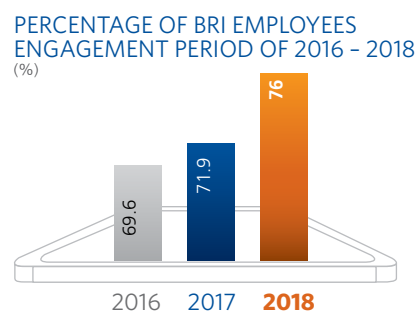
Tingkat Turnover

The satisfaction of BRI employees towards Human Capital management is measured from the turnover rate. In 2018, the turnover rate reached 2.97%, lower than the industry turnover rate of 12%.

The turnover figures indicate that the Company's efforts to maintain and retain employees have indicated positive results. The Company's efforts to maintain the level of turnover include providing compensation at a competitive level compared to industry, benefits that provide a sense of security and comfort at work, a motivating career path and a favorable work environment.

Engagement Level

The internally organized Employee Survey in 2018 shows that 76% of employees claim to be engaged with the Company. This is an increase compared to 71.9% in 2017 survey. As for the level of satisfaction in 2018, 90% of employees claim satisfied working at BRI.



The Company believes the employee engagement is derived from the implementation of various initiatives in human resource management. Going forward, the Company will remain committed to formulating policies that will increase the employees' engagement, especially generation Y employees, as this becomes majority of employees in BRI that reach 80% of total employees.

Human Capital

Productivity Level

In 2018, the employee productivity level as measured by Earning per Employee (EPE) reached Rp518.81 Million/Employee, an increased compared to EPE achievement in 2017 at Rp306 Million/Employee.

BRI HUMAN CAPITAL PROFILES

Based on generation in BRI human capital profile in 2018, the majority falls under generation Y with a composition of 72.67%, generation X at 22.03%, and baby boomers at 5.30%. The domination of generation Y in BRI employees' composition indicates the Company readiness to transform into digital banking supported by characteristic of generation Y as tech savvy generations.

Employees based on Organization Level

The composition of BRI employees according to organization level is as follows:

Organization Level	2016	2017	2018
Senior Executive Vice President	4	5	3
Executive Vice President	86	98	103
Vice President	193	209	198
Assistant Vice President	380	345	353
Senior Manager	747	735	766
Manager	1,248	1,331	1,320
Assistant Manager	4,992	5,41	5,599
Officer	12,214	12,003	11,945
Assistant	73,469	72,722	69,656
Total	93,333	92,858	89,943

Employees by Employment Status

In general, BRI employees in 2018 consist of 60.973 permanent employees, 28.970 contract employees and 33.949 outsourcing. The composition of BRI employees by employment status is as follows:

Status	2016	2017	2018
Permanent Employee	58,811	60.764	60.947
Contract Employee	34,262	31.994	28.970
Trainee	64	100	63
Outsourcing	36,197	37.929	33.949
Total	129,334	130.787	123.929

Employees (Permanent, Contract, Trainee) by Education

The majority of BRI employees based on education level are Post Graduates and Diploma. The composition of the profile of BRI employees according to education and occupation levels is as follows:

Education	2016	2017	2018
High School / Equivalent	3,133	2.652	2308
Diploma	12,055	10.134	10595
Bachelor Degree	76,966	78.867	75797
Master Degree	1,172	1.202	1237
Doctoral Degree	7	3	6
Total	93,333	93,679	89,943

Employees (Permanent, Contract, Trainee) by Age

The composition of BRI employees profile by age and level of employment is as follows:

Age	2016	2017	2018
< 25	8,279	6,235	4,635
> 50	4,805	4,805	4,767
25 - 30	48,882	46,616	41,304
31 - 35	14,291	17,638	21,606
36 - 40	7,615	8,503	9,023
41 - 45	4,125	3,940	3,980
46 - 50	5,336	5,121	4,628
Total	93,333	92,858	89,943

Human Capital

Growth of Employees by Generation

The majority generation of BRI employees is Generation Y that is equal to 72,67% or as many as 65,359 employees.

Age	2016			2017			2018		
	L	P	Total	L	P	Total	L	P	Total
Baby Boomers (>50 year)	3,550	1,255	4,805	3,367	1,438	4,805	3,185	1,582	4,767
Gen X (35-50 year)	10,642	6,434	17,076	11,032	6,532	17,564	12,644	7,173	19,817
Gen Y (18-34 year)	38,282	33,170	71,452	38,035	32,454	70,489	35,451	29,908	65,359
Total	52,474	40,859	93,333	52,434	40,424	92,858	51,280	38,663	89,943

Employees (Permanent, Contract, Trainee) by Gender

The Company's support for gender equality issues is seen in the practice of employment recruitment with a fairly balanced composition of 42.98% female employees and 57.02% male employees with the following details:

Gender	2016	2017	2018
Female	40,859	40,424	38,662
Male	52,474	52,434	51,281
Total	93,333	92,858	89,943

HUMAN CAPITAL MANAGEMENT STRATEGY IN 2019

In line with the Company's business strategy in 2019, which is to aggressively encourage business growth, especially in the consumer segment, the focus of human resource management at BRI is to ensure the implementation of a performance driven culture so that there is an increase in employee productivity and engagement in the Company.

The work programs that have been prepared and prepared by BRI are:

1. The implementation of performance management policies that are in line with the performance targets to be achieved by BRI, Work Units, and individual Workers.
2. Strengthening the talent management system
3. Updating the provisions on management of human capital
4. Implementation of outreach recruitment programs in order to get the best talent and as a means of increasing BRI's employer brand
5. Providing opportunities for training and work guidance for inexperienced Indonesian workforce (Academic & College graduates) through the expansion of the Certified Internship Student Program (PMMB) at BRI where the program is a form of the Company's active contribution in building the nation (Nation Building).

Information Technology & Operations

PEOPLE IN BRI IS THE FOREMOST ASPECT TO IMPLEMENT THE IT FUNCTIONS. BRI IS ALSO GETTING READY BY PREPARING THE DEVELOPMENT OF IT ENTERPRISE ARCHITECTURE (ITEA) FOR THE PERIOD OF 2018-2022 TO SAFEGUARD IT FUNCTIONAL STRATEGY IMPLEMENTATION.



Digital technology has driven change in every economic sector. The changes and developments in business models then triggered competition in the banking industry, where, competition is no longer limited to financial intermediary institutions, but also can directly have a large role in all aspects of life. For example, technology is currently used to reach populations that are unbankable to areas that do not yet have a cellular communication network (blankspot) hence technology can accelerate financial inclusion and open new business opportunities as well as support banking functions to implement government programs. While for customers, banks are expected to provide easy, fast, unlimited, safe banking services and provide a good customer experience. This requires continuous innovation by the banking industry, in both products and services, hence able to meet customer expectations..

In accordance with IT Strategy Plan 2018-2022 and current banking development, there are several challenges that can also be opportunities for banking, such as:

1. Banking value chain disruption
The increasing non-traditional competition causing pressure and pricing disruption.
2. Macro-economic Progress
The increasingly challenging macro-economic trends has the potential to impact on banking slow growth.
3. Regulatory Change
With the increasing challenges in the profitability and banking liquidity management, the regulators are continuously implemented the regulatory adjustment toward the condition and challenge.
4. Changes in the customers' preferences
There is a potential of fast changes in the customers' preference, hence it has the potential in the emergence of an increasingly digital-savvy customer and increasing technological progression of corporate clients.
5. Growth of new segments
The development of new growth segments with new growth opportunities that are in accordance with the bank business.

Information Technology & Operations

Information Technology Policy

BRI's information technology policy is based on the vision and mission that is aligned with the Company's vision and mission, future Development Roadmap and IT Governance guidelines.

BRI'S INFORMATION TECHNOLOGY VISION AND MISSION

THEME

Becoming "The Most Valuable Bank in Southeast Asia" and "Home to The Best Talent".

VISION

Becoming a technology provider of customer centric oriented, with excellent solutions and services, secure and responsive through innovation and collaboration.

MISSION

1. Developing the best digital talents and enhancing innovative corporate culture.
2. Implementing a Bi-modal IT governance for faster and excellent collaboration with business lines.
3. Building a future-ready, excellent, secure and responsive ICT platform.
4. Optimizing data & analytics governance in order to disclose single source of truth in relations to the customers database and fostering faster decision making.
5. Creating innovative digital banking that are focusing on customer-centrix solutions and services.

In realizing its vision and mission, BRI also strives to encourage synergy with the Subsidiaries. The following principles are applied on the synergy for technology and innovation:

Cost Reduction

Improve cost efficiency by conducting purchases on a collective economic scale.

Cost Avoidance

Save costs through sharing of resources and consolidating IT services and activities.

Revenue Enhancement

Creating new sources of income through sharing platforms and information.

Group Buying

Procurement of IT products and services collectively to get a better deal from the vendors.

Joint Operation

Perform Shared Services or IT co-location operations to achieve operational cost efficiency.

Application & E-channel

Application development collaboration are integrated and can be jointly used.

Standardization

Implement standardization through best practices sharing.

Talent Development






Collaboration in the talents development organically and support the acceleration of talent recruitment using the digital technology.

Information Technology & Operations

IT Roadmap and Main Work Programs

In realizing BRI IT vision and mission for the period of 2018-2022, the management has provided and determined the IT Strategic Directions roadmap that has been developed based on 5 (five) functional strategy pillars:

1. Nurture Digital Talent
2. Drive Bimodal IT Governance
3. Build Future Ready ICT Platform
4. Leverage Data & Analytics
5. Deliver Innovative Digital Banks

Theme	2018	2019 - 2020	2021 - 2022
 Nurture Digital Talent	Professional ICT Certification & Digital Product Manager	ICT & Digital Talent Pool Program and Impactfull Performance Evaluation	Home of Best ICT & Digital Talent (BRI Group)
 Drive Bi-modal IT Governance	Establish Business-IT Governance & Alignment dengan metode Agile & DevOps	Improving Agile & DevOps Maturity untuk Business & IT	Excellent Bimodal IT Governance
 Build Future Ready ICT Platform	Build Excellence CBS, Middleware, Network & IT Service Delivery Capabilities with Digital Resiliency	Deliver Robust & Secure ICT Architecture & Operations	Best Practice in Agile ICT Infrastructure
 Leverage Data & Analytics	Build Basic Data setup & Big Data Analytics	Escalate Data Management Process & Monetize Big Data Analytics	Mature Data Management and Big Data Analytics
 Deliver Innovative Digital Banks	Launch Digital Banking & Partnership with Open API	Leader in Digital Banking & Integrated API Ecosystem	The Best Digital Banking & Integrated API Platform in Southeast Asia

BRI begins to adopt the Bimodal (waterfall and agile) development methodology and maintain the fulfillment of strategic initiatives in harmony between businesses with IT. The IT Enterprise Architecture (ITEA) 2018-2022 has also been developed.

Information Technology & Operations

The human resources role becomes a key factor in fostering the realization of the Company's vision and mission. As such BRI has developed IT functional strategy and made the people as main aspect to undertake such strategy. In 2018, BRI has prepared to create digital talents to develop innovative digital products and professional in their field. BRI has began to adopt a Bimodal (waterfall and agile) development methodology gradually by continuously maintaining the harmony of strategic initiative fulfillment between business and IT.

To optimize technology in its products and services, BRI realizes the necessity of future ready ICT Platform. As such in 2018 BRI has developed the IT Enterprise Architecture (ITEA) 2018-2022. Based on ITSP and ITEA, BRI will implement several strategic initiatives to modernize the Core Banking, Middleware, Data Management, Network and infrastructure systems used in all the networks of BRI operating unitshence to improve IT Service Delivery. Meanwhile, several trends in the results of data analysis used for strategic decisions at BRI are increasingly strengthened with Big Data Analytics technology, such as credit scoring and merchant assessment.

In the meantime, to address the disruption challenges in digital banking, BRI is increasingly strengthened its position by developing digital banking products in accordance with the current business challenges. Moreover, BRI also strengthens its business processes by digitizing its consumer loansand micro loans (BRISPOT and MyBRI).

By upholding the customers' privacy and security, BRI is committed to conduct security related strategic initiatives such as drawing up the Enterprise Security Architecture, Enterprise Fraud Detection System, as well as the implementation of Biometrics Authentication.

IT Governance and Risk Management

IT management is undertaken based on the principles of GCG (Good Corporate Governance) which support the IT risk management while still delivering strategic value for the Company. BRI's IT governance includes the standard that provides effective and efficient IT governance frameworks hence reflecting a good decision making process and leadership in organizing the IT governance.

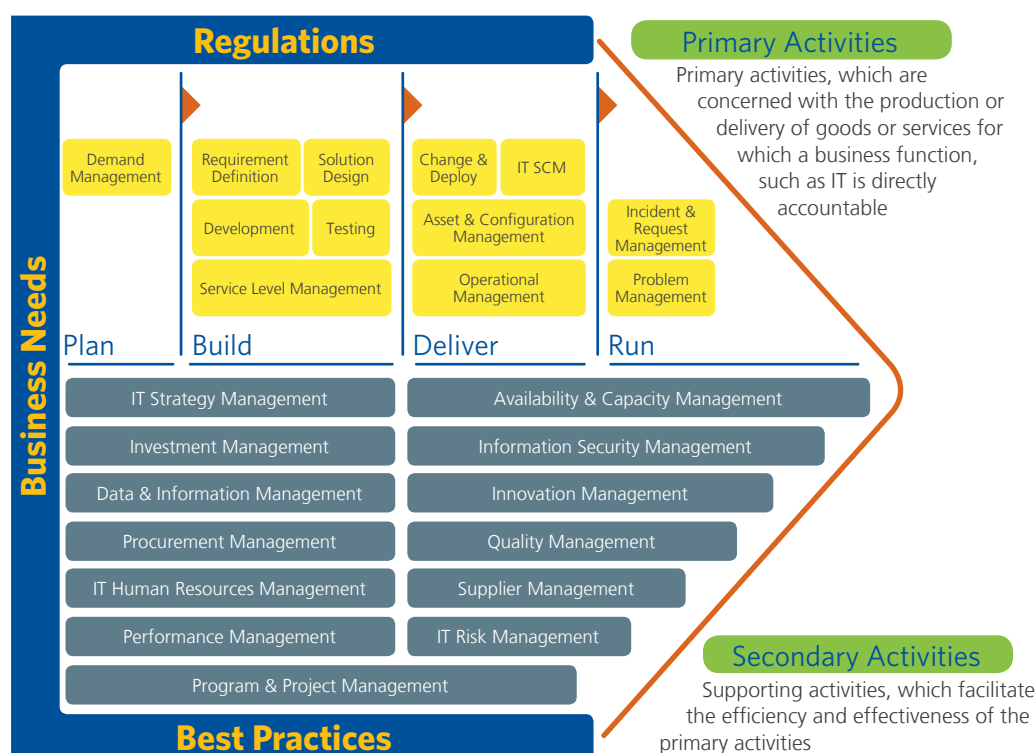
In line with the efforts to implement a professional management and good corporate governance, BRI is committed to enhance appropriate standards of conduct with reference to best practicesand meet the prevailing laws and regulations, sustainable and consistent through the application of GCG values such as Transparency, Accountability, Responsibility, Independence, and Fairness. As such the Corporate Governance policy on BRI's IT governance framework refers to the prevailing stipulations/regulations.

Information Technology & Operations

GCG References & IT Risk Management Frameworks



Details of GCG References & IT Risk Management Frameworks



Information Technology & Operations

To support the improvement of the company competitiveness and meet the customers' needs in a trusted banking service, BRI is consistently developing and utilizing the technological ability and reliable information system. BRI utilizes the ISO technology support to improve the quality of service to be more competitive, efficient and able to reduce operational risk.

The ISO 9001:2015 is an international standard for quality management systems, which establishes the requirements and recommendations for the design and assessment of a quality management system. As such, BRI has implemented ISO 9001:2015 as the basis for implementing an operational QMS (Quality Management System), including the operation of Information Technology.

IT HR Development

To foster IT implementation with the set frameworks, BRI is continuously developing its human capital capabilities and competencies that are focusing on subjects appropriate to the Company's needs. As of December 2018 there were 782 personnel in the 6 Divisions under the Information Technology and Operations Directorate which consisted of:

Total IT HR Based on Status

Total IT HR Based on Status	Total
IT Planning and Development Division	242
IT Operations Division	311
Desk Information Security	11
Technology Cooperation Division	78
Digital Center of Excellence Division	43
Satellite and Infrastructure Network Division	97
Total	782

IT Training and Competence Certification

BRI organizes training and certifications to enhance the IT human resources competency by initiating research for the required training materials. As such, BRI has mapped the needs of employee certification and training as needed; technical, non-technical, and managerial. Trainings and certification that has been attended or held are as follows:

- A. Trainings
 1. Developing Windows Azure and Web Services
 2. KONY (Digital Saving dan Software MADP)
 3. Application Performance Management (APM)
 4. DevOps Foundation
 5. Application Development Lifecycle Management (ADLM)
 6. Bahasa Pemrograman Go (Golang)
 7. Managing IT Projects Effectively
 8. Fundamental IT Process Control and Improvement
 9. Android Application Development & Programming
 10. Building Web Application with Yii
 11. Computer Hacking Forensic Investigator
 12. UI - UX Techniques and Material Design
 13. PMP Exam Preparation Training
 14. Prince2 Practitioner
 15. Progressive Web Application (PWA)
 16. Data Science with Python
 17. Oracle Database 12c : Administration Workshop
 18. Building Web Application with Node.js
 19. E-Commerce & Fintech Zaman Now
 20. IT Governance Essentials Using COBIT® 5
 21. Data Science for Manager
 22. System Analyst and Design
 23. Programming for Data Analytic
 24. Implementing a SQL Data Warehouse 2016
 25. RHCE Rapid Track Course
 26. Project Management Knowledges
 27. Block Chain Workshop

Information Technology & Operations

B. Certifications

Types	Description
Microsoft Certified Professional (MCP)	Expertise certification from Microsoft Corporation related to all Microsoft operating systems and servers.
Certified Secure Programmer .NET	Security certification in the .Net programming language.
Implementing a Data warehouse with Microsoft SQL Server	Expertise certification from Microsoft on SQL server and its implementation.
Certified IT Capacity Planning Expert (CICPE)	Expert certification program on IT Capacity Planning.
IT Infrastructure Library	Expertise program certification on the conception and infrastructure management techniques, development, and operations in Information Technology (IT).
Red Hat Certified Engineer (RHCE)	Certification program for the expertise, skills, knowledge, and abilities that required by system administrators on Red Hat Enterprise Linux systems.
Red Hat Certified System Administrator (RHCSA)	Certification program for core system administrator skills and expertise required in the Red Hat Enterprise Linux environment.
EC-Council Network Security Administrator (ENSA)	Certifications designed to provide the skills to analyze internal and external security threats to the network, and to develop security policies that will protect the company information.

Types	Description
Certified Data Science Specialist (CDSS)	Expertise certification program on the Data Scientist.
Certified Application Security Engineer (CASE)	Training and certification programs on security activities in all phases of the Software Development Lifecycle (SDLC): planning, creating, testing, and applications.
Developing ASP.NET MVC Web Application	Certification program with ASP.Net implementation and infrastructure expertise, application development, controller and action concepts to manage workflows for an application.
CDCP (Certified Data Center Professional)	Expertise certification program on the IT Data Center.
Certified in the Governance of Enterprise Information Technology (CGEIT)	Professional certification program in management or information technology governance consultation held by ISACA.
International Software Testing Qualification Board (ISTQB) Agile Tester	Certification program for software tester with the agile concept.
International Software Testing Qualification Board (ISTQB) Tester (Business Analyst)	Certification program for software tester in terms of understanding business processes.
Certified Data Science For Manager (CDSM)	The program aims to facilitate the company managers and other participants to obtain knowledge on big data in general as well as knowledge and capabilities related to data science and machine learning.

Information Technology & Operations

Types	Description
Certified Ethical Hacker (CEH)	One level of certification from EC-Council, a certification institution on cyber security.

IT Initiatives Realization in 2018

In 2018, BRI has completed several initiative strategies in IT, amongst them was the realization of service digitization program for Micro Small and Medium Enterprises (MSME) communities.

Aligned with BRI vision to become The Most Valuable Bank in Southeast Asia & Home to The Best Talent, during 2018 several IT application projects have been implemented to support the Company's business as well as support to finalize service digitization program for the communities of Small Micro and Medium Enterprises, among others:

MyBRI Application	Easy, quick and transparent facility to customers and employee in the process of Consumer Loans (BRIGUNA and KPR) as well as Credit Cards applications from BRI to prospective debtors/ debtors.
New Cash Management System (CMS)	Application for corporate customers.
BRILink Mobile	The application used by Brilink agents (BRI customers) accessible via mobile apps.

New BRI Mobile	BRI mobile banking application with the latest designs and features to improve customer experience.
Customer Relationship Management (CRM)	Application to assist BRI in conducting customer analysis.
Enhancement Front End Core Banking System	Solution to improve performance in teller transaction services.
Infrastructure upgrade	Application for Credit Card Management System (Cardlink).
Collection and Recovery System Credit Card	Application for BRI Credit Cards.
Upgrade TI Plus System	Application for BRI trade finance transactions.
BRISTARS Mobile	Application for internal employees to complete employment features such as, Digital Office, E-Cuti, E-Reimburse, Employee Data, Agenda, etc.
Europay, Mastercard and Visa (EMV) Debit Card	An implementation of EMV Visa/ Mastercard in BRI ATM terminals.
BRISIM Web/ Mobile	As information gateway portal for data warehouse and data insight.
BRI Application Programming Interface (API)	Application for cooperation improvement between BRI and third parties.

Information Technology & Operations

To support digitalization, BRI performs developments and enhancements to facilitate payments/ purchases for the customers convenience during transactions as well as other cooperations, including to support business flexibility. They are as follows:

SIM Online Integrates the features and applications of BRI with the SIM Online application of the Republic of Indonesia Police as a means for the community members to apply and extend their driver's licenses.

E-Samsat Integrates the features and applications of BRI with Samsat in handling motor vehicle tax payments online.

KTA An employee card at the National Police that uses an electronic system equipped with chips to store member data and magnetic stripe for banking purposes and also functions as an identity card, ATM, payment instrument and other banking transactions.

E-Tax An integrated online-based product with BRI features and applications that provide access to online tax payments.

IT Investment and Exploitation

The following are several IT main projects implemented in 2018:

No	Initiate Divisions	Project Names
1	Office Network Division	Cash Replenishment Machine (CRM) Procurement New Operating Units 2018 KCP 1, Unit 2, KK 8, Teras 11 Procurement of EDC, for EDC Merchant and Operating Units
2	Satellite and Infrastructure Network Division	Integration of BRI Communication Network Phase I and II Network & Security Enhancement (Network, Application, Data Center, Business Processes Procedures)
3	Transaction Banking Division	Acquisition of CMS Platform end to end Corporate Feature Supply Chain Financing Platform Development
4	Desk Contact Center	Developing an integrated Complaint Handling system Chatbot NLP-based (Neuro Linguistik Programming)
5	Wealth Management Division	BRIVEST - MEDALION Upgrade
6	International Business Division	Upgrade Trade Finance "TI PLUS" System and Supply Chain Financing Platform Crossborder Payment System Business Development SWIFT Customer Security Program Swift GPI
7	Investment Services Division	Project Upgrade Sistem Core Custody CIPS - MEDALION
8	Credit Card Division	Procurement of Collection & Recovery System
9	IT Planning and Development Division	Enterprise Data Warehouse (EDW)

Information Technology & Operations

No	Initiate Divisions	Project Names
10	Digital Center of Excellence Division	Development of Big Data BRI
11	Accounting and Management Division	IFRS 9 (PSAK 71) Implementation
12	Compliance Division	New Product & Activities Reporting Application Development
13	Corporate Transformation Division	Core Banking System Modernization
		Middleware Modernization
		Data Reporting Architecture
		Changing the consumer loans business process : - Enhance MyBRI - Development of CLF (IT tools)
		Launching business effectiveness program at major scale retail branches
		Enhancement Application Development for sales activities & back office
		Improving customer experience in every digital channel
		CRM Application Development
		Establishing centralized funding war room
		Development of Dashboard Web and Mobile

TECHNOLOGY COOPERATION

Current technological developments are bolstering more startups and finteches in Indonesia in both the financial and non-financial segments that present digital platform-based services to companies and end customers. The large potential of the Indonesian market is marked by the fourth largest population in the world after China, India and United States are the main attraction for investors to invest their capital in Indonesia through capital investment in start up and fintech. In addition to digital payment and lending that has been developing in Indonesia, a start-up is currently developing that specializing in several specific segments including supply chain non financing, invoicing systems, and education services. The developments in these markets have fostered the banking industry to continue improving services to their customers.

The banking industry is currently entering the digital era as one of the endorers of 4.0 revolution, where "Internet of Things (IOT)" becomes a crucial touch point for banks in providing services to their customers. The technological

advancements have fostered the banks in taking more comprehensive services for their customers through the availability of digital platforms as a user interface between the banks and customers. This has encouraged Bank BRI as a Bank in Indonesia with the largest and widest customer base to continue its innovation in providing the best service to customers and strives to acquire financial services for the community at large through 3 strategic frameworks, among others: digitize core, digital build ecosystem, and embed in our customer's life.

One of the strategic measures taken by Bank BRI to address the technological developments is through the establishment of the Technology Cooperation Division in June 2018. The Technology Cooperation Division was established to create an innovative technology-based banking services to create business ecosystems in several segments, in corporations, institutions, retail payments, transactions, as well as micro.

In 2018, several innovations were launched through the development of ecosystem platform that emphasize on customer experience through a customer centric product for several business segments, among others are:

Information Technology & Operations

- a. **BRIMOLA:** a web-based non-financing supply chain platform and a special smartphone application of 3 kg subsidized LPG that is specifically developed to facilitate ordering systems from the depot to Pertamina agents as well as providing cashless solutions for payment through BRIVA in order to handle cash handling risks and LPG quota information transparency by the depot.

Build Ecosystem Platforms

September 2018



Ordering System of Gas LPG 3Kg
Pertamina - Agent - Depot

☒ CASA

☐ FBI

☒ Loan

- b. **JUNIO SMART:** an education and school management platform that can be applied by students, parents, teachers, and school administrations to share information on education syllabus, attendance, payment of school fees, in order to create a favorable environment to support the efficient learning and teaching activities in schools. The Junio Smart platform is a web-based application that is specifically designed to serve the same segment of elementary, secondary, high school and education.

Build Ecosystem Platforms

November 2018

JunioSmart



School Management System

☒ CASA

☒ FBI

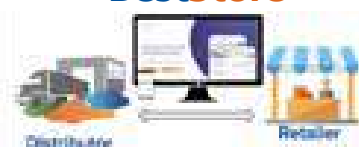
☐ Loan

- c. **BEST STORE:** a web-based ordering system platform application that can be used for retailers to order goods to distributors with excellent online inventory and status payment features to provide convenience for retailers and distributors in managing inventories and cash flows.

Build Ecosystem Platforms

November 2018

BestStore



Supply chain platform for commerce ecosystem

☒ CASA

☒ FBI

☒ Loan

- d. **BRI Billing Management:** an electronic invoicing/billing management platform that can be used for the property business segment, building management, tenant management, and small medium enterprise to create an integrated billing management. BRI billing management is supported by tracking invoice, payment status, and reporting services to facilitate business communities in managing receivables.

Build Ecosystem Platforms

Deember 2018

BRIBilling



B2B2C Integrated Billing Management System

☒ CASA

☒ FBI

☐ Loan

Information Technology & Operations

DIGITAL BANKING

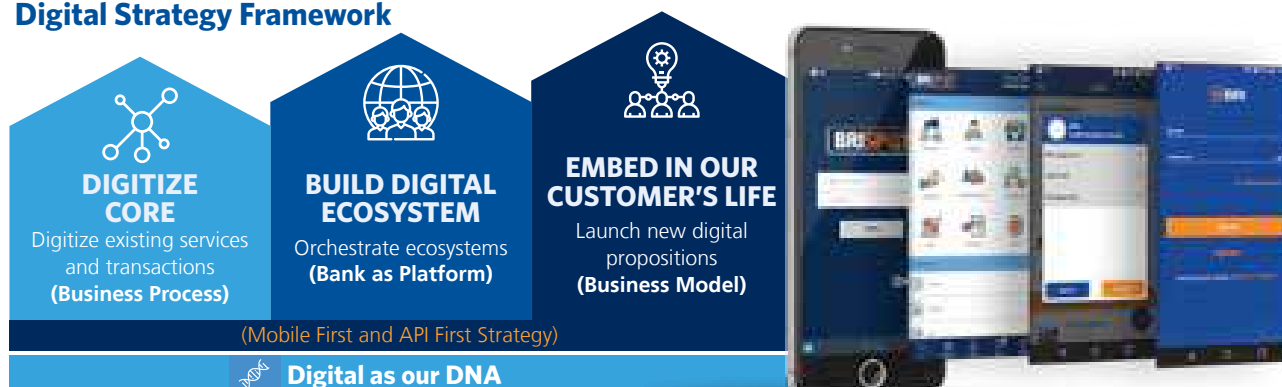
An integrated product and service innovation with digital systems capability is vital in this digital era. To become a prominent entity in this competitive digital era, BRI develops 3 (three) product and services development directions: Core Digitization, Digital Ecosystem, and New Digital Proposition.

The development of digital technology has driven changes in every economic sector including the banking industry. Currently, banking functions no longer merely as an intermediary institution, but extends as a gateway for the national payment system (national payment gateway). In the current digital banking era, an easy, fast, efficient and safe customer service is a top priority. As such, an integrated product and service innovation is required, supported by the digital systems capability. To achieve this goal, BRI develops three main components as the direction of products and services development to lead the competition in the digital era.

Achievements in 2018

1. BRI Core Digitization	2. Digital Ecosystem	3. New Digital Proposition
<p>BRI Core Digitization is developed through MyBRI and BRISPOT. BRI Core Digitization provides digital experience in BRI services to customers through the following implementations:</p> <ul style="list-style-type: none"> ▶ Optimization of BRI channels ▶ Integrated digitalization ▶ System standardization and Simplification 	<p>The digital ecosystem is developed through an acceleration program for MSMEs (Indonesia Mall). Digital Ecosystem is an activity to build ecosystems to offer products and services outside BRI's core business:</p> <ul style="list-style-type: none"> ▶ Digital platform for industry ▶ Building a new business model ▶ Collaborations with fintech companies 	<p>The development of BRI API. The Company independently creates digital products and services innovation by optimizing BRI's network and infrastructure.</p> <ul style="list-style-type: none"> ▶ Improve BRI's mobile channel ▶ Optimization of digital systems to reach markets that are still not conventionally served ▶ Increase the digital capacity of BRI products ▶ Enabling cross function system with subsidiaries

Digital Strategy Framework



Information Technology & Operations

OFFICIAL STORE INDONESIA MALL

The excellent products of MSME of BRI mentoring partners can be directly accessed in the partners' e-commerce through the Indonesia Mall program. This program at the same time improves the sales coverage of MSME's products that can connect to several e-commerce.

One of BRI aspiration in fostering digitalization is executed through e-commerce. To that end, the Company establishes the Official Store Indonesia Mall. Indonesia Mall is part of the BRI Incubator program as BRI collaboration with e-commerce to encourage BRI MSME go-online. Through the Indonesia Mall program, the excellent products of MSME of BRI mentoring partners can be directly accessed in the partners' e-commerce and improved the sales coverage of MSME's products. Through Indonesia Mall, BRI-mentoring MSMEs at the same time can connect to several e-commerce. Going forward, the cooperation with e-commerce will continuously be enhanced to increase the exposure of local MSME products.

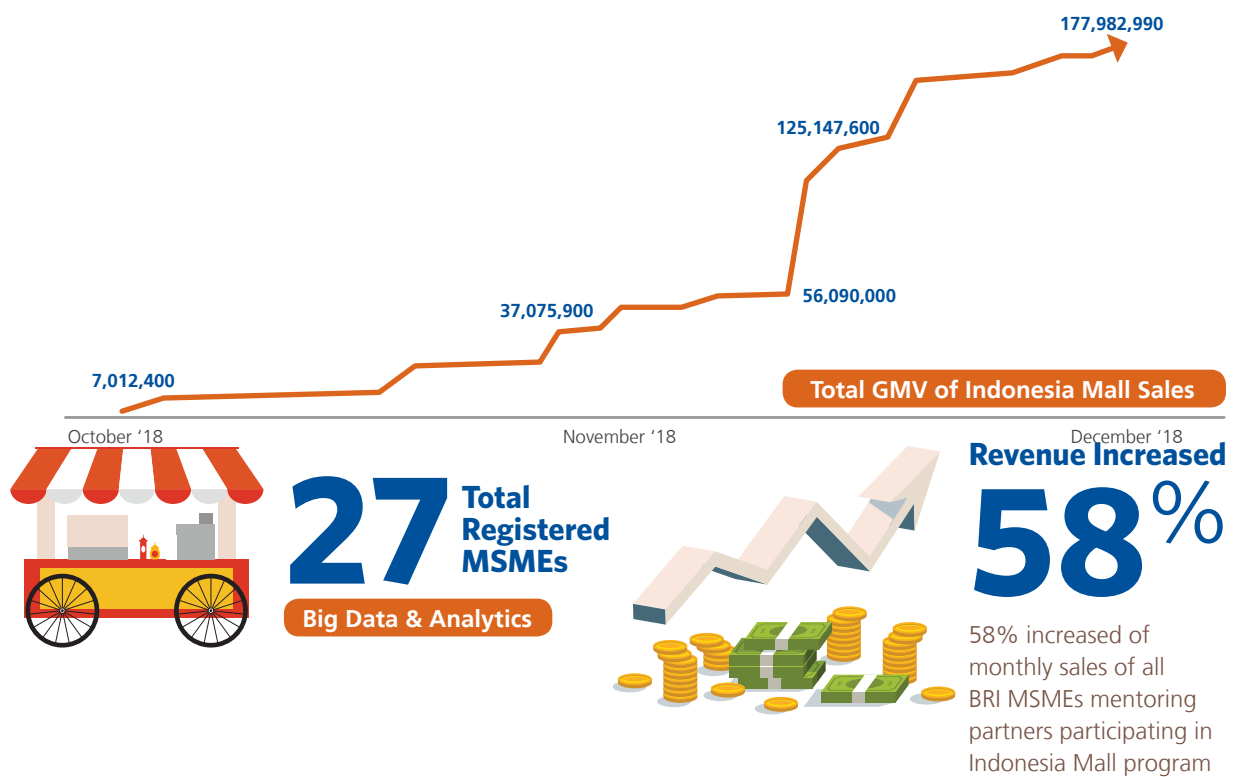


In addition to supporting the platform and as a commitment to focus on MSMEs empowerment in Indonesia, BRI also has an incubation program that aims at increasing the capacity and capability of their businesses. During 2018, all BRI-mentoring MSMEs that participated in the Indonesia Mall program managed to increase sales by 58% per month.



Information Technology & Operations

On August 30, 2018, Indonesia Mall BRI received “The Best E-Commerce Proposition” award from the Asian Bankers Awards 2018”.



Information Technology & Operations



Since we joined Indonesia Mall, we get many benefits in terms of sales, which is certainly increased dramatically because of the wider market segments and our products are increasingly widely known. Indonesia Mall has greatly helped in promoting and introducing our products. Thank you Indonesia Mall.

**Asep & Rahmat -
Pinnacle Strudel**



Following my participation in Indonesia Mall, a program from Bank BRI, my monthly income increased from 2x to 3x. In addition to increasing income, my products sales are now easier to sell. Moreover, Indonesia Mall also provides useful new knowledge and bringing me new friends. Thank you Indonesia Mall.

Matriun - MS SLeMan



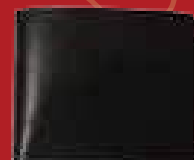
We certainly recognize that marketing is a major part of the business. In today's digital era, online marketing shall not be ignored. And the presence of Indonesia Mall in for SMEs is very helpful, especially for me. The sales of marketplace through Indonesia Mall has enabled myself and my fellow SMEs to understand and experience the Flash sale. I am very grateful for this cooperation. The coordination between the Indonesia Mall team and SME is very friendly. Thank you Indonesia Mall.

**Susi Harini - Bayam
AADS**



I don't understand technology, however Indonesia Mall as an online mall from BRI has really helped me in marketing my products online, which has been done conventionally. With the concept of Indonesia Mall, I look forward to a more optimistic future. Thank you BRI, thank you Indonesia Mall.

**Puthut Puthut Hatmoko
- Belluci**



Information Technology & Operations



INVESTREE PARTNERSHIP

BRI collaborates with a fintech company, Investree, for the Invoice Financing disbursement. The Invoice Financing product has a similar credit scheme to BRI products, namely KMK Post Financing, a billing fund for projects that have been implemented but have not received payment from Bouwheer (project owner). Several requirements in addition to business licensing to obtain an invoice financing facility is Payor business, which has

been performing for at least 2 (two) years. In addition, the debtor business has obtained net income in the last 1 (one) year. Furthermore, the financing for businesses do not include businesses that are prohibited by the government/BKPM and do not include Bank Indonesia's Black List or non-performing loans.

Currently, the total loan disbursement with Investree's channeling scheme reached Rp29.45 billion with 62 debtors.



The risk mitigation of lending scheme is conducted through Credit Guarantee Insurance (Jamkrindo) and the use of escrow accounts or joint accounts.

Information Technology & Operations

BIG DATA

During the extensive periods and milestones, BRI has developed a “significant” data with huge potentials – this data is a “golden mine” for BRI. To that end, BRI is committed to improve its Big Data and Analytics capabilities in order to optimally benefiting the data in terms of credit risk analytics which further is expected to foster BRI business growth.

The current digital era is continuously trending the big data utilization in supporting business activities. The 2018 was a significant year of achievement for BRI, having been present and serving the Indonesian people for 123 years. In this long period of time and history, BRI has collected a significant data that have great potential and are very valuable to address various business challenges. This data serves as a gold mine for BRI, as it has not been utilised to its full potential, until BRI started building the Big Data capability.

BRI has the homework to optimize the utilization of Big Data. The main causes of this are, the location of data that is separated and unconnected in various sources, and infrastructure that is not scalable to process deep analytics activities. As such, since 2017, BRI is committed to improving the capabilities of Big Data and Analytics to optimize the data usage for credit risk analytics, especially in terms of assessing new loans to prospective new customers and optimizing existing customers hence its able to accelerate and efficiently foster BRI business growth.

CREDIT RISK ANALYTICS

Early Warning System

To undertake the Early Warning System function, BRI develops the Modular Scoring Platform, a dashboard that displays predictions of possible defaults from existing customers each month. In addition, this platform is able to combine customer demographic data with customer financial transaction data. This method will facilitate BRI operating unit group heads to monitor the quality of customer loans with predictions of future payment performance.

Behavior Scoring

To monitor the behavior scoring, BRI applies a modular scoring platform that is able to provide information on demographic data, behavior, and data on existing customers’ financial transactions thereby the level of customer risks can be predicted and recommended for additional loans in each BRI operating unit.

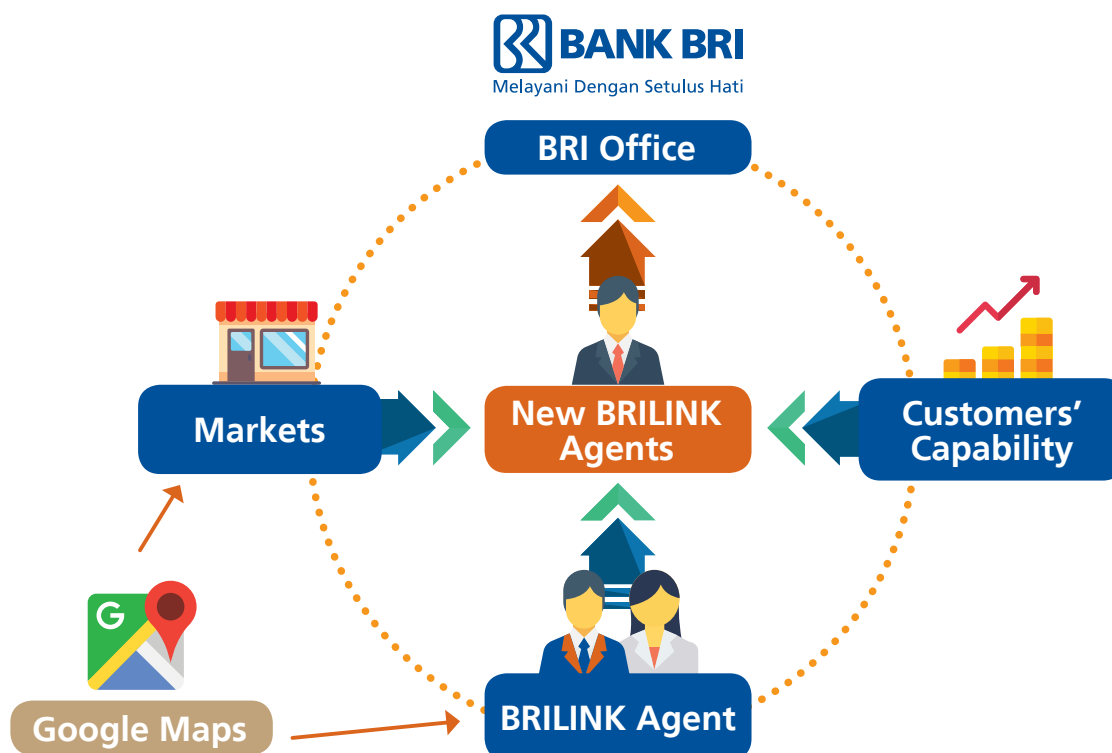
Credit Underwriting of Digital Products

To monitor the credit underwriting for digital products, BRI develops a feature with several benefits, which are facilitating the addition of credit scoring modules for several BRI loan products, including integrating existing modules with SLIK, Dukcapil, etc. In addition, all loan data can be stored in big data for analysis.

Merchant Assessment – BRILink Agents

The Big Data Analytics technology is expected to be able to provide prospective BRILink Agent recommendations.

Information Technology & Operations



BRI realizes that the business risk and operational risk are always presented in the development of banking business. The occurrence of fraud caused by deviant behavior both from internal and external of the company is a challenge for BRI today and in the future. This challenge can be addressed by utilizing Big Data Analytics through the BRI Force and Early Warning System features to anticipate and prevent the fraud behavior and risks that are often encountered in the banking industry.

Fraud Detection – BRI Force

BRIForce provides realtime detection of transaction fraud anomalies based on customer behavior patterns.

- 30s customer transaction behavior detection
- Integrated system to support the fraud investigation and reporting processes for parties concerned.

- Quick and easy visualization of the behavior patterns for each customer in a data period.

Early Warning System

An Early Warning System is a dashboard that displays the predictions of the possibility of default from existing retail customers every month.

- Combine the customer demographic data with customer financial transaction data
- Facilitate the operating units and RM leaders to monitor the credit quality of customers and future predictions
- Collaborate with CTF for Retail & Commercial loan products, and can be accessed through BRISIM
- Can be integrated with BRI existing applications
- A more simple maintenance and update of models.

Information Technology & Operations

LONG TERM STRATEGY OF INFORMATION TECHNOLOGY AND DIGITAL BANKING

Digital Banking Roadmap 2018-2022

2018

- Nurture Great Digital Talent
- Establish Big Data and Leverage data Analytics
- Launch Digital Banking and establish partnership with open API

2019-2020

- Establish ICT and Digital talent pool program with impactful performance evaluation
- Monetizing Data Analytics
- Leader in Digital Banking and Integrated API Ecosystem

2021-2022

- Home for Best ICT and Digital Talent (Holding and Subsidiaries)
- Mature Data Management and Strong Analytics
- The Best Digital Banking and Integrated API Platform in SEA

Operations

The Company's operations management cannot be separated from the transaction generated by customers that require banking services. The Operations Center Unit is responsible for managing the processing and monitoring of bank operations transactions throughout BRI's network.

Operations Development in 2018

To fulfill the increasing customers needs, BRI strives in developing its operations system. During 2018, the Operations Center Unit carried out system and operations development as follows:

1. Centralised Payment System Enhancement

BRI's Operations Center Unit carried out a centralized payment system. BRI strives to implement fast, secure, accurate, low risk operations process and has the capability to processing million transactions per day with high complexities and engaging large customers database.

To maintain a more excellent, and efficient operations system quality that is able to adjust with business development as well as in compliance with the regulator policies, BRI in 2018 has developed a straight through processing system of clearing transaction, automation of outgoing transfer transactions to other banks, interbank securities transactions reporting automation (new formats), development of online ATM electronic journal system, and completing the transaction reconciliation function for e-banking new features.

a. Operations Sustainability Support Facilities Development

To maintain the sustainability of operations activities and as a back up system, in 2018 the operations alternate site centralized located in S. Parman has been refined for the RTGS, Clearing, Remittance, and treasury transactions, as well as back up system for transaction reconciliation process in Jabodetabek areas.

b. Card Production Capacity Enhancement

To increase card production capacity and accelerate the migration of magnetic stripe cards to chips in accordance with Bank Indonesia policy, BRI has added 2 (two) card personification machines. The target from BI for 2018 migration was 30% of the total BRI ATM/Debit cards and can be realized more than the target by 35%.

c. Operational Excellence

In 2012, BRI Operations has received ISO 9001:2008 Quality Standardization. Over time, the ISO 9001:2008 Quality Standardization changed into ISO 9001:2015 Quality Standardization since 2017 for 9 (nine) scopes including Operation Centre System for RTGS, Clearing, Remittance, Card Perso Processing, E-Banking Reconciliation, ATM Reconciliation, Treasury and E-Banking Settlement, Cash Operation and Trade Processing Centre from Certification Agency PT. Lloyd's Register Indonesia.

Operations Strategy in 2019

To realize the Customer Experience Excellence in operations, BRI has set the operations strategy for 2019 as follows :

1. Operations Process Simplification (Straight Through Processing of transactio process, transaction process automation to minimize operational risk, improving data accuracy and process efficiency).
2. Compliance with Regulator Policies (Payment System Infrastructure Topology Implementation that comply with BI Policy, Maintain production capacity of ATM/ Debit Card to meet NSICCS target, Preparation of Balance Sheet Relief Implementation).
3. Reliable Human Resources through employee quality and capability improvement as well as specific certifications for operations employees.
4. Centralized Back Office Organization and improving Internal Control supported by real time data.

Fixed Assets Management

IN PERFORMING FIXED ASSETS MANAGEMENT, BRI ALWAYS REFERS TO THE EFFECTIVE AND EFFICIENT ASSETS MANAGEMENT. ALIGNED WITH TECHNOLOGY UTILIZATION IN BRI AND FOR THE ASSETS MANAGEMENT IMPLEMENTATION, BRI DEVELOPS BRISMILE APPLICATION (ELECTRONIC LOGISTIC INFORMATION MANAGEMENT SYSTEM). BRISMILE WAS A REFINEMENT FROM THE PREVIOUS APPLICATION, LOGISTIC PORTAL WHICH WAS DEVELOPED INHOUSE BY BRI.

Assets serves as key factor in a company that shall be managed well for the benefit of the company. Fixed assets is part of the company assets. With a proper fixed assets management, a company can maintain high value of its fixed assets, preserve a longer term of use, and prevent damage on assets that can reduce sales value.

The Fixed Assets Management and Property Procurement Unit (MAT) is responsible for BRI assets management. (MAT). In general, this Unit has the duties and responsibilities in Property Procurement such as the construction and renovation, including lease and purchase of properties, as well as the provision of building facilities such as generators, air conditioners, doors, and so forth. In addition, it is also responsible for the maintenance and optimization of fixed assets, management of fixed asset information systems, and the development of fixed assets management policy.

Fixed Assets Management Policy

BRI Fixed Assets Management is guided by the General Policy of Fixed Assets and Logistics Management (KEMAL), which has been stipulated by the Board of Directors. BRI KEMAL has been ratified by the Board of Directors in 2011 and is effective as of 2012. KEMAL refers to the Minister of State Owned Enterprises Regulation No. PER-05/MBU/2008 dated 3 September 2008 concerning the General Guidelines for Procurement of Goods and Services of State-Owned Enterprises.

The refinement on KEMAL is continuously undertaken by taking into account the control mechanism and corporate challenge. As such, it is expected that the procurement process in BRI can be more in line with business needs, priority scale, budget availability, and budget efficiency.

Fixed Assets Management in 2018

In performing fixed assets management, BRI always refers to the effective and efficient assets management. Aligned with technology utilization in BRI and for the assets management implementation, BRI develops BRISMile application (Electronic Logistic Information Management System). BRISMile was a refinement from the previous application, Logistic Portal which was developed inhouse by BRI. In the application there are several modules, namely:

1. Fixed assets procurement module.
2. Fixed assets management module consists of insurance for fixed assets, relocation, reclassifying fixed assets and write-off of fixed assets.
3. Budget module.

Fixed Assets Management

Strategy and Operational Realization in 2018

BRISmile can be accessed at the level of Branch Offices/ Campus hence the fixed assets management can be more efficient and effective. The efficiency obtained from fixed assets management through BRISmile is as follows:

1. BRI operating units can view and monitor the recording of fixed assets in their units online thereby any problems, especially those related to the differences between the physical assets and details of data in BRISmile can be immediately resolved. The unit can ensure that the fixed assets received are already recorded in the BRISmile.
2. The increase in BRI operating units and the re-supervision of operating units require decentralized fixed assets management, especially those related to the relocation (transfer) of fixed assets between units.
3. The fixed assets insurance process includes the closing of insurance and payment of insurance claims for fixed assets loss can be carried out online with the guarantor hence the process of insurance closing can be carried out faster than manual transaction thereby reducing the risk of fixed assets loss. In addition, the unit that submits an insurance claim through BRISmile can monitor the progress of insurance claims for fixed assets loss. Furthermore, following an approval claim from the guarantor, the claim payment is automatically implemented.
4. The write-off process can be carried out directly by BRI operating units, from the proposal to the write-off in BRISmile record. This process facilitates the units to monitor the progress of each proposed write-off.
5. The budget module in BRISmile facilitates the Work & Budget Plan preparation. This is because the proposals from each unit are carried out through a system hence the unit requirements can be directly monitored and analyzed by the Head Office.
6. The fixed assets procurement process begins from the procurement principle permit input, principle permit for the results of procurement, and issuance of the Work Order to the delivery/distribution of fixed assets to BRI operating units. These can be done through the BRISmile Application hence all progress in the fixed assets procurement that are being carried out or has been carried out at Head Office, Regional Offices, Inspection Offices, and BRI Corporate University are in accordance with the granted authority. As such an evaluation of each fixed assets procurement can be undertaken including the time and its obstacles.
7. The proposal submission process to fixed assets recording on property leasing/buying and the construction/renovation of BRI Building can already be done through BRISmile hence the proposal or construction/renovation progress can be directly monitored by operating units.
8. Currently the BRISmile module interfaces directly with Brinets, where all bookkeeping transactions are carried out automatically through BRISmile, thereby manual bookkeeping by operating units is no longer required.
9. Faster and accurate information regarding BRI fixed assets for both internal and external interests, especially the data related to BRI's financial statements. The reports generated from BRISmile include details of fixed assets, fixed assets transfer reports, fixed assets write-off reports, fixed assets insurance closing reports, etc.

Fixed Assets Management

10. To facilitate the management in strategy making policy related to fixed assets procurement, the dashboards have been made, property rental/purchase proposal, and building construction/renovation hence the policies are taken on time and on target.
11. BRI developed several modules during 2018, including:
 - a. Printed materials procurement and distribution
The printed materials procurement and distribution (security/non security printings) integrated with BRINETS bookkeeping and digital office.
 - b. MIS Motor Vehicle BPKB Module
The BPKB Management Information System Module that is functioning to distribute BPKB from vehicle vendors to operating unit vehicle owners that have not received physical BPKB, this module is integrated with digital office.
 - c. Payment Verification Module
Functioning to verify the payment agreement.
 - d. Automatic Amortization Charges Module for Rental Buildings & Rental Building Upgrading
Functioning to charge amortization automatically for rental buildings and upgrading of rental buildings.
 - e. Online Vendor Certificate
Functioning to simplify the process for third parties that are intended to become BRI vendors from online registration process at BRI website to the issuance of BRI Vendor Certificate.

Assets Revaluation

Throughout 2018, BRI did not revalue its fixed assets.

Procurement of Goods and Services

BRI CONDUCTS A QUALITY PROCUREMENT OF GOODS AND SERVICES BY EMPHASIZING ON THE IMPORTANCE OF GCG PRINCIPLES IMPLEMENTATION. TO THAT END, IN ORDER TO CREATE QUALITY PROCUREMENT PROCESS, MAINTAINING TRANSPARENCY IN EVERY PROCUREMENT PROCESS IS VITAL.

Procurement is a process to fulfill or provide the needs of goods and/or services of a company by buying or renting or cooperating with other parties, which implementation is undertaken through the company vendors or other appointed parties.

The procurement of goods and services carried out by BRI aims at fostering the bank operations and business performance in general. In an effort to provide the best service and in compliance with the principles of Good Corporate Governance, BRI is determined to create a secure, effective and efficient procurement of goods and services process.

Policy

The General Policy of Fixed Assets and Logistics Management (KEMAL) serves as a guideline in carrying out the procurement of goods and services process to support the Bank's operational activities in accordance with the quality, quantity and time set at the best price while still observing the principles of Good Corporate Governance.

KEMAL BRI was implemented since 2012. KEMAL refers to the Minister of State-Owned Enterprises Regulation No. PER-05/MBU/2008 dated 3 September 2008 regarding the General Guidelines for Procurement of Goods and Services of State-Owned Enterprise. The objectives of KEMAL BRI development are:

- a. As a guideline in fixed assets management and quality logistics services for all BRI operating units.
- b. As a guideline in the procurement of goods and services process at BRI.

The refinement on KEMAL is continuously carried out by taking into account the control mechanisms and challenges of the company. As such, the procurement of goods and services process at BRI is expected to better suit the business needs, priority scale, budget availability, and budget efficiency.

Procurement of Goods and Services Principles

In undertaking the procurement process, the Bank refers to the basic principles of procurement implementation including:

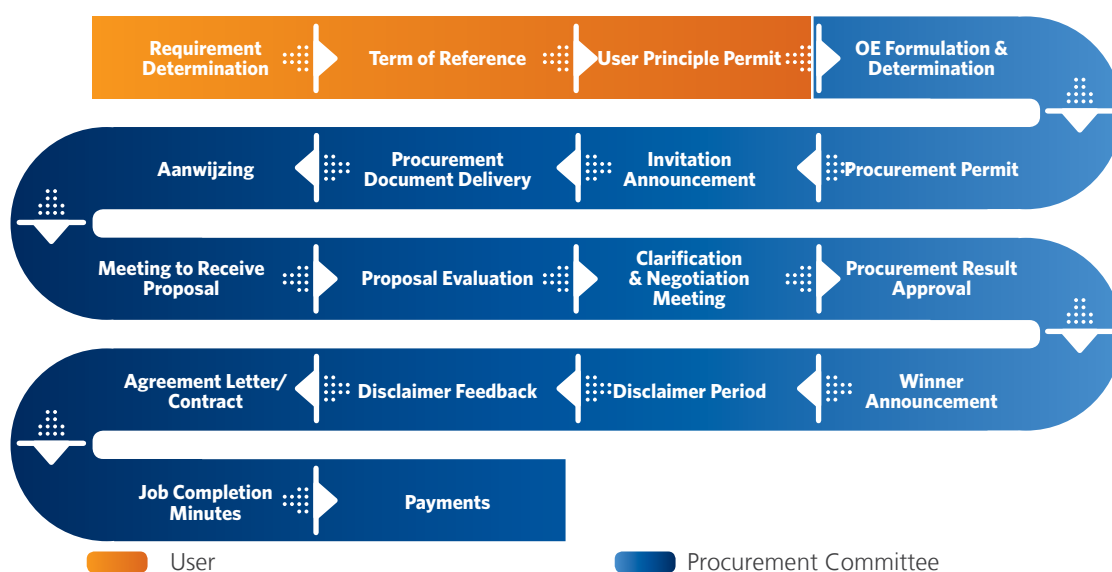
- | | |
|---------------------|---|
| a. Efficient | The procurement of goods and/or services shall endeavour to obtain optimum and best results in a short time by using the minimum fair funds and capacity and not only based on the lowest prices. |
| b. Effective | The procurement of goods and/or services shall be in accordance with predetermined needs and provide maximum benefits according to the targets set. |

Procurement of Goods and Services

c. Competitive	The procurement of goods and/or services shall be opened to the providers of goods and/or services that meet the requirements and undertaken through fair competition among providers of goods and/or services that are equal and meet certain requirements/ criteria based on clear and transparent rules and procedures.	e. Fairness	Provide equal treatment for all prospective suppliers of goods and services that meet the requirements.
d. Transparent	All rules and information regarding the procurement of goods and/or services, including technical requirements for procurement administration, evaluation procedures, evaluation results, determination of prospective providers of goods and/or services are transparent to participants that are interested in providing goods and/or services.	Accountable	Must achieve the targets and be accountable hence to prevent from potential abuse and irregularities.

Procurement of Goods and Services Procedures

The implementation stages of procurement of goods and services at BRI are as follows:



Procurement of Goods and Services

Explanation:

- a. In order to support BRI operational activities, the adequate facilities, infrastructure and infrastructure are required to achieve the Company's objectives. To meet the needs of facilities, infrastructure and infrastructure a procurement process is required.
- b. In each implementation of the procurement process, the Owner Estimate (OE) is required as one of the basis in determining the procurement method. In 2017 an Estimation Group was formed, namely an independent unit that has the duties and responsibilities in preparing and stipulating the prices for the procurement of goods and/or services at BRI.
- c. The procurement process can be undertaken with several methods, including self-management, direct purchase, direct appointment, direct election and open auction.
- d. In the procurement process an evaluation of the offer submitted by the prospective Provider of Goods/ Services will be carried out to obtain the best quality and price.
- e. In order to obtain conformity between the needs of BRI and the bids submitted by prospective suppliers of goods/services, Clarification and Negotiation will be carried out in the procurement process until the winner of the goods/ services provider is determined.
- f. If a winner has been determined, BRI provides a refutation time if there are any parties objecting the implemented procurement process or on the winner's determination. This is done in order to realize the procurement of goods and services process that meet the rules of Good Corporate Governance.

Vendor Management

- a. Providers of goods and/or services that will participate in the procurement of goods and/or services in BRI in principle has to attain a BRI Vendor Certificate. This is a statement in the certificate or letter format explaining that the provider of goods/ services listed therein has been registered as BRI Vendor, as a condition for participating in the procurement of goods/services at BRI.
- b. BRI has in place the vendor list of goods/ services that can be used in the procurement of goods and services process at BRI. The vendor list is obtained from the selection of qualifications and requirements determined by BRI. The requirements set out to become BRI vendors to suppliers of goods/ services that have passed the vendor selection have been carried out transparently, in compliance with Good Corporate Governance principles.
- c. Evaluation on Vendors is carried out with variable valuation including procurement process, quality, delivery, responsiveness, and maintenance period.
- d. Vendor Management Application, BRI has developed a Vendor List management application that is integrated with BRISMILE, from registration conducted independently by vendors, legality and vendor business evaluation process to the issuance of BRI Vendor Certificate.

Procurement of Goods and Services

Strategy and Work Programs in 2018

The Procurement of Goods and Services Division acts as a benefactor of BRI's business and operations. In an effort to provide the best service and in compliance with the Principles of Good Corporate Governance, BRI is determined to create a safe, effective and efficient procurement process.

The following are several strategies implemented during 2018:

- **Procurement with multi vendors**
Multi vendor strategies accelerate the process of fulfilling goods and/or services.
- **Procurement with blanket orders**
The implementation of this strategy accelerates the process of fulfilling routine goods and services with a relatively large amount, as well as streamlining the procurement operational costs.
- **SOE synergy**
- **BRISMILE Application Usage**
By using the system, monitoring processes and reporting on the procurement results can be electronically done.

Procurement of Goods and Services Transparency and e-procurement Implementation

BRI undertakes the quality procurement of goods and services by emphasizing on the importance of Good Corporate Governance Principles implementation. As such, to create a quality procurement process, one of the steps taken is to maintain transparency in every implementation of the procurement process.

The work programs that has been carried out to support the transparency of the goods and services implementation is as follows:

- Financial Assessment Implementation using the E-Procurement Modul E-Auction Application
- Announcement of procurement auctions through various print and electronic media.
- ISO 9001:2015 Certification

ISO 9001:2015 Certification

This certification has been achieved by BRI in the process of inventory management, procurement administration, and payment. The achievement of ISO 9001:2015 Certification is expected to increase BRI vendors' trust due to transparency in better procurement procedures.

Procurement of Goods and Services

Cost Efficiency Percentage Achievement (10% Target of the Budget)

Efficiency becomes a significant factor in procurement of goods and services. As such, BRI strives to maintain the cost efficiency hence to achieve effective process of procurement of goods and services.

Internal and External Customer Satisfaction Indices

No.	Survey	Respondent	FGD I 2018 Survey Results		Phase II 2018 Survey Results		Max Scale
			Index	Description	Index	Description	
1	BRI Internal Service Survey (BISS)	Head Office Division	4.48	Very Satisfied	4.60	Very Satisfied	5.00
2	BRI External Service Survey (BESS)	Vendors/Business Partners	4.15	Very Satisfied	4.50	Very Satisfied	5.00





Corporate Governance

BRI'S ACHIEVEMENT IN MICRO AND MSMES MARKET SHARE ABOVE THE 2018 TARGET IS INSEPARABLE FROM THE IMPLEMENTATION OF FUNCTIONS OF EACH GOVERNANCE ORGAN THAT IS ACCOUNTABLE TO SHAREHOLDERS AND STAKEHOLDERS.

IN 2018, BRI SUCCEEDED IN IMPLEMENTING FLEXIBLE GOVERNANCE PRACTICE TOWARDS ITS BUSINESS NEEDS WHILE STILL COMPLYING TO PREVAILING REGULATIONS. THIS PROVIDES MORE VALUE FOR SHAREHOLDERS AND STAKEHOLDERS TO SUPPORT THE ACCELERATION ON MSME SECTOR DEVELOPMENT THROUGH DIGITALIZATION OF BANKING SERVICES.

Corporate Governance

CORPORATE GOVERNANCE COMMITMENT

The Board of Commissioners ("BOC"), the Board of Directors ("BOD") and all employees of BRI at all working levels committed to apply the Good Corporate Governance ("GCG") principles in performing each roles and responsibilities as well as to comply with prevailing provisions and regulations.

BRI awares on the importance of GCG implementation as foundation in order to achieve its vision and sustainable mission. Therefore, BRI always enhance the quality of GCG process and structure in each level of organization to maintain the business sustainability as well as ensure

better GCG outcome in providing value added for shareholders as well as stakeholders of BRI including the customers and government.

The achievement through increment of company assets as well as profit during the last decade is an outcome manifestation of successful GCG implementation. The achievement is inseparable from BRI commitment in applying the GCG principles at every level of organization in carrying out the Bank's business activities and operation.

To actualize the Company's objectives in GCG quality improvement, the commitment of all BRI personnels can be described as follows:



Corporate Governance

GCG AWARDS

The implementation of GCG as reflected in governance outcomes in 2018 has gained recognition by achieving several awards related with governance as follows:

**Most Trusted
Company
Corporate Governance
Performance Index**



**Best Finance
& Top 50 The
Biggest Market
Capitalization PLCs
in Indonesia**

**(ASEAN Corporate
Governance Scorecard)**

GCG IMPLEMENTATION

GCG Implementation Basis

The implementation of GCG principles is conducted based on the following regulations:

1. Law of Republic Indonesia No. 7 Year 1992 on Banking as amended by Law of Republic Indonesia No. 10 Year 1998.
2. Law of Republic Indonesia No. 40 Year 2007 on Limited Liability Company.
3. Law of Republic Indonesia No. 19 Year 2003 on State-Owned Enterprise.
4. Government Regulation of Republic Indonesia No. 21 Year 1992 dated 29 April 1992 on Adjustment of Legal Entity of Bank Rakyat Indonesia into Company (Persero).
5. Regulation of Ministry of State-Owned Enterprise No. PER-01/MBU/2011 dated 1 August 2011 on the Stipulation of Good Corporate Governance of State-Owned Enterprise (SOE) as amended by the Regulation of Ministry of State-Owned Enterprise No. PER-09/MBU/2012 dated 6 July 2012.
6. Circular Letter of Bank of Indonesia No. 15/15/DPNP dated 29 April 2013 on The Implementation of Good Corporate Governance for Commercial Banks.
7. Financial Services Authority Regulation No. 4/POJK.03/2016 dated 26 January 2016 on The Rating of the Commercial Banks.
8. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 07 December 2016 on the Implementation on Implementation of Corporate Governance of Commercial Banks.
9. Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 on The Implementation of Integrated Governance For Financial Conglomerate.
10. Financial Services Authority Regulation No. 31/POJK.04/2015 dated 22 December 2015 on the Disclosure of Information or Material Facts by Issuers or Public Companies.
11. Circular Letter of Financial Services Authority No. 13/SE.OJK.03/2017 dated 17 March 2017 concerning Application of Commercial Banks Governance.
12. Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 dated 17 November 2015 on Corporate Governance of Public Companies.

Corporate Governance

BRI also adopt the best standard as well latest as guidelines and best practice in developing the GCG quality implementation as follows:

1. Principles of Corporate Governance by the Organization for Economic Co-Operation and Development (OECD).
2. ASEAN Corporate Governance Scorecard.
3. Indonesian Banking GCG Guideline by National Committee of Governance Policy (KNKG).
4. Principles for Enhancing Corporate Governance by Basel Committee on Banking Supervision.

GCG PRINCIPLES AND IMPLEMENTATION

The GCG principles are implemented by the company to improve and / or maximize the company's value and performance for sustainable management. These principles include:



The GCG principles are formulated in supporting BRI sustainable business activities as follows:

Transparency

1. The Bank has a policy to disclose important information required by the stakeholders.
2. The Bank discloses information in accordance with prevailing laws and regulations including the Bank's vision and mission, business values and targets and strategies, financial condition, composition and remuneration of the Board of Commissioners and Board of Directors, controlling shareholder, organizational structure, risk management, internal control system, and implementation of GCG and compliance.
3. The principle of information disclosure does not reduce the obligation of confidential Bank and Customers information in accordance with applicable regulations.

Accountability

1. The Bank establishes long-term and short-term business targets that are accountable to shareholders and stakeholders.
2. The Board of Commissioners and the Board of Directors submit the annual report and financial accountability in the GMS.
3. The Bank submits the report in accordance with the applicable provisions to the supervisory authority of the Bank and other stakeholders as applicable.
4. The Bank shall determine the duties and responsibilities of the Board of Commissioners, Board of Directors and corporate organs as well as their subordinates in line with the Bank's vision and mission.

Corporate Governance

5. The Bank ensures ontheavailability of competencies of the Board of Commissioners and the Board of Directors as well as all levels below in accordance with their responsibilities and understand their role in GCG implementation.
6. The Bank ensures on the availability of structures, systems and SOPs that can insure the operation of check and balance mechanism in achieving the Bank's vision and mission.
7. The Bank has an effective internal control system.

Responsibility

1. The Bank adheres to the principles of prudence and guarantees the enforcement of regulations, articles of association and internal regulations of the Bank.
2. The Bank maintains nature conservation through lending policy and other policies that support the natural resources preservation.
3. The Bank acts as a good corporate citizen through social and environmental responsibility.

Independency

1. The Bank avoids the dominance of any party, unaffected by certain interests, free of conflict of interest and any influence or pressure so as to act objectively.
2. The Bank performs its functions and duties in accordance with the Articles of Association, internal Bank rules and regulations.

Equality and Fairness

1. The Bank provides fair and equal behavior to the stakeholders in accordance with the benefit and contribution made to the Bank.
2. The Bank provides opportunities for stakeholders to provide input and convey opinions for the interests of the Bank and access to information disclosure.

OBJECTIVE OF GCG IMPLEMENTATION

The principles of GCG are implemented at every level of BRI organization in carrying out the Company's business activities. BRI continues to be committed in the implementation of GCG that has been proven to have a positive impact on achieving company performance and sustainability. It aims to:

1. Support the achievement of Bank's vision and mission.
2. Support the Bank's achievement through significant performance enhancement.
3. Maximize the company's value.
4. Enhance the shareholders and stakeholders' confidence that the Bank management and oversight are professionally implemented.
5. Ensure the sustainable sound and progressive development of the Bank.
6. Provide guidelines to the Board of Commissioners and Board of Directors and all Bank employees.
7. Support the management of Bank resources effectively and efficiently.
8. Optimize risk-return relationbeing consistent with business strategy.
9. Support the creation of decision making by all Bank's personnels based on GCG principles.
10. Support the establishment of Bank policies based on GCG principles.
11. Support the realization of good corporate citizen.

GCG Roadmap Implementation

BRI continues to improve the application of GCG principles in the company environment. The stages of GCG implementation is stipulated under the continuous roadmap in which application is adjusted with the Company's needs. The BRI Roadmap are as follows:

2000-2001

- ▶ GCG implementation as stated in the business plan.
- ▶ Management's commitment in the vision, mission, core values, and corporate culture.
- ▶ GCG policy (Charter).

2002-2005

- ▶ BRI Code of Conduct Policy.
- ▶ Board Manual of the Board of Commissioners and Board of Directors.
- ▶ Corporate Secretary Charter.
- ▶ Transparency and Disclosures Manual.
- ▶ Audit Committee Charter.
- ▶ Risk Management General Policy.

- ▶ Discipline Regulatory Policy.
- ▶ Manpower Regulatory.
- ▶ Information System Technology Security Policy.
- ▶ Revision of Information System Technology Security Policy.
- ▶ Revision of Logistic General Policy.

2006-2009

- ▶ Nomination and Remuneration Committee Charter.
- ▶ Risk Management Oversight Committee Charter.
- ▶ Audit Charter.
- ▶ HR Architecture.

2010-2012

- ▶ Compliance Charter.
- ▶ Compliance Culture Implementation Policy.
- ▶ Conflict of Interest Handling Manual.
- ▶ Anti Fraud Strategy Policy.
- ▶ Service Level Agreement (SLA) Standard.

2013

- ▶ Know Your Employee Principle Policy.
- ▶ Community Development Program Implementation.
- ▶ Educational Budget Development and Utilization Guideline.

2014

- ▶ Update of Internal Audit Policy and Procedures.
- ▶ New Employee Coaching Program Implementation.
- ▶ AML and CTF Implementation.
- ▶ Bank Soundness Rating Assessment Guideline.
- ▶ Internal Capital Adequacy Assessment Process (ICAAP).
- ▶ BRI Information System Technology Security Rules.

2015

- ▶ BRI Long Term Plan General Policy.
- ▶ Guideline for BRI Long Term Plan Implementation.
- ▶ Risk Management General Policy.
- ▶ Integrated Risk Management Policy.
- ▶ Risk Based Bank Rating Assessment Guideline.
- ▶ Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) Program Policy and Procedures.
- ▶ BRI Integrated Governance Financial Conglomerate Guideline.

- ▶ BRI Internal Audit Charter.
- ▶ IT Strategic Plan.
- ▶ Risk Management Maturity Level Assessment.
- ▶ BRI has again achieved :
 1. Most Trusted Company based on Corporate Governance Performance Index.
 2. The Best Overall in Good Corporate Governance Award Event held by Indonesian Institute for Corporate Directorship (IICD).

GCG Roadmap Implementation

2016

- ▶ Commitment of BRI's Gratuity Control Program with KPK.
- ▶ Disaster Recovery Plan (DRP) for BRI Information Technology.
- ▶ Implementation of Knowledge Management, namely sharing of knowledge (internal and eksternal provision, publication of research/ review result and training) to all employees.
- ▶ E-Learning implementation to all BRI Employees.
- ▶ BRI has again achieved:
 1. Most Trusted Company based on Corporate Governance Performance Index.
 2. The Best Overall dalam acara Good Corporate Governance Award yang diselenggarakan oleh Indonesian Institute for Corporate Directorship (IICD).

2017

- ▶ Establishment of BRI Gratuity Management Unit.
- ▶ BRI has again achieved:
 1. Most Trusted Company based on Corporate Governance Performance Index.
 2. The Best Overall in Good Corporate Governance Award Event held by Indonesian Institute for Corporate Directorship (IICD).

2018

- ▶ BRI's policy on Sustainable Financial Action Plans.
- ▶ Implementation of a Recovery Plan for systemic Banks determined by the Financial Services Authority.
- ▶ Review the Whistleblowing System and implementation of WBS reporting facility on BRI website.

2018 GCG IMPLEMENTATION

The application of BRI GCG for 2018 is as follows:

1. Signing of GCG Commitments by all BRI personnel.
2. Socialization of the implementation of Anti-Fraud Strategy in BRI Performance Improvement Forum.
3. Submission of GCG Self Assessment report.
4. Submission of Integrated Governance Self Assessment report.
5. Implementation of the 2018 AGM.
6. Dividend payment does not exceed the period of 1 month after the announcement of GMS minutes of meeting.
7. The implementation of the Corporate Governance Performance Index (CGPI) held by The Indonesia Institute for Corporate Governance and BRI scored at 89.06 with a predicate of the Most Trusted Company.
8. Participation in the ASEAN Corporate Governance Scorecard.
9. E-learning on gratification control.
10. Redesigning the Corporate Website of BRI Bank.
11. Revitalization of Whistleblowing System Policy and Reporting tools in the Company's Website.
12. Signing of BRI's gratification and financial conglomerate control commitment.

GCG Policy

In the GCG implementation, BRI has in place the internal policy that regulate duties and responsibilities of each level of the organization in accordance with GCG principles and applicable regulations, namely:

1. Decree of BRI Board of Directors No. S.281-DIR/DKP/12/2011 on the Implementation of Compliance Culture in Work Unit of PT Bank Rakyat Indonesia (Persero) Tbk.
2. Joint Decree of BRI Board of Commissioners and Board of Directors No. 02-KOM/BRI/15/2012 and Nokep. S.104-DIR/DKP/05/2012 on the General Guidelines for Handling Conflicts of Interest PT Bank Rakyat Indonesia (Persero) Tbk.
3. Joint Decree of BRI Board of Commissioners and Board of Directors No. 05-KOM/ BRI/12/2013 and Nokep. S.64-DIR/DKP/12/2013 on Good Corporate Governance Policy PT Bank Rakyat Indonesia (Persero) Tbk.
4. Joint Decree of BRI Board of Commissioners and Board of Directors No. 06-KOM/BRI/12/2013 and Nokep. S.65-DIR/DKP/12/2013 on the Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk.
5. Joint Decree of BRI Board of Commissioners and Board of Directors No. 06-KOM/BRI/07/2015 and Nokep. S.339-DIR/DKP/07/2015 on the Integrated Corporate Governance Guidelines for Financial Conglomeration of PT Bank Rakyat Indonesia (Persero) Tbk.
6. Circular Letter of BRI Board of Directors Nose. S.27-DIR/DKP/12/2016 on the Whistleblowing System of PT Bank Rakyat Indonesia (Persero) Tbk.
7. Joint Decree of BRI Board of Commissioners and Board of Directors No. 03-KOM/BRI/03/2017 and Nokep. S.11-DIR/DKP/03/2017 on the Guidelines for Gratification Control PT Bank Rakyat Indonesia (Persero) Tbk.
8. Joint Decree of BRI Board of Commissioners and Board of Directors No. 09-KOM/BRI/11/2017 and Nokep: S.1023-DIR/KPS/11/2017 on the Remuneration Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk.
9. Code of Conduct of the BOC.
10. Dividend Policy.
11. Decree/Decision of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk. No: 04-KOM / BRI / 09/2018 concerning Implementation of Deferred Variable Remuneration of PT Bank Rakyat Indonesia (Persero) Tbk.

GCG Structure Mechanism and Relation

SKB (GCG Policy/ Charter) is formulated based on BRI's business development, evaluation of previous guidelines and GCG best practices covering 4 (four) aspects of governance, namely commitment, structure, process and results described in the following chart:

GCG Commitment	GCG Structure	GCG Process	GCG Result
<ul style="list-style-type: none"> ▶ Vision and Mission ▶ Corporate Values ▶ Board Charter ▶ Code of Conduct ▶ Environment Conservation 	<ul style="list-style-type: none"> ▶ Main Organ <ul style="list-style-type: none"> • GMS • Board of Commissioners • Board of Directors ▶ Supporting Organ <ul style="list-style-type: none"> • Committees • Board of Commissioners' • Secretary • Corporate Secretary • Compliance Unit • Internal Audit Unit • Risk Management Unit ▶ Policies and Procedures <ul style="list-style-type: none"> • Bank Strategic Plans • Bank Business Policies • Transparency and Disclosures 	<ul style="list-style-type: none"> ▶ GMS Implementation ▶ Implementation of the Board of Directors' and Board of Commissioners' Duties and Responsibilities ▶ Implementation of the Bank Business ▶ HR Management ▶ Social and Environment Responsibility ▶ IT Governance ▶ Management of Subsidiaries 	<ul style="list-style-type: none"> ▶ Bank Sustainability ▶ Customer Protection ▶ Social and Environmental Responsibilities as Good Corporate Citizen ▶ The Bank's benefits for the community and environment

GCG Structure Mechanism and Relation

1. GCG COMMITMENT

Vision and Mission

BRI has a vision that reflects the achievement of the corporate objectives in the future. The mission then explains on BRI's measures toward the achievement of these objectives. The Vision and Mission are elaborated further in the Company profile Chapter.

Corporate Values (Core Value)

BRI Core Value includes values and culture that become the foundation of thinking, behaviour and conduct, which further invested as a Corporate Culture translated in the Corporate Culture Conduct. The Core Value is described further in the Company profile Chapter.

BOC and BOD Charters

BRI has in place the BOC Charter and BOD Charter which contains the structure, division of duties and responsibilities, work ethics, meeting procedures, organization and work relations between the Board of Commissioners and Board of Directors, which is used as a reference for the Boards in performing the duties for the achievement of the Company's business objectives. The Code of Conduct is further described in the Board of Commissioners' sub Chapter.

Code of Conduct

BRI developed the Bank's Code of Conduct as a guideline on business ethics, work ethics and conduct in implementing good corporate management practices, including interacting with stakeholders. The Code of Conduct applies to all BRI employees throughout the organization. The Code of Conduct is further elaborated in the sub Chapter of the Code of Conduct.

Collective Labor Agreement (CLA)

The collective labor agreement (CLA) is developed to regulate the terms of employment as a result of negotiations and agreements between BRI and its trade union, which later became the guidance of both parties in carrying out the employment relationship and as a primary reference in the event of work disputes. CLA is a mandate of the Manpower Act, which in principle upholds the harmonious industrial relations between the company and the workers. The collective labor agreement is clearly described in the HR Chapter.

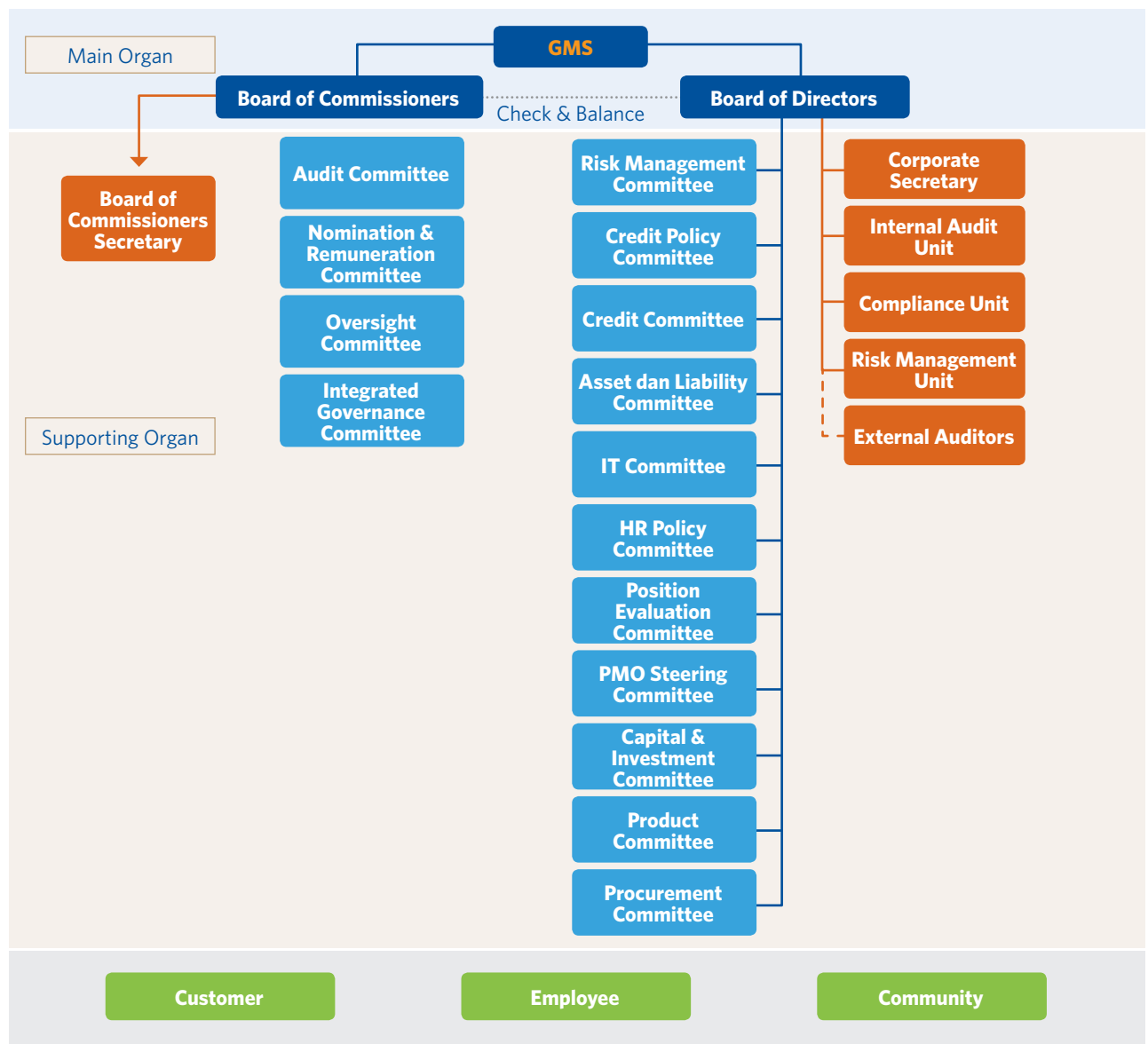
Natural Resources and Environmental Conservation

Responsibility toward natural resources and environmental conservation serves as BRI commitment to participate in sustainable economic development in order to improve the quality of life and the beneficial environment, both for BRI, local communities and society in general. The implementation of social and environmental responsibility is published to stakeholders in periodical reports. The role of BRI in the preservation of natural resources is further explained under the Corporate Social Responsibility Section.

GCG Structure Mechanism and Relation

2. GCG STRUCTURE

Based on Law No. 40 of 2007 the GCG structure consists of 3 (three) main organs, namely the General Meeting of Shareholders, the Board of Commissioners and the Directors. In its implementation, in order to ensure the effectiveness of GCG, and create a check and balance control mechanism, the BRI Governance structure also includes Supporting Organ and the following Policies and Procedures:



GCG Structure Mechanism and Relation

GMS

GMS is the highest organ in the GCG structure. The GMS is a forum of shareholders for decision making and holds accountability for matters relating to BRI's business interests by taking into account the Articles of Association as well as legislation. The GMS consists of an Annual GMS held at the latest period of 6 (six) months after the end of the financial year and the Extraordinary GMS which can be held at any time based on needs for the benefit of the Company.

Board of Commissioners

The Board of Commissioners is an organ that carries out the supervisory function of the management of the Bank by the Board of Directors, including providing advice to the Board of Directors on the management of the Bank.

The Board of Commissioners consists of Commissioners and Independent Commissioners. The Independent Commissioners are set at least 50% (fifty percent) of the total members of the Board of Commissioners.

The Board of Commissioners is not involved in decision making process on the Bank's operational activities, except for the provision of funds to related parties, and matters regulated in the Bank's Articles of Association or applicable laws and regulations.

More detailed provisions regarding the duties and responsibilities of the Board of Commissioners of BRI are contained in the Board of Commissioners' Guidelines and work rules.

Board of Directors

The Board of Directors is an organ that responsible for Bank's management including representing the Bank with third parties inside and outside the court. The implementation of the duties and responsibilities of the Board of Directors refers to the Bank's Articles of Association, and applicable laws and regulations.

More detailed provisions regarding the duties and responsibilities of the Bank's Directors are explained in the Board of Directors Charter.

Supporting Organs for Governance Structure

Committee Under the Board of Commissioners

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Risk Management Monitoring Committee
- d. Integrated Governance Committee

More detailed provisions regarding Committees under the Board of Commissioners will be discussed in a separate chapter in this annual report.

Committee Under the Board of Directors

- a. Asset & Liabilities Committee (ALCO)
- b. Risk Management Committee.
- c. Credit Committee.
- d. Capital & Investment Committee.
- e. Credit Policy Committee.
- f. Information Technology Steering Committee.
- g. Human Capital Policy Committee.
- h. Job Evaluation Committee.
- i. Project Management Office Steering Committee
- j. Product Committee
- k. Goods and Services Procurement Committee

More detailed provisions regarding the Committees under the Board of Directors are stipulated in the Board of Directors' committee guidelines and work rules and will be discussed in a separate chapter in this annual report.

Secretariat of the Board of Commissioners

Is the organ appointed by the Board of Commissioners and has the duties to assist the implementation of the Board of Commissioners' duties and responsibilities. Detail elaboration of the Board of Commissioners' Secretary is stated on separate chapter of this annual report.

Corporate Secretary

Is the supporting organ responsible to the President Director that has the roles to assist the Board of Commissioners and Board of Directors in implementing each duties and responsibilities related to corporate governance implementation as well as a liaison and communication management both

GCG Structure Mechanism and Relation

between the company internally and externally, among others the shareholders, regulators and other stakeholders.

Detailed information on the Corporate Secretary is stipulated on separate chapter of this annual report.

Risk Management Unit

Implementation of Risk Management is tasked with implementing the implementation of Corporate Risk Management (ERM). A more detail explanation regarding the Risk Management Work Unit will be discussed in a separate chapter in this annual report.

Compliance Unit

An independent work unit responsible for implementing compliance functions at BRI. More detail explanations regarding the Compliance Work Unit will be discussed in a separate chapter in this annual report.

Internal Audit Unit

Internal Audit is a work unit that is structurally responsible directly to the President Director and has a line of communication with the Audit Committee. Internal Audit serves as an independent and objective assurance and consulting provider by evaluating the adequacy and effectiveness of risk management, internal control and corporate governance processes, with the aim of increasing added value and improving Bank operations. A more detailed explanation of the Internal Audit Work Unit will be discussed in a separate chapter in this annual report.

External Audit

Examination of the Bank is also carried out by an External Auditor, namely Bank Indonesia, the Financial Audit Agency (BPK), other examiners in accordance with regulations and the public accounting firm. Banks are required to appoint a Public accountant and Public accountant office registered with the Financial Services Authority in conducting audits of the Bank's financial statements.

Policies and Procedures

In order to maintain the efficiency and effectiveness of GCG implementation by the BOD, the BOC and the Company's employees, the Bank's internal policies are evaluated and refined periodically by the policy-making unit (policy owner) in accordance with the need and development of the Bank.

The Bank's Plan Development Policy

The Bank's Plan includes:

- a. Corporate Plan functioned as the comprehensive background of the bank's business direction or the Bank's strategy for the period of 5 (five) years. The policy on corporate plan is stated under the Corporate Plan General Policy and Corporate Plan Implementation Guidelines.
- b. The Bank Business Plan is the detailed implementation of work strategy and program as well as the Bank's 3 (three) years performance targets. The policy on the Bank Business Plan is stated under the Bank Business Plan General Policy and the Bank Business Plan Implementation Guidelines.
- c. cWork and Budget Plan is the detailed explanation on the Bank's 1 (one) year performance targets. The policy on the Work and Budget Plan is stated in the Bank's Circular Letter on the Work and Budget Plan.

Business Policy

BRI internal policies and rules is in line with the GCG policy, which includes the Standard Operating Procedures covering circular letters, decrees, Operating Procedures Book and/or Manuals. The GCG principles shall be reflected in all the Bank's internal policies and rules related to the Bank's business and or internal management. Every new product development and/or business activities shall be appropriately aligned with the prevailing rules. The Bank's new product and/or activities is regulated under separate provisions.

Oversight Policy

The Bank's oversight is implemented through Three Lines of Defense concept, which are:

GCG Structure Mechanism and Relation

- a. First Line of defense is the oversight conducted by Business/Operating Units responsible to maintain the business output and process quality in accordance with the set policy and procedures.
- b. Second Line of defense is a function conducted by Risk Management Unit and Compliance Unit as stated in Bank Indonesia regulations.
- c. Third Line of Defense is the oversight conducted by internal audit through the evaluation of First Line and Second Line of Defenses. The Unit also provides independent reports to the President Director and the Board of Commissioners.

BRI's Oversight Policy consists of:

- a. Internal control policy is developed by taking into account the scopes of:
 - 1) Control environment, example: three line of defense concept implementation
 - 2) Business risk management and analysis, example: risk assessment on the Bank's product and/or business activities
 - 3) Aktivitas Control activities implemented in every level of the Bank's structures, example: direct supervisor oversight, dual control and so forth
 - 4) Information and communication system, example: information in the Data Warehouse (DWH)
 - 5) Monitoring, evaluation and follow up on internal control activities, example: risk management device implementation policy.
- b. Internal oversight policy, among others covering the internal audit policy, Anti Fraud Strategy, legal analysis and compliance examination.
- c. External oversight policy, which is the oversight by the external auditors and banking oversight regulators in accordance with the prevailing provisions.

Transparency and Disclosures Policy

The Bank's internal policy on transparency and disclosures is stated in:

- a. Transparency and Disclosure Guidelines.
- b. Bank Confidentiality Policy.
- c. Reporting policy, both internal and external including reports to the Bank's authorities and regulators, which is stated under separate policy according to the report types.
- d. dInformation Service and Management Policy.

3. GCG PROCESS

The governance process of a company is the way or mechanism carried out by company organs and the all levels below in carrying out their function and duties as a manifestation of commitment and implementation of current governance structure in order to achieve governance results in accordance with GCG principles.

The GCG process includes:

1. The implementation of Annual General Meeting of Shareholders.
AGMS/ other GMS is held in accordance with timeline and procedures as stipulated in prevailing regulations. The GMS result is announced to the Shareholders and Stakeholders in accordance with applicable regulation.
2. Implementation of function, duties and responsibilities of the Board of Commissioners and the Board of Directors.
The implementation of function, duties and responsibilities of the Board of Commissioners and the Board of Directors are conducted based on accountability, good faith, prudence and professionalism in accordance with the provisions as stipulated in the regulations, Articles of Association, and the Guideline& Working Code of Conduct of the Board of Commissioners and the Board of Directors. The performance evaluation of the Board of Commissioners and the Board of Directors is carried out in line with the mechanism stipulated in accordance with the laws and regulations.

GCG Structure Mechanism and Relation

3. Implementation of Business Activities of the Bank.
The Bank's business activities are carried out in line with the company's vision, mission and values, by adhering to the Bank's strategy, to achieve the agreed objective and with reference to the principles of GCG.
4. Human Resources Management
HR management of the Bank is carried out by referring to the article of association and HR business plan, based on GCG principles, and supporting the achievement of the Bank's business objectives.
5. Social and Environment Responsibility
The social and environment responsibility of the Bank must be part of the Bank's strategic target, and carried out based on GCG principles.
6. Information Technology Governance (IT Governance).
The Bank has a huge interest in the presence of reliable, effective, efficient, accurate and reliable Information technology. Hence, the Bank continues to ensure that IT is developed based on the principles of GCG and able to provide strategic value for the company, as well as support the risk management as encountered by the company.
7. Subsidiaries Management
Business development of Company's subsidiaries is conducted to provide additional value and to support the main business of the Bank. Therefore, the management of Company's subsidiaries must adhere to GCG guidelines and best practice based on sound business code.
8. Socialization of Bank Policies
All Bank policies must be properly and completely socialized / communicated to employees in accordance with their scope of work / duties as a reference for the implementation of work, as well as other relevant stakeholders.

4. GCG RESULT

The implementation of GCG resulted in the following forms:

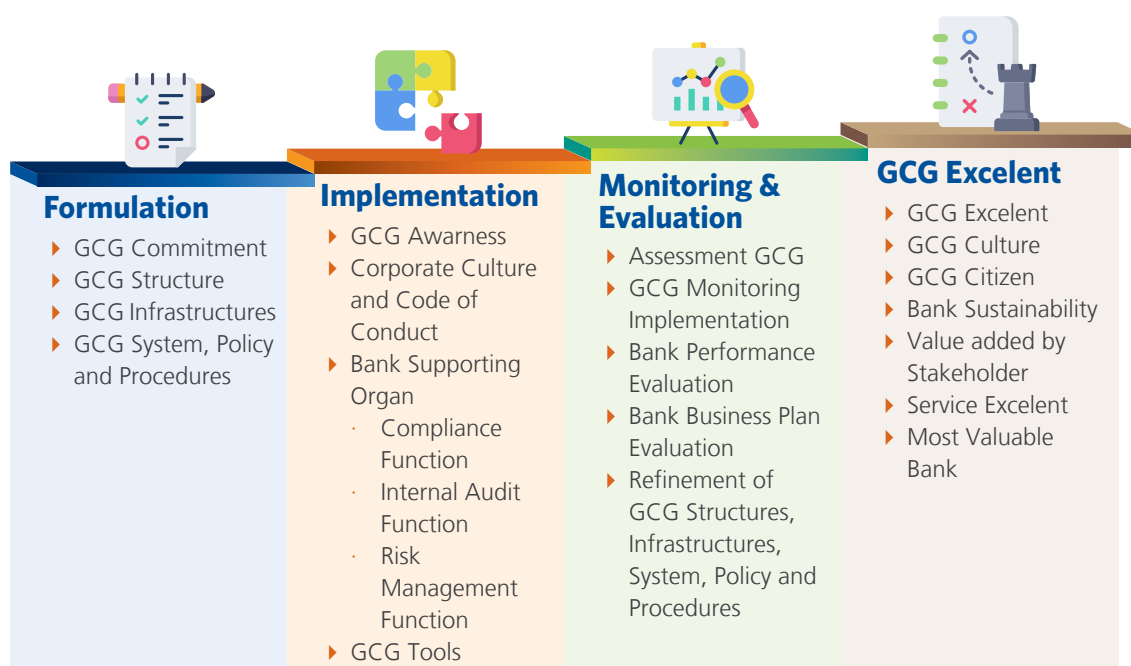
1. Business Continuity
BRI maintain its business continuity through application of GCG best practice within all element of organization by referring to GCG principles namely Transparency, Accountability, Responsibility, Equality and Fairness. The results of GCG are seen in more improved financial performance of BRI, amongst others as follow :
 - a. Credit growth of 14.1%
 - b. Third Party Fund growth of 12.2% (YoY)
 - c. Asset Growth of 15.2% (yoy)
 - d. Income for the Year Growth of 11.6% (yoy).
2. Consumer Protection
BRI always maintain consumer trust and satisfaction in accordance with GCG principles which detail is disclosed under the sub-section of Responsibility to Consumer in the Corporate Social Responsibility Section on this Annual Report.
3. Social and Environment Responsibility as Good Corporate Citizenship.
BRI is not only aiming to generate profits but also committed to give contribution to the community, which is implemented through CSR programs. These programs are empowering and provide benefits for the community, in particular to Micro and Small Business (MSE) segment. in addition, BRI also supports environmental programs, one of which is through Green Banking's commitment in daily operations and Green Financing within lending process.
4. Benefits of Bank for Community and National Economy
In line with its vision, namely the Integrated Banking Solution, BRI is committed to provide services that are supported by technology reliability, extensive network as well as product and services improvement which are closer to the community.

GCG Structure Mechanism and Relation

This has been proven through a variety of products, technology innovations and network among others with distribution of People's Business Loan (KUR) to reach potential non-bankable customers, Operation of the Terrace to reach the outermost areas and collaboration with BRILink agents to support financial inclusion programs by expanding access bank services to the community.

GCG IMPLEMENTATION MECHANISM

For the purpose of ensuring GCG Excellent in BRI, the GCG implementation within the Bank is conducted through three (3) stage mechanism namely, formulation, implementation as well as monitoring and continuous and sustainable evaluation.



GCG Structure Mechanism and Relation

Relation Between Governance Structures, Mechanisms, and Outcome

The Bank's governance is implemented in an integrated series of 3 (three) governance aspects, namely structure, process, and outcome. The Bank implements the three aspects in an effort to ensuring the availability of adequate governance structures and infrastructures, maximizing the effectiveness of governance implementation process, and encouraging the creation of quality governance outcome to meet the expectation of all stakeholders.

Structure	Process	Outcome
The structure, composition, criteria, number and independence of the Board of Commissioners, Board of Directors and the Company's Supporting Organs meet the needs of the company as well as the criteria of the Financial Services Authority provisions.	The implementation of functions, duties and responsibilities as well as the diversity of the Board of Commissioners and Board of Directors in carrying out optimum function of supervision and internal control.	The company's positive performance is among others the achievement of increased profit, good financial performance and strong capital structure.
The Company is required to establish committees and work units in carrying out internal control functions.	In the implementation of internal control functions, the Board of Commissioners shall form 4 (four) committees under the supervision of the company. The Board of Directors shall form 3 (three) Work Units within the company's internal control	The Committees under the Board of Commissioners are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Monitoring Committee, and the Integrated Governance Committee. Working Units under the Board of Directors are Audit, Compliance and Risk Management Unit.
In the implementation of the Bank's operational activities, the duties and responsibilities of each organ function are determined in the form of Policies, Guidelines, Code of Conduct and Procedures.	The implementation of duties and responsibilities of employees is based on the level of position/ field of duty and segregation of duty in performing internal control functions.	A Job Description List is developed at every level of position within the organizational structure of the company.
The Bank's business strategy plan is in line with the Company's vision and mission.	The preparation of the Bank's strategic plan is comprehensively conducted and measurably approved by the Board of Commissioners and communicated to the shareholders and all levels of the organization.	The Bank's strategic plan illustrates the company's sustainability and positive contributions to shareholders and stakeholders.

Information Technology Governance

Information Technology Governance Policy

Information Technology (IT) management aims to implement management on encountered risk related with technology advancement and utilization of digitalization in banking business services

IT governance is stipulated in BOD of BRI Decree. No. S.874-DIR / PPT / 10/2017 on BRI Information Technology Risk Management and Management Policy. The policy is used as a guideline and control for all Information Technology Work Unit to implement risk management and control of IT usage at BRI.

IT governance policies include, among others:

- Roles and Responsibilities of Management in Management of Information Technology.
- Information Technology Development and Procurement.

- Information Technology Operational Activities.
- Provision, Risk Control and Information Technology Risk Management.
- Information Technology Security.
- Disaster Recovery Plan.
- Electronic Banking Services.
- Information Technology Internal Audit.
- Use of Information Technology Service Providers.
- Provision of Information Technology Services.
- Information Technology Reporting.

Information Technology Governance Application

The implementation of information technology governance consists of main frameworks (primary activities) as well as supporting frameworks (supporting activities) in providing added value to stakeholders.

The following are IT Governance application in 2018:

FS 1
Nurture Great Digital Talent

FS 2
Drive Bimodal IT Governance

FS 3
Build Future Ready ICT Platform

FS 4
Leveraging Data Governance & Analytics

FS 5
Deliver Innovative Digital Bank

Functional Strategy (FS)	Main Program	Work Program
Nurture Great Digital Talent	ICT Certification & Digital Product Manager	<ul style="list-style-type: none"> - International IT Certifications (Talent Skill Enhancement) - 10 Professional Certification (IT Operation) - 14 Professional Certifications (Satellite & Telecommunication Network) - 50 Product Manager (Digital Center of Excellence)
Drive Bimodal IT Governance	Establish Business-IT Governance & Alignment	<ul style="list-style-type: none"> - Policy and Guidance for Demand Management - ITSP – ITEA 2018 – 2022 - Upgrade and Enhancement Cardlink - New CMS and Supply Chain System - Upgrade TI Plus - BRISTARS Mobile - BRILink Mobile - Tabungan Perumahan Rakyat - IT Operation ISO 9001:2015 - Design Clinic, Bring-IT-on
	Drive Agile & DevOps method	<ul style="list-style-type: none"> - Application Development Life Cycle Management (ADLM Implementation) - Dev Ops Operational Implementation - Dev Ops (Circleci, Github, Sonarcloud.io)

Information Technology Governance

Functional Strategy (FS)	Main Program	Work Program
Build Future Ready Platform	Perform Gap Analysis & NewCBS Development	<ul style="list-style-type: none"> - New CBS UKLN Implementation - New CBS Gap Analysis and Development
	Implement Middleware Enhancement	<ul style="list-style-type: none"> - Enterprise Service Bus Deployment
	Excel Network & IT Service Delivery	<ul style="list-style-type: none"> - Application Performance Mgmt (APM) Implementation - Core Application Enhancements(Part of NSE Project) - Independent Data Center - Tier 3 Implementation - Professional Building Management & Ops - IaaS & PaaS Implementation - BRISat Integration Phase-2 - integrated-NMS (Pre-IOC) - Core Network Reengineering - Backup Satellite Planning - BRI Box implementation
	Initiate Digital resilience & Fraud Detection system	<ul style="list-style-type: none"> - Biometrics Authentication - Enterprise Security Architecture Implementation - EMV Debit Card (Kartu Berchip) - Fraud Detection
Leverage Data Governance & Analytics	Build Basic Data setup & Big Data Analytics	<ul style="list-style-type: none"> - Enterprise Data Warehouse (Architecture) - Master Data Management (Architecture) - BRISIM Mobile - IaaS & PaaS Implementation - Credit Scoring - Merchant Assessment & Analytics Use Cases
Deliver Innovative Digital Bank	Implement Digital Banking for MSME & Consumer	<ul style="list-style-type: none"> - International IT Certifications (Talent Skill Enhancement) - Development Support for Digital Banking MSME & Consumer Applications (BRISpot & MyBRI) - New BRI Mobile - BRI Digital Collaboration - Hybrid BRISat for BRILink Agent - BRI Digital Bank
	Launch Digital Partnership thru Open API	<ul style="list-style-type: none"> - Development Support for Open API - Open API (Payment, Wallet, CS) - Corporate Venture Capital - BRI Incubator - ID-Lab (Indonesia Mall)

Information Technology Governance

2018 GCG Evaluation and Assessment

In order to maintain the implementation of GCG to always in line with the best standards in line with the Company's GCG Roadmap as well as fulfillment of GCG commitment, BRI periodically evaluate and assessment on the implementation of GCG (GCG Assessment) aimed at improving the quality of GCG mechanisms at the Bank.

GCG evaluation and assessment on GCG implementation by Internal Party, Regulator and External Party

GCG evaluation and assessment on GCG implementation is conducted by BRI with 2 approaches, which are assessment by external parties and regulators that are mandatory according to OJK Regulation on Governance for Commercial Banks.

The evaluation is periodically carried out in accordance with the regulators' rules (by half year), continue with 1 (one) year evaluation period by independent external parties. The assessment and evaluation by the Committee under the Board of Commissioners periodically with due observance of prevailing oversight principles.

In addition, self assessment method is also conducted with GCG principles application based on the ACGS standard (ASEAN Corporate Governance Scorecard) and being reviewed toward improvements based on international best practices.

Self Assessment GCG 2018

Based on POJK No. 55/POJK.03/2016 and Circular Letter of OJK No. 13/SEOJK.03/2017 on the Implementation of Corporate Governance for Commercial Banks, the Bank shall conduct a comprehensive and structured self assessment integrated into three (3) aspects of governance as follows:

1. Governance Structure
The assessment aims to assess the adequacy of Bank governance structures and infrastructures so that good governance principles processes produce results that meet the expectations of stakeholders.
2. Governance Process
The assessment aims to assess the effectiveness of the process of applying the GCG principles supported by the adequacy of Bank governance structures and infrastructure so as to produce results in accordance with the expectations of stakeholders.
3. Governance Outcome
The assessment aims to assess outcomes that meet the expectations of Bank stakeholders as a result of the GCG implementation process and are supported by the adequacy of the Bank's governance structure and infrastructure.

The self assessment is conducted periodically on the principles of GCG consisting of 11 governance valuation factors, namely:

1. Implementation of duties and responsibilities of the Board of Directors.
2. Implementation of duties and responsibilities of the Board of Commissioners.
3. Completeness and execution of committee duties.
4. Handling of conflict of interest.
5. Implementation of compliance function.
6. Implementation of internal audit function.
7. Implementation of external audit function.
8. Implementation of risk management including internal control system.
9. Provision of funds to related parties and large exposure.
10. Transparency of Bank's financial and non- financial condition, internal governance and reporting reports.
11. Bank's strategic plan.

Information Technology Governance

The GCG Self Assessment has been conducted two (2) times a year, resulted in the composite value of 2 (Good) with details as follows:

Periode	Rating	Definition
2018	PK-2 (Good)	Reflecting that BRI Management has implemented GCG in the Governance Structure, Governance Process, and Governance Outcome aspects which are generally good. This is reflected in adequate fulfillment of Good Corporate Governance principles. If there is a weakness in the application of GCG principles, then the general weakness is less significant and can be solved by normal action by the management of BRI.

Analysis	
Governance Structure	BRI Governance Structure has been properly implemented by the establishment of organizational structure consist of main organ and supporting organ of the Company including the availability of business plan, policies, and procedures in GCG implementation.
Governance Process	The Governance Process has been well implemented, every company organ has the duties and responsibilities in accordance with prevailing provisions. BRI continually strives to review and conduct evaluation to improve the effectiveness of the company organ's duties and responsibilities.
Outcome	The Governance Outcome has been well implemented, the disclosure and information transparency process, data and report have been properly conducted with no violation to BPMK. BRI continually evaluate and improve the management information system and reporting system to enhance the information quality provided to the stakeholders.

Integrated Governance Self Assessment

In accordance with Circular Letter of OJK No. 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomeration, BRI as the main entity conducts self assessment based on 3 aspects, namely structure, process and result covering 7 indicators:

1. Implementation of duties and responsibilities of the Board of Directors of the Main Entity.
2. Implementation of duties and responsibilities of the Board of Commissioners of the Main Entity.
3. Duties and responsibilities of the Integrated Governance Committee.
4. Duties and responsibilities of the Integrated Compliance Unit.
5. Duties and responsibilities of the Integrated Internal Audit Unit.
6. Duties and responsibilities of the Integrated Risk Management Unit.
7. Preparation and implementation of integrated governance guidelines.

The results of self assessment of Integrated Governance in 2018 are:

Based on the results of the BRI Governance rating as the main entity of 2018, BRI obtains a Composite Rating (2) or **Good** with details as follows:

Rating	Definition
2	The Financial Conglomeration of BRI is considered to have implemented a generally excellent implementation of Integrated Governance. This is reflected in the very adequate fulfillment of the implementation of the principles of Integrated Governance. In the event of weaknesses in the implementation of Integrated Governance, the weaknesses are generally insignificant and can be immediately corrected by the Main Entity and/ or Financial Institutions.

Information Technology Governance

Analysis on Stucture Governance	
Strengths	Weakness
<ol style="list-style-type: none"> 1. BRI has a policy regarding the BRI Financial Conglomerate Integration Governance Guideline. 2. All member of BRI Board of Directors have knowledge of the main banking and business sectors of the BRI Financial Conglomerate (LJK KK) 3. All member of the Board of Commissioners has sufficient integrity, competence and reputation. 4. Main Entity and LJK KK support and synergize with each other on business activities. 5. BRI has an Integrated Compliance Work Unit, Integrated Internal Audit Work Unit, and Integrated Risk Management Work Unit. 6. BRI has a Procedure and Risk Limit Determination Policy. 	<p>The procedure for implementation of the Integrated Internal Audit Work Unit functions has not been regulated separately.</p>
Follow Up: The Integrated Internal Audit Work Unit is preparing the Integrated Internal Audit Charter and General Audit Guide for the BRI Group.	
Analysis on Governance Process	
Strengths	Weakness
<ol style="list-style-type: none"> 1. The Board of Directors of Main Entity have submitted the Integrated Governance Guideline to LJK KK BRI. 2. The Board of Commissioners has actively monitored the implementation of Governance in each LJK KK BRI and the implementation of the duties and responsibilities of the Board of Directors 3. The Integrated Governance Committee has evaluated integrated reports (audits, compliance, risk profiles and risk management policy reviews). 4. Integrated Compliance Work Unit reviews and evaluates the compliance function of BRI KK LJK on a quarterly basis. 5. Compliance Work Unit with BRI KK LJK conducts IHT AML CTF, reporting assistance on FATCA-CRS, resumes external provisions and sign gratification control commitment. 6. The Integrated SKAI carries out a joint audit with the LJK Internal Audit Unit. 	<p>The implementation and reporting of integrated risk management still needs to be synchronized on the provisions of each LJK, especially non-Bank LJK.</p>
Follow Up: BRI will adjust internal procedures related to the implementation of risk management ini BRI and LJK KK BRI.	

Information Technology Governance

Governance Outcome	
Strengths	Weakness
<ol style="list-style-type: none"> 1. The Board of Directors of BRI ensure that the findings and recommendations from the Internal Audit Unit and external auditors have been followed up by LJK KK BRI. 2. The Board of Commissioners has conducted an integrated risk management policy evaluation. 3. LJK KK is committed to follow up on the recommendations from the evaluation of the Integrated Governance Committee. 4. The Integrated Compliance Work Unit submits an evaluation report on the implementation of the duties and responsibilities of by LJK KK BRI compliance to the President Director and the Board of Commissioners 5. Integrated IA submits an integrated internal audit report to the President Director and the Board of Commissioners 	<p>The results of LJK KK BRI risk profile assessment obtain composite value 2</p>
Follow Up: BRI and LJK KK BRI will improve the implementation of integrated risk management.	

Corporate Governance Performance Index (CGPI)

The CGPI, organized by The Indonesian Institute for Corporate Governance (IICG) is a research program and GCG implementation rating for the companies in Indonesia with the aim of improving GCG implementation on an ongoing basis.

The implementation of CGPI 2018 under the theme “**Transformation of Business Models in the GCG Framework**” is evaluated on three aspects:

1. Governance Structure covers corporate governance structure and policy.
2. Governance Process includes corporate governance system and mechanism.
3. Governance outcome includes output, outcome and impact of GCG implementation process.

The CGPI 2018 assessment resulted in the score of 89.06 as the **Most Trusted** rating with the following assessment details:



Graphic Score CGPI 2013 - 2018



Information Technology Governance

ASEAN Corporate Governance Scorecard (ACGS)

BRI strives to improve the Corporate Governance principles according to the ASEAN Corporate Governance Scorecard criteria that adopted the Organization for Economic Cooperation and Development (OECD) principle. The GCG assessment based on the ACGS criteria is carried out by independent party, namely RSM Indonesia with the following assessment:

1. Shareholders rights
2. Equal treatments for the Shareholders
3. Stakeholders Roles
4. Disclosures and Transparency
5. Responsibility of the Board of Directors and Board of Commissioners

BRI received a "Good" rank on the GCG practices level assessment result according to ACGS in 2018.

Board of Directors Assessment Through The SOE Criteria of Excellent Performance Assessment (KPKU)

The Board of Directors Performance Appraisal as stipulated by the Ministry of SOEs shall be conducted by applying the Excellent Performance Appraisal Criteria (KPKU) in accordance with the Ministry of SOE Letter No. S-153/S.MBU/2012 dated 19 July 2012 on the Performance Reporting Based on KPKU Approach which consists of 6 (six) Process Category and 1 (one) Result Category, which are:

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Measurement of Knowledge Analysis and Management.
5. Labor Focus
6. Focus of Operation
7. Results..

The following is KPKU assessment results on BRI for the last 3 years:



The KPKU assessment process on BRI for 2018 is ongoing in 2019. The KPKU assessment result on BRI for 2018 will be published on the company's website.

Information Technology Governance

Corporate Governance Infrastructure

BRI has in place the governance structure, among others are:

1. BRI's Articles of Association No. 5 dated December 3, 2018 has been accepted and recorded in the Legal Administration System of the Ministry of Justice and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0272183 dated December 6, 2018.
2. BRI Policy Architecture was ratified in 2016.
3. Joint Decree of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/12/2013 and Nokep: S.65-DIR/DKP/12/2013 dated December 16, 2013 on BRI Code of Conduct.
4. Board Manual of the Board of Commissioners.
5. Board Manual of the Board of Directors.
6. Audit Committee Charter.
7. Nomination and Remuneration Committee Charter.
8. Risk Management Oversight Committee Charter.
9. Integrated GCG Committee Charter.
10. Joint Decree of the Board of Commissioners and Board of Directors No. 05-KOM/BRI/12/2013 and Nokep: S.64-DIR/DKP/12/2013 dated December 16, 2013 on the Good Corporate Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk.
11. Joint Decree of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/07/2015 and Nokep: S.339-DIR/DKP/07/2015 dated July 28, 2015 on the Financial Integrated Governance Guidelines.
12. Joint Decree of the Board of Commissioners and Board of Directors No. 09-KOM/BRI/11/2017 and Nokep: S.1023-DIR/KPS/11/2017 dated November 30, 2017 on the BRI Remuneration Governance Policy.
13. Decree Nokep: S.209-DIR/DML/09/2011 dated September 15, 2011 on the General Policy of Fixed Assets Management and Logistics of PT Bank Rakyat Indonesia (Persero) Tbk (KEMAL-BRI).
14. BRI Board of Directors Decree Nokep: S.08-DIR/KPT/05/2018 dated May 24, 2018 on the BRI Whistleblowing System Policy.
15. Joint Decree of the Board of Commissioners and Board of Directors No. 03-KOM/BRI/03/2017 and Nokep: S.11-DIR/DKP/03/2017 dated March 07, 2017 on the Gratification Control Guidelines.
16. BRI Board of Directors Circular Letter No. S.05-DIR/MOP/3/2018 dated March 29, 2018 on the BRI Anti Fraud Strategy.
17. Joint Decree of the Board of Commissioners and Board of Directors No. 02-KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated May 24, 2012 on the General Guidelines of BRI Conflict of Interest Handling.
18. Bank Business Development Guidelines.
19. Decree Nokep: S.296-DIR/CDS/03/2017 dated March 30, 2017 on the General Policy of the Bank Business Plan of PT Bank Rakyat Indonesia (Persero) Tbk.

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

The application of the aspect and principles of public company is regulated in OJK Regulation No. 21/POJK.04/2015 on the Implementation of Public Company Governance Guidelines and OJK Circular Letter No. 32/SEOJK.04/2015 on Guidelines for Public Company Governance that regulate 5 aspects, 8 principles and 24 recommendations for applying the 6 governance principles.

The implementation of these recommendations in BRI GCG is as follows:

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
A. Relationship between Public Company and Shareholders in Ensuring the Rights of Shareholders.				
	Principle 1 Enhancing the Value of General Meeting of Shareholders (GMS).	The Public Company has technical means or procedure for both open and closed voting that prioritize independency and interest of Shareholders	a. Every issued share with voting right has one vote (one share one vote). The Shareholders may use their voting rights during the decision making process, in particular to decision with voting mechanism. However, both open and closed voting mechanism has not been regulated in details. b. The Public Company is recommended to have voting procedure in decision making of GMS agenda. Such voting procedure must maintain independency or freedom of Shareholders. As an example, an open voting mechanism is implemented by raising hand in accordance with option as offered by the GMS chairman. Whilst a close voting mechanism is conducted in any decision that required confidentiality or by request from Shareholders through voting card or electronic voting.	a. The BRI General Meeting of Shareholders is conducted through one vote one share. The voting mechanism is implemented by way of raising hands and the Officer collects voting rights by approaching all present shareholders. b. The Company has utilized the decision-making procedure through voting which prioritizes independence, and the interest of shareholders in accordance with OJK provision, the Company has implemented as follows: <ol style="list-style-type: none"> 1. Have a voting procedure in decision making on GMS agenda as stipulated in the BRI GMS Rules of Conduct which is announced to the shareholders through the company's website. 2. The voting procedure involves an Independent Party namely Notary, PT Datindo Entrycom, Public Accountant Office. The process of gathering voice has been regulated in BRI's Articles of Association and the GMS Rules are uploaded on the company's website.
Remarks : Comply				

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		All members of the Board of Directors and the Board of Commissioners of Public Company attend the Annual GMS	The presence of all members of the Board of Directors and the Board of Commissioners of the Public Company is intended so that each member of the Board of Directors and the Board of Commissioners can pay attention to, explain, and answer directly the issues or questions as raised by shareholders related the GMS agenda.	<p>a. The 2018 AGMS was held on March 22, 2018 attended by all Board of Commissioners and Directors, namely 9 (nine) Board of Commissioners and 10 (ten) Directors.</p> <p>b. There is no Extraordinary GMS in 2018.</p> <p>Remarks : Comply</p>
		The Summary of Minutes of GMS is available in the Public Company's website at least for one (1) year.	Based on Article 34 paragraph (2) of the Financial Services Authority Regulation No.32/POJK.04/2014 on the Plan and Implementation of the General Meeting of Shareholders of Public Company, The Public Company is required to make summary of GMS Minutes in Indonesian and foreign language (minimum in English), and announced to the public within two (2) working days after the GMS is held, one of which is through the Public Company Website. The availability of summary of GMS Minutes in the Public Company Website provides an opportunity for shareholders who are not present, to easily obtain important information in GMS implementation. Therefore, the provision on the minimum period of availability of GMS Minutes summary on the Website are intended to provide sufficient time for shareholders to obtain such information.	<p>The Company has made a summary of AGMS in Indonesian and English.</p> <p>The minutes of meeting has been published on the company's website for a maximum of 2 (two) working days, namely on March 26, 2017 for Company's AGMS. The published minutes of meeting was published in Kontan and Investor Daily, as well as through the Company's website for more than 1 (one) year (www.bri.co.id).</p> <p>Remarks : Comply</p>
	Principle 2 Enhancing the Quality of Communication between Public Company with Shareholder or Investor.	Public Company has communication policy with the Shareholder and Investor.	Communication between Public Company and shareholders or investors is intended so that shareholders or investors obtain clarity of information that has been published to the public, such as periodic reports, information disclosure, business condition or prospect and performance, as well as implementation of public company governance. In addition, the shareholders or investors can also submit input and opinion to the management of Public Company. The communication policy with shareholders or investors shows the commitment of the Public Company in carrying out communication with shareholders or investors. This policy can include strategies, programs, and timing of communication implementation, as well as guideline that support shareholders or investors to participate in the communication.	<p>The Company has a communication policy with shareholders or investors. This policy includes investor relation activities i.e analyst meetings, public expose that allows the shareholders or investors to get a clearer understanding of information that has been published to the public as disclosed by the Corporate Secretary.</p> <p>Bank BRI has a special work unit, namely the Investor Relation Division with function to manage relationship with investors.</p> <p>Access to this Annual Report Information Disclosure and also disclosed through the Company's Website (www.bri.co.id and www.ir-bri.com)</p> <p>Remarks : Comply</p>

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		The Public Company discloses the Communication Policy of Public Company with shareholders or investors in Website	Disclosure of communication policy is a form of transparency on the commitment of the Public Company in providing equality to all shareholders or investors for the implementation of communication. The disclosure of information also aims to increase the participation and role of shareholders or investors in the implementation of the Public Company communication program.	Disclosure of communication policy with shareholders or investors has been uploaded in the Company's website, namely www.ir-bri.com and www.bri.co.id . Remarks : Comply
B Function and Roles of the Board of Commissioners				
	Principle 3 Strengthen the membership composition of the Board of Commissioners	Determination of the total members of the Board of Commissioners took into account on the condition of the Public Company	The total members of the Board of Commissioners may affect the effectiveness of the duties of the Board of Commissioners. Determination of total members of the Board of Commissioners of a Public Company must refer to the provisions of the prevailing law in which at least consists of two (2) people based on the provisions of the Financial Services Authority Regulation No.33/POJK.04/2014 on The Board of Directors and Commissioners of Issuer or Public Company. In addition, it is also necessary to consider the condition of the Public Company which includes among other, the characteristic, capacity and size, as well as achievement of target and fulfilment of different business needs among the Public Companies. However, exorbitant Board of Commissioners has the potential to disrupt the effectiveness on the implementation function of the Board of Commissioners.	The total of members of the Board of Commissioners in BRI as of December 31, 2018 is nine (9) people, consisting of five (5) Independent Commissioners and four (4) Non Independent Commissioners. Remarks : Comply
		Determination on the composition of members of the Board of Commissioners took into account on diversity of expertise, knowledge and required experience	The composition of the Board of Commissioners is a combination of characteristics from both organ and individual perspective according to the need of respective Public Company. These characteristics can be reflected in the determination of expertise, knowledge and experience required in the implementation of supervisory and advisory duty by the Board of Commissioners of the Public Company. The composition that has taken into account the need of the Public Company is a positive thing, especially related to decision making related with supervisory function as carried out by considering various broader aspects.	The composition of members of the Board of Commissioners takes into account the diversity of expertise, knowledge and experience needed as disclosed in the Section of Composition and Assignment of the BRI Board of Commissioners. Remarks : Comply

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
	Principle 4 Enhancing the Quality of Implementation on Duties and Responsibilities of The Board of Commissioner	The Board of Commissioners has Self Assessment Policy to evaluate the performance of the Board of Commissioners	<p>The Board of Commissioners' Self Assessment policy is a guideline that is used as a form of collegial accountability for evaluating the performance of the Board of Commissioners. Self-assessment is carried out by each member to assess the collegial performance of the Board of Commissioners, and not to assess the individual performance of each member of the Board of Commissioners. With this Self Assessment, it is expected that each member of the Board of Commissioners can contribute in improving the performance of the Board of Commissioners on an ongoing basis.</p> <p>This policy can include the assessment activity as carried out along with the purpose and objective, periodic period of implementation, and benchmark or assessment criteria being used in accordance with the recommendations from the Remuneration and Nomination function of Public Company as required by OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company.</p>	<p>The BRI has conducted the performance assessment of the Board of Commissioners based on prevailing law and provisions, hence able to improve the quality on the implementation of duties and responsibilities of the Board of Commissioners as well as to improve continuous performance of BRI. The Board of Commissioners has in place the Self Assessment Policy as stipulated under the Board Charter being elaborated under the section of Board of Commissioners Performance Assessment of this Annual Report as well as in the Company's website (www.bri.co.id)</p> <p>Remarks : Comply</p>
		The Self Assessment Policy to evaluate the performance of the Board of Commissioners is disclosed in the Annual Report of Public Company	The disclosure of Self Assessment Policy on performance of the Board of Commissioners is conducted not only to comply with transparency aspect as form of accountability of its duties but also to provide assurance to the Shareholders or investors on efforts that need to be done in improving the performance of the Board of Commissioners. Upon the availability of disclosure, the Shareholders or investors acknowledge the check and balance mechanism towards the Board of Commissioners.	<p>The Board of Commissioners has a Self Assessment Policy as stipulated in the Board Manual as described in the performance evaluation section of the Board of Commissioners of this Annual Report and the Company's website (www.bri.co.id)</p> <p>Remarks : Comply</p>

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		The Board of Commissioners has policy on resignation of member of the Board of Commissioner when involved in financial crime	<p>The resignation policy of member of the Board of Commissioners being involved in financial crime is a policy that can increase the stakeholders' trust in the Public Company, so that corporate integrity will be maintained. This policy is needed to help the legal process and so that the legal process does not interfere the course of business activities. In addition, in terms of morality, this policy builds an ethical culture within the Public Company. This policy can be included in the Code or the Code of Ethics that applies to the Board of Commissioners.</p> <p>Furthermore, being involved in financial crimes shall means the convicted status from the authorities of respective member of the Board of Commissioners. The financial crimes are manipulation and various forms of embezzlement in financial service activities as well as Money Laundering Criminal Action as referred to Law Number 8 of 2010 on Prevention and Eradication of Money Laundering Crimes.</p>	<p>The Company has in place the policy regarding the resignation and dismissal of the Board of Commissioners in the Company's Articles of Association and the policy of resignation of the Board of Commissioners is disclosed in the 2018 Annual Report of BRI in the Chapter of the Board of Commissioners.</p> <p>Remarks : Comply</p>
		The Board of Commissioners or Committee that perform the Remuneration and Nomination function formulate the succession policy in the nomination process of member of the Board of Directors.	Based on the provision of the OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company, the committee that carries out the nomination function has the task of formulating policy and criteria needed in the nomination process of potential member of the Board of Directors. Policy that can support the nomination process is the succession policy of member of the Board of Directors. The policy on succession aims to maintain the continuity of the regeneration of leadership in the company in order to maintain the business continuity and the company's long-term objective.	<p>The succession policy of the Board of Directors refers to the Minister of State-Owned Enterprises Regulation No. PER-03 / MBU / 02/2015 on Requirements, Procedures for Appointment and Dismissal of Director of State-Owned Enterprise. In addition, as a public company, the Company's policy also refers to the Financial Services Authority Regulation No.33/POJK.04/2014 concerning The Board of Directors and the Board of Commissioners of Issuer or Public Company.</p> <p>The Board of Directors Succession Policy is submitted in the Nomination and Remuneration Committee Chapter in the 2018 BRI annual report.</p> <p>Remarks : Comply</p>

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
C FUNCTION AND ROLES OF THE BOARD OF DIRECTORS				
	Principle 5 Strengthen the membership composition of the Board of Directors	Determination of total members of the Board of Directors took into account on the condition of the Public Company	Being the Company's organ that authorized in managing the Company, the determination of total members of the Board of Directors has significant impact to the Company's performance. Thus, the determination of the total members of the Board of Directors must be done through careful consideration and refer to the provisions of the applicable regulation, whereby based on Financial Services Authority Regulation No.33/POJK.04/2014 on The Board of Directors and Board of Commissioners of Public Company, shall at least consists of 2 (two) people. In addition, the determination of total members of the Board of Directors must be based on the need to achieve the objectives and purpose of public company and being adjusted to the conditions of the public company including the characteristic, capacity and size of the public company and effectiveness of the decision-making by the Board of Directors.	<p>The determination of total members of the Board of Directors has been done through careful consideration as well as referring to the Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of the Issuer of Public Company in which shall at least consist of two (2) persons.</p> <p>The number of BRI Board of Directors in 2018 is 10 (ten) Directors</p> <p>Remarks : Comply</p>
		Determination on the composition of members of the Board of Directors took into account on diversity of expertise, knowledge and required experience	Similar with the Board of Commissioners, the composition diversity of members of the Board of Directors is a combination of required characteristic from both organ and individual perspective according to the needs of respective Public Company. The combination is determined in view of expertise, knowledge and experience in accordance with segregation of tasks and functions of the Board of Directors in achieving the purpose of the Public Company. Thus, consideration of the combination of characteristics will have an impact on the accuracy of the collegial nomination and appointment of individual member of the Board of Directors or Directors.	<p>The fit and proper test was conducted to ensure that the competencies, experience and educational background of the members of the Board of Directors were in accordance with the feasibility based on the applicable provision and needs of the Company and disclosed in the Diversity Composition of The Board of Directors of this Annual Report.</p> <p>Remarks : Comply</p>

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		Member of the Board of Directors in charge of accounting or finance has expertise and / or knowledge in accounting field	The Financial Report is a management accountability report for resources management owned by the Public Company, which must be compiled and presented in accordance with Financial Accounting Standards in Indonesia as well as related OJK regulations, including regulation in the Capital Market sector which regulates the presentation and disclosure of Public Company Financial Statement. Based on the laws and regulations in the Capital Market sector that regulates the responsibility of the Board of Directors for the Financial Report, the Board of Directors is jointly responsible for the Financial Report, signed by the President Director and member of the Board of Directors in charge of accounting or finance.	Referring to POJK 06/2015 on Transparency and Publication of Report of Bank, the respective Director in charge of accounting or finance is held by Haru Koesmahargyo, with competencies and/or knowledge in accounting amongst others: Education : 1. Hold MBA , Investment Banking, From Emory University, USA (2000) 2. Bachelor of Agricultural Industrial Engineering, Universitas Brawijaya, Malang (1989). Experience : 1. Treasury Head Division, 2. General Manager Overseas Sub-Branch BRI New York, 3. President Commissioner BTMU-BRI Finance.
				Remarks : Comply
	Principle 6 Enhancing the Quality of Implementation on Duties and Responsibilities of The Board of Directors	The Board of Directors has Self Assessment Policy to evaluate the performance of the Board of Directors	Similar with the Board of Commissioners, the Board of Directors' Self Assessment policy is a guideline being used as a form of accountability to evaluate collegial performance of the Board of Directors. The self assessment is conducted each member of the Board of Directors to assess the collegial performance of the Board of Directors, and not to assess the individual performance of each member of the Board of Directors. With this self assessment, it is expected that each member of the Board of Directors can contribute to improve the performance of the Board of Directors on an ongoing basis. This policy can include the assessment activity as carried out along with the purpose and objective, periodic period of implementation, and benchmark or assessment criteria being used in accordance with the recommendations from the Remuneration and Nomination function of Public Company as required by OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company.	BRI conducts a performance assessment of the Board of Directors based on applicable law and regulations in order to improve the quality of the implementation of the duties and responsibilities of the Board of Directors and to improve BRI's performance on an ongoing basis. The Board of Directors has a Self Assessment Policy listed in the Board Charter as described in the performance evaluation section of the board of commissioners of this Annual Report and the Company's website (www.bri.co.id) Remarks : Comply

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		The Self Assessment Policy to evaluate the performance of the Board of Directors is disclosed in the Annual Report of Public Company	The disclosure of Self Assessment Policy on performance of the Board of Directors is conducted not only to comply with transparency aspect as form of accountability of its duties but also to provide assurance to the Shareholders or investors on efforts that need to be done in improving the performance of the Board of Commissioners. Upon the availability of disclosure, the Shareholders or investors acknowledge the check and balance mechanism towards the Board of Directors.	The Self Assessment policy on the performance of the Board of Directors has been disclosed in the results of the Board of Directors' Performance Assessment in the 2018 BRI Annual Report. Remarks : Comply
		The Board of Directors has policy on resignation of member of the Board of Commissioner when involved in financial crime	The resignation policy of the Board of Directors involved in financial crimes is a policy that can increase the stakeholders' trust in the Public Company, so that corporate integrity will be maintained. This policy is needed to help the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy will build an ethical culture within the Public Company. This policy can covered in the Code or the Code of Ethics that applies to the Board of Directors.	BRI has in place the policy regarding the resignation and dismissal of the Board of Directors in the event where the respective member of the Board of Directors is involved in such action that detrimental to the Company and/or the State and if the respective person is found guilty by a legally binding court decision, as stated on the Board Charter. The Policy related to the resignation and dismissal of the Board of Directors is regulated in BRI's Articles of Association. Remarks : Comply
D STAKEHOLDERS PARTICIPATION				
	Principle 7 Enhancing Governance Aspect Through Stakeholders Participation	The Public Company has Policy to prevent Insider Trading	A person with inside information is prohibited from conducting a Securities transaction by using inside information as stipulate under the Capital Market Law. Public company can minimize the occurrence of insider trading through prevention policies, for example by firmly separating between confidential and public data as well as distributing the duties and responsibilities on information management in proportional and efficient manner.	BRI Insider Trading Policy is regulated under: Kode Etik BRI (Surat Keputusan Bersama Dewan Komisaris dan Direksi BRI Nomor 06-KOM/BRI/12/ 2013 dan Nomor S.65 DIR/DKP/12/2013 tanggal 16 Desember 2013). 1. Conflict of Interest Handling Guideline (Join Decree of the Board of Commissioners and the Board of Directors BRI No.02 – KOM/ BRI/05/2012 and Nokep: S.104-DIR/ DKP/05/2012 dated 24 May 2012)

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		Public Company has anti corruption and fraud policy	The anti corruption policy is useful to ensure that the business activities of the Public Company are legally carried out with prudent manner and in accordance with the principles of good governance. The policy can be part of the code of ethics, or as a stand alone policy. The policy can include, among others, programs and procedures carried out in overcoming corruption practices, kickbacks, fraud, bribery and /or gratuities in a public company. The scope of the policy must describe the prevention of the Public Company from all corrupt practices, either giving or receiving from other parties.	<p>The implementation of Anti Fraud Strategy at BRI is regulated under The Circular Letter of the Board of Directors of BRI No.S.25-DIR/DMR/12/2016 on Anti-Fraud Strategies of PT. Bank Rakyat Indonesia (Persero) Tbk. The Anti-Fraud Strategy which in the form of Fraud control system has 4 (four) pillars as follows:</p> <ol style="list-style-type: none"> 1. Prevention. 2. Detection. 3. Investigation, reporting and sanctions. 4. Monitoring, evaluation and follow-up. <p>The company also has in place the Policy related to corruption practice as stipulated in the Joint Decree of the Board of Commissioners and the Board of Directors of BRI No: 03-KOM/BRI/03/2017 and No: S.11-DIR/DKP/2017 on BRI's Gratuity Control Guideline.</p> <p>This policy is part of BRI's commitment with the KPK in preventing corruption.</p> <p>Remarks : Comply</p>
		The Public Company has policy on vendor or supplier selection and capability improvement	The Policy on vendor or supplier selection are useful to ensure that the Public Company can obtain the required goods or services at competitive prices and good quality. While the policy of increasing the capability of supplier or vendor is useful for ensuring the efficient and effective supply chain. The capability of supplier or vendor to supply/fulfill the goods or services needed by the company will affect the quality of the company's output. Thus, the implementation of these policies can guarantee the supply continuity in terms of quantity and quality as required by the Public Company. The scope of this policy includes criteria in selecting supplier or vendor, transparent procurement mechanism, effort to improve supplier or vendor capability, and fulfill the right relating to supplier or vendor.	<p>The Company has in place the policy related to vendor management as stipulated in the Circular Letter of the Board of Directors No. S.35-DIR/MAT/12/2015 on Registration of Partner for Goods and Services of PT. Bank Rakyat Indonesia (Persero) Tbk.</p> <p>BRI has developed a vendor management application that is integrated with the BRISMILE application in which includes the registration and selection process of partner candidate, monitoring, maintenance of partner (Vendor Maintenance) up until partner performance evaluation hence BRI has a database in supporting the implementation of BRI procurement on good and service procurement.</p> <p>Remarks : Comply</p>

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
		The Public Company has policy on fulfillment of creditor rights.	The policy on fulfillment of creditor rights is used as a guideline in providing loan to creditor. The purpose of the policy is to maintain the fulfillment of right and maintain creditor trust in the Public Company. The policy includes consideration in making agreement, as well as follow-up in fulfilling the obligation of the Public Company to creditor.	The Company has a policy on fulfillment of creditor rights as outlined in each Credit Agreement between BRI and the debtor. The agreement included the rights and obligations of both parties such as the transparency of financial statements to creditors. Remarks : Comply
		The Company has the Whistleblowing System	A well-developed Whistleblowing system policy will provide certainty of protection to witness or reporter for an indication of violation committed by employees or management of the Public Company. The implementation of the policy will have an impact on establishing a culture of good corporate governance. The Whistleblowing system policy includes, among others, type of violations that can be reported through the Whistleblowing system, complaint procedure, protection and guarantee of the confidentiality of the reporter, handling procedure for received complaints, parties that managing the complaints, and the results and follow-up of complaints handling.	The policy on Whistleblowing Systems at BRI is regulated by the Board of Directors Circular Number S.08-DIR/KPT/05/2018. BRI's Whistleblowing System policy regulates the types of violations reported, reporting facilities, protection & confidentiality of reporters, Whistleblowing System management units. Related discussion. Remarks : Comply
		The Public Company has a long term incentive policy for the Board of Directors and employees.	Long-term incentive is a given incentive based long-term performance achievement. The long-term incentive plan has the rationale that the long-term performance of the company is reflected in the growth of shares value or other long-term target of the company. Long-term incentive shall have the benefit to maintain loyalty and provide motivation to the The Board of Directors and employees to improve their performance or productivity which will have an impact on improving the company's performance in the long run. The availability of a long-term incentive policy is an actual commitment by the Public Company to encourage the implementation of long-term incentive to the Board of Directors and Employees with terms, procedures and forms being adjusted to the long-term objectives of the Public Company. The policy can include, amongst other, the purpose of objective in providing the long-term incentive, terms and procedures in providing the incentive, and condition as well as risks that must be considered by the Public Company in providing the incentives. This policy can also be included in the existing public company remuneration policy.	The Long-term incentive for employees are included in the Employees Welfare Section in the 2018 BRI Annual Report. Remarks : Comply

Implementation of Corporate Governance Referring to Provisions of Financial Services Authority

No	Principle	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in the Company
E INFORMATION DISCLOSURE				
	Principle 8 Enhancing the Disclosure Implementation.	The Public Company utilize technology information wider than the Website as a media for information disclosure.	The use of information technology can be useful as a medium for information disclosure. The disclosure of information is not only information disclosure that has been regulated in legislation, but also other information related to the Public Company, upon consideration is useful to shareholders or investors. Upon the use of wider of information technology than the Website, the company is expected to improve the effectiveness of information dissemination. Nevertheless, the use of information technology is carried out while taking into account the benefit and costs of the company.	<p>The Company always strive to improve the quality of information disclosure to Stakeholders through information technology media, in addition to the website. The Omni Channel BRI is an access where BRI customers can obtain information about BRI products and services in full as well as may submit complaints through the following available channels:</p> <ol style="list-style-type: none"> 1. Face to face through Customer Service in all BRI operational work units 2. Calls through 14017, 1500017, and 021-57987400/ Premium calls through 021-5758899 and 08001017017 3. SMS 0812 12 14017 Web chat melalui website www.bri.co.id Email callbri@bri.co.id Telegram 0812 12 14017 Internet Banking di https://ib.bri.co.id 4. Twitter di @kontak_bri 5. Facebook di Bank BRI Official <p>Remarks : Comply</p>
		The Annual Report of Public Company disclose the ultimate benefit owner in Public Company share ownership at least 5% (five percent), other than final beneficial owner disclosures in ownership shares of the Public Company through main and controlling shareholder	The Capital Market Regulation that regulates the submission of annual reports of Public Company has regulated the obligation to disclose information regarding shareholders with 5% (five percent) or more shares of the Public Company, as well as the obligation to disclose information about directly or indirectly main and controlling shareholders of Public Company up to the owner of the last benefit in the ownership of the shares. In this Governance Guideline, it is recommended to disclose the ultimate benefit owner of the shares of the Public Company at least 5% (five percent), in addition to disclosing the owner of the final benefit of share ownership by the main and controlling shareholders.	<p>The 2018 BRI Annual Report conveyed the mandatory disclosure on shareholders with 5% (five percent) or more shares of the Public Company, as well as mandatory disclosure directly or indirectly main and controlling shareholders of Public Company immediately up until the owner of the last benefit in the ownership of the shares.</p> <p>Remarks : Comply</p>

The Implementation of Good Corporate Governance Aspect and Principles in accordance to the Guidelines of Corporate Governance Principles for Banks as Published by Basel Committee in Banking Supervision

Principle	Elaboration	Implementation
Principle 1 Responsibilities of the Board of Commissioners	The Board of Commissioners has the responsibilities of amongst others approval and supervisory on the implementation of business strategy, structure and governance mechanism as well as the Corporate Culture.	The scope of responsibilities of the Board of Commissioners as stipulated in the Official Memo of the Secretary of Board of Commissioners No. B.41-Sekdekom/05/2015 on The Board of Commissioners Working Guideline (Board Charter) are amongst others that the Board of Commissioners provide suggestion and approval on the Company's business plan consist of the Long Term Plan of the Company (RJPP), Business Plan Bank (RBB), Work Plan and Budget of Company (RKAP) and Business Plan and Budget for Partnership Program and Community Development (PKBL).
Principle 2 Qualification and Composition of the Board of Commissioners.	Member of the Board of Commissioners must have the quality in accordance with duties and responsibilities as both collegial or as per individual. The Board of Commissioners must understand the roles within the supervisory and implementation of corporate governance, as well as able to conduct a sound and objective decision process.	The scope of obligations of the Board of Commissioners as stipulated in the Official Memo of the Secretary of Board of Commissioners No.: B.41-Sekdekom / 05/2015 Regarding the Board of Commissioners' Work Guideline (Board Charter) among others that the Board of Commissioners has the role of ensuring the implementation of Good Corporate Governance in all business activities at all levels or organizational level and supervise the implementation of Integrated Governance. In order to implement good corporate governance, the Board of Commissioners is responsible for: <ul style="list-style-type: none"> a. Propose the appointment of a Public Accountant to the GMS b. Report the results of the supervision carried out to the GMS.
Principle 3 Structure and Mechanism of the Board of Commissioners	The Board of Commissioners must apply the proper governance practice and structure in performing their duties and to periodically review its effectiveness.	The Board of Commissioners has committees under the Board of Commissioners to assist the implementation duties of Board of Commissioners namely the Audit Committee, the Risk Management Oversight Committee, the Nomination and Remuneration Committee as well as the Integrated Governance Committee.
Principle 4 The Board of Directors	Under the direction and supervision of the Board of Commissioners, the Board of Directors is able to manage the Bank's activities in accordance with the business strategy, risk appetite, remuneration policy and other policies that have been approved by the Board of Commissioners.	The duties and responsibilities of the Board of Commissioners are to provide direction and supervision to the Board of Directors in managing the Company. The Board of Commissioners approve of the business plan and the implementation of the Bank's strategic policies.
Principle 5 Governance Structure of Business Group	In a business group, the Board of Commissioners of the parent company has overall responsibility on the business group and to ensure the establishment and implementation of clean governance practice related to the structure, business and risks of business group and entities. The Board of Commissioners and the Board of Directors must understand the business group organizational structure as well as the encountered risk.	The Board of Directors and Board of Commissioners of BRI have knowledge and understanding of the Company's key business and risks. This can be seen in the diversity of the Board of Commissioners and the Board of Directors as well as the implementation of the Fit and Proper Test. In addition, the Board of Directors and the Board of Commissioners also constantly improve their knowledge of the latest banking developments by participating in training and development both at home and abroad.

The Implementation of Good Corporate Governance Aspect and Principles in accordance to the Guidelines of Corporate Governance Principles for Banks as Published by Basel Committee in Banking Supervision

Principle	Elaboration	Implementation
Principle 6 Risk Management Function.	The Bank must have the qualified, independent risk management function that has qualified resources with access to the Board of Commissioners.	BRI has a Risk Management with the function of identifying, measuring, monitoring and controlling all of Company's risk exposures as carried out by two (2) Divisions namely the Enterprise Risk and Portfolio Management Division and the Operational and Market Risk Management Division. As an effort of supervisory function, the Board of Directors communicates the implementation of risk management function to the Board of Commissioners through the Risk Management Supervisory Committee.
Principle 7 Identification of Risk Monitoring and Control	Risks must be identified, monitored and controlled for all activities of the Bank. The quality of risk management infrastructure and internal control must be able to keep up with changes in the Bank's risk profile, external risk conditions and industry practice.	The risk management implementation process that includes identification, measurement, monitoring and risk control are continuously carried out. Risk management is carried out in all bank activity activities by referring to the provisions of management standards set by the regulator.
Principle 8 Risk Communication	Effective risk governance implementation requires accurate risk communication in the Bank environment both between organizations and through reporting to the Board of Commissioners and the Board of Directors.	The assessment of the Bank's risk profile is carried out and delivered at a quarterly Board of Directors Meeting with the Board of Commissioners.
Principle 9 Compliance.	The Board of Commissioners is responsible for overseeing management related to the Bank's compliance risk. The Board of Commissioners must determine the compliance function and provide approval for policies and processes for identification, assessment, monitoring and reporting, and providing advice on compliance risks.	The implementation of the Board of Commissioners' oversight function on Bank Compliance risk is carried out by the Risk Management Oversight Committee in relation to the implementation of precaution principle to ensure that all business activities and policies have been carried out in compliance with all applicable laws and regulations. Review and evaluation of compliance functions is conducted every semester.
Principle 10 Internal Audit	The internal audit function must report independent assurance activities to the Board of Commissioners and must support the Board of Commissioners and the Board of Directors in encouraging the implementation of effective governance processes and long-term health of the Bank.	The Internal Audit Unit (IAU) in BRI is structured directly under the President Director and can communicate as well as coordinate with the Audit Committee with regards to supervision with the Board of Commissioners. The Internal Audit responsible for implementing independent and objective assurance and consultation which designed to provide added value as well improve operational activities.
Principle 11 Compensation	The Bank's remuneration structure must support the implementation of corporate governance and risk management.	The remuneration structure of Bank BRI refers to OJK Regulation No 45/POJK.03 / 2015 on Governance Implementation in the Provision of Remuneration for Commercial Banks. Implementation of BRI's Remuneration Governance is delivered in the 2018 BRI Annual Report in the Remuneration Governance Policy Chapter.
Principle 12 Disclosure and Transparency	The implementation of governance from the Bank must be carried out transparently to Shareholders, Depositors, other relevant Stakeholders and Market Participants.	The disclosure and transparency of BRI to shareholders is conveyed through the company's website, www.bri.co.id on the latest information. BRI's information disclosure is also presented in the Annual Report, Sustainability Report and Public Expose.

2019 GCG Improvement Plan

The following are BRI GCG improvement plans in 2019:

1. Review the GCG and Integrated GCG guidelines.
2. Implementation of Whistleblowing System application.
3. Enhance the anti corruption culture awareness.
4. Dissemination of compliance culture into all employees.
5. Application of ISO 9001:2015 standard and quality.

GCG Implementation Monitoring

The implementation monitoring of Bank BRI GCG is conducted by several company organs, among others are:

1. Compliance Function
Has the function to assist the Director in charge of Compliance Function on the identification, measurement, monitoring and control of Compliance Risk by referring to the prevailing rules and regulations.
2. Internal Audit Unit
The Internal Audit Unit has the function to evaluate and improve the effectiveness of risk management, internal control and governance process.

3. Audit Committee

The Committee under the Board of Commissioners. The Audit Committee has the duties and responsibilities to assist and facilitate the Board of Commissioners in its duties and oversight function. This includes matters related to the financial information, internal control system, audit effectiveness by the external and internal auditors, risk management as well as compliance with the prevailing laws and regulations.

4. Integrated GCG Committee

The Committee under the Board of Commissioners. The Integrated GCG Committee has the duties and responsibilities to assist and facilitate the Board of Commissioners in its duties and oversight function. This include the oversight on each Financial Services Institution (LJK) in the Financial Conglomeration.

General Meeting of Shareholders

The General Meeting of Shareholders (GMS), as one of the main organs of the Bank, has the authority that is not transferable to the Board of Commissioners and Board of Directors of BRI. Through the GMS, shareholders, in accordance with may exercise their right be involved in decision-making process with regards to company's strategic decision by referring to the limit of authority in accordance with the regulations and Articles of Association of BRI.

Legal Basis of GMS

The BRI GMS implementation refers and therefore in accordance with :

1. Law No. 40 Year 2007 regarding Limited Liability Company;
2. Law No. 19 of 2003 Regarding the State-Owned Enterprises;
3. Regulation of the Financial Services Authority No. 32/POJK.04/2014 Regarding the Plan and Implementation of GMS of Public Company ("POJK 32/POJK.04/2014").
4. Indonesian Stock Exchange Regulation No. I-E on Obligation of Information Submission
5. The Company's Article of Association

Shareholders

Shareholders are individual or legal entity as a legitimate owner of the company's shares. Shareholders do not intervene with the function, duties, and authorities of the Board of Commissioners and Board of Directors.

Information on Main and Controlling Shareholder

The Main and Controlling Shareholder of BRI is the Government of the Republic of Indonesia through an ownership of 56.75%, Series A Dwiwarna share.

Rights of Shareholders

BRI shares are categorized into 2 (two) types, namely

1. Series A Dwiwarna shares
Series A Dwiwarna share is owned by the Republic of Indonesia and is non-transferable to any person.
2. Series B shares
Series B shares can be owned by the Republic of Indonesia and / or the public.

Holders of Series A Dwiwarna shares and Series B Shares have the same rights and every 1 (one) share gives 1 (one) voting right.

With the ownership of the Series A Dwiwarna share, the Government as the shareholder has the following privileges:

1. The right to approve in the GMS regarding the following matters:
 - a. Approval of amendment to the Articles of Association.
 - b. Approval of changes in capital.
 - c. Approval of dismissal and appointment of members of the Board of Directors and Board of Commissioners.
 - d. Agreement on merger, consolidation, expropriation, separation and dissolution.
 - e. Approval of remuneration of members of the Board of Directors and Board of Commissioners.
 - f. Approval of the transfer of assets based on this Articles of Association requires the approval of the GMS.
 - g. Approval regarding participation and reduction in the percentage of equity participation in other companies.
 - h. Approval of the use of profits.
 - i. Approval regarding investment and long-term financing that is not operational in nature based on this Articles of Association requires the approval of the GMS.
2. The right to nominate members of the Board of Directors and members of the Board of Commissioners;
3. The right to propose the agenda of the GMS.
4. The right to request access to company data and documents, with the mechanism of the use of said rights in accordance with the provisions in the Articles of Association and legislation.

In addition to the privileges owned by Series A Dwiwarna Shareholders, The Series A Shareholders and Series B Shareholders shall have the following same rights otherwise specified differently by the Articles of Association:

1. Attend GMS either directly or through cast a vote.
Each shareholder is entitled to be treated equally and to make a sound according to the type, classification and number of shares owned.

General Meeting of Shareholders

2. 1. Receive accurate and prompt information related to BRI with the principle of equality of information to all shareholders.
3. 2. Receive distribution of dividend and other forms of profit of BRI in proportion to total owned shares
4. 3. To receive remaining result from bank liquidation in the event of bankruptcy.
5. 4. Request a General Meeting of Shareholders by one or more shareholders of either share or jointly representing 1/10 (one ten) or more of the total shares issued by the Company with valid voting rights, in good faith, on the basis of the interests of the Company and does not conflict with the laws and regulations of the Company.
6. 5. Obtain comprehensive and accurate information on the GMS procedures requirement.
7. 6. File a lawsuit against the Bank for any loss resulting from the Bank's acts that are considered unfair and irrational due to the resolutions of GMS, the Board of Directors and/or Board of Commissioners.
8. Request for the Bank to purchase its shares with a fair price in the event that the shareholder disagree with the Company's action/ corporate actions that cause such loss to the Shareholders or the Company.
9. Attain corporate information from the Board of Directors and/ or Board of Commissioners at the GMS as far as the requested information is in line with the meeting agenda and does not contradict the Company's interests.
3. The minority shareholders are responsible to exercise their rights pursuant to the Company's Articles of Association and prevailing laws and regulations.

Shareholders Relationship Policy

Relationship with Shareholders is regulated in the Company's Articles of Association within the clause of the General Meeting of Shareholders (GMS). All communication with Shareholders shall be the responsibility of spokesperson of the company. All Shareholders must obtain the same treatment and information (equitable treatment) in a timely manner as stated in the Circular Letter of the Board of Directors No. S.08-DIR /06/2014 regarding the Information Services and Management Policy of PT Bank Rakyat Indonesia (Pesero) Tbk.

Shareholders' Equal Treatment

BRI upholds equality of treatment to all shareholders as reflected by:

- a. The voting rights shall be calculated on the basis of total shares ownership, with the right to request the GMS for the shareholders at minimum 10%.
- b. a. Providing the same access to information through Investor Relations channel by means of direct interaction at Public Expose, Non-deal Roadshow, Press Conference or 1-on-1 Meeting, Conference Call and Email, as well as Documents availability on the Company's website, Investor Relations, and Indonesia Stock Exchange

Responsibilities of Shareholders

1. All shareholders shall:
 - a. Separate the ownership of company's assets and of personal assets.
 - b. Separate its function as shareholders and as members of the Board of Commissioners or Board of Directors in the event the shareholder holds a position in either organ.
2. The controlling shareholders shall:
 - a. Take into account the interest of minority shareholders and stakeholders pursuant to the prevailing laws and regulations;
 - b. Disclose the ultimate shareholders of the Bank to the law enforcement agency, where suspicion of legal breach arises or requested by competent authority.
 - c. Exert the accountability and transparent relationship between companies, where the shareholders are also the controlling shareholders of several other companies.

General Meeting of Shareholders

including the Annual Report, Audited Financial Statement, and Highlights of Company's Financial Performance.

- c. The number of independent commissioners is above the minimum limit from Bank Indonesia, which is 5 Commissioners out of a total of 8 Commissioners.
- d. Equal treatment for all Shareholders to obtain information disclosure from the Bank, including information related with company performance, financial statements, and the implementation of the GMS.

GMS IMPLEMENTATION 2018

GMS Implementation Stages

The GMS implementation in 2018 complied to the provision of POJK. 32/POJK.04/2014 as follows:

Stages	Activities
Notice to OJK	Submit the Notice on GMS plan to Financial Services Authority (OJK) at latest five (5) working days prior the GMS announcement.
GMS Announcement	The GMS Announcement shall be done at latest 14 days prior the GMS Invitation through one (1) Indonesian Newspaper with national coverage, Indonesian Stock Exchange Website and Company's website.
GMS Invitation	The GMS Invitation shall be conducted at latest 21 days prior the GMS through one (1) Indonesian Newspaper with national coverage, Indonesian Stock Exchange Website and Company's website.
Announcement on Minutes Summary of GMS	The Announcement on GMS minutes of meeting summary must be submitted to OJK at latest two (2) days after GMS through one (1) Indonesian Newspaper with national coverage, Indonesian Stock Exchange Website and Company's website.
Submission of GMS Minutes of Meeting	The minutes of GMS meeting must be submitted to OJK at latest 30 days after GMS.

Quorum Procedure

No	Agenda	Attendance	Quorum Putusan
1	The transfer of Company's assets or making the assets as debt collateral from a total of 50 net assets of the Company into 1 (one) or more related or unrelated transaction.	Attended by Shareholders representing at least 3/4 (three quarter) of total shares with legitimate voting rights.	Approved by more than 3/4 (three quarter) of total shares with legitimate voting present at the GMS.
2	Approval of Transaction with conflict of interest of Shareholders having a conflict of interest shall be deemed to have rendered the same quorum with a decision approved by Independent Shareholders which has no conflict of interest.	Attended by Independent Shareholders representing at least 1/2 (one half) of all shares of Independent Shareholders with legitimate voting rights.	Approved by more than 3/4 (three quarter) of total shares of Independent Shareholders with voting rights attending the GMS.

General Meeting of Shareholders

Quorum Procedure

No	Agenda	Attendance	Quorum Putusan
3	Changes related with the Board of Directors, Board of Commissioners, the Article of Association which is not requiring the approval of the Ministry, The Issuance of Equity Securities and/ or Increment of issued and paid-up capital.	Attended by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing 1/2 (one half) of total shares with legitimate voting rights	Approved by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing 3/4 (three quarter) of total shares with votings rights attending the GMS.
4	Amendment of Article of Association that requires Ministry approval.	Attended by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing 2/3 (two third) of total shares with legitimate voting rights.	Approved by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing 2/3 (two third) of total shares with votings rights attending the GMS.
5	Merger, Consolidation, Acquisition, Separation, submission of application so that the Company is declared bankrupt and the Company Dissolves.	Attended by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing 3/4 (three quarter) of total shares with legitimate voting rights.	Approved by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing 3/4 (three quarter) of total shares with votings rights attending the GMS.
6	Outside of Agenda 1 to 5 above	Approved by Shareholders representing 1/2 (one half) of total shares with votings rights attending the GMS.	Approved by Shareholders representing 1/2 (one half) of total shares with votings rights attending the GMS.

GMS Rules of Conduct

The GMS rules of conduct are as follows:

1. GMS rules are given to Shareholders who are present and read before the GMS begin.
2. Opportunities are given to Shareholders or their proxies present to submit questions / responses and / or proposals to each agenda of the GMS.
3. The Chairperson of the GMS or Director appointed by the GMS Chairperson will answer or respond to questions / responses from shareholders.
4. Voting is conducted after all questions / responses have been answered. Voices can only be delivered by the Shareholders or their authorized proxies.
5. The calculation and / or validation of votes in the GMS is carried out by an Independent party namely a Notary assisted by the Securities Administration Bureau appointed by the Company.

Information Access to Shareholders

BRI provides the access that enables the shareholders to exercise their rights and responsibilities, through the following communication media:

1. The GMS, as the media for the Company to communicate with shareholders, to present the corporate information and enable the shareholders to participate in decision making process that requires shareholders' approval;
2. Electronic media, such as corporate website, Stock Exchange website which is accessible in both Indonesian and English with the availability of various documents, reports and publications that are easily downloaded by the shareholders and the public;
3. Corporate email as a channel to disseminate and stay updated with the latest Company's information;

General Meeting of Shareholders

4. Other communications channels, including conference calls, investor/ analyst meetings, nondeal roadshows, conferences, public exposé, and investor/analyst gatherings.

Efforts to Encourage Shareholders to Attend and Cast Vote

BRI encourage all Shareholders to attend and exercise their rights and authorities in the GMS. The said effort is done in the form of:

1. Prompt notification and invitation of the GMS which are disseminated through the Company and Stock Exchange website as well as in Indonesian Language newspaper with national circulation.
2. Disclose material of each meeting agenda as reference for Shareholder.
3. Open access for Shareholders to communicate with the Company regarding the implementation of GMS through the contacts available on the Company Website.

GMS Voting Mechanism

1. Every 1 (one) share extends its holder 1 (one) voting right.
2. Voting mechanism in GMS:
 - a. Shareholders or their proxies that are abstain and against the proposed agenda are requested to raise their hands and submit their votes.

- b. Shareholders or their proxies that do not raise their hands are deemed in favor of the proposed agenda or item in discussion;
- c. Shareholders or their proxies that are abstain will be counted as the same votes with the majority of shareholders who cast their votes;
- d. The Chairperson of the GMS will announce the voting result.
- e. The notary announces voting result.
3. The attendance of a shareholder in the GMS can be represented by other shareholders or by a third party authorized by a power of attorney under the terms that members of the Board of Directors, Board of Commissioners, secretary of the Board of Commissioners, and the Bank's employees can represent a shareholder in the GMS however shall not cast a vote on behalf of the shareholders.
4. A proxy holder that is authorized by a shareholder to abstain in a vote, or to against, but fail to raise hands to express the abstain or disagreement during voting led by the GMS Chairperson, will be regarded as in favor of the item in discussion.

GMS Voting Involving Independent Parties

In conducting the GMS, BRI not only invites shareholders but also third

parties especially in voting and vote counting. The third parties are:

1. Notary

Notary is in charge of making the minutes of the BRI's GMS. In any GMS activity, the Notary directly witnesses and hears the GMS process and provides the opinion/ suggestions/ corrections required in relation to the GMS.

2. Share Registrar

The Share Registrar has the duty to administer the registry of securities holder, and periodically updates to the company. In the process of GMS, the tasks of share registrar include:

- a. To issue written meeting confirmation (KTUR) for employees and shareholders of shares registered in the omnibus account. The written confirmation is distributed to the address of employees or shareholders.
- b. To register and validate shareholders attending the GMS.
- c. To perform electronic count of attendance quorum and votes for each agenda item.
- d. To provide printed materials relating to voting administration.

General Meeting of Shareholders

In addition to Notary and Share Registrar, the GMS is also attended by other independent parties in accordance with the agenda of the agenda held in the GMS such as:

1. Public Accountant Firm
Public Accountant Firm acts as an independent party who audit the financial statements of BRI fairly and provides feedback and suggestions for improvement to the Management.
2. Consultant on Independent Appraisal Services and Legal Consultant Independent
Appraisal Consultants and Legal Consultants are independent parties who are always involved in terms of corporate actions such as debt issues, mergers, acquisitions, acquisitions, and others. The Independent Appraiser Consultant Service is responsible for ensuring the fairness of the transaction value while the Legal Consultant ensures that the transaction will be in accordance with the processes and procedures based on the applicable rules and regulations.

2018 Annual GMS Implementation

The implementation of 2018 AGMS has complied with POJK No. 32/POJK.04/2014.

AGMS Stages		
Date	Activities	Remarks
22.01.2018	Notice of AGMS to OJK	AGMS notice to OJK in less than 5 (five) working days prior to the GMS announcement (Comply)
13.02.2018	AGMS Announcement	AGMS announcement is 14 days prior to AGMS invitation and has been published in (Investor Daily, Kontan dan Tempo) www.idx.co.id and www.bri.co.id (Comply).
28.02.2018	AGMS Invitation	The AGMS Invitation is 21 days prior to the AGMS and has been published in (Investor Daily, Kontan dan Tempo) www.idx.co.id and www.bri.co.id
22.03.2018	AGMS	The 2018 AGMS is convened on the 22 March 2018 in Gedung BRI I, Lantai 21, Jalan Jenderal Sudirman Kav. 44 - 46, Jakarta Pusat 10210.
26.03.2018	Announcement of Summary of Minutes of AGMS	The Announcement of Summary of AGMS Minutes is submitted to OJK in 2 (two) days after the AGMS and has been published in (Bisnis Indonesia, Kontan, Tempo, Investor Daily) and www.bri.co.id (Comply).
29.03.2018	Submission of Minutes of Meeting	The Minutes of AGMS is submitted to OJK in less than 30 working days after the AGMS.
First Agenda	Approval of the Company's Annual Report and the ratification of the Company Consolidated Financial Statements, Approval on the Board of Commissioners Supervisory Actions Report and ratification of the Annual Report of Partnership and Community Development Program for the financial year ended on 31 December 2017 including submission of Accountability report for the Use of Proceeds from Public Offering of Shelf Bond as well as granting full release and discharge (volledig acquit et de charge) to all members of the Board of Directors and Board of Commissioners from the management and supervisory actions carried out for the financial year ended on 31 December 2017.	
Second Agenda	Approval of the use of the Net Profit of The Company for the financial year ended 31 December 2017.	
Third Agenda	Determination of remuneration (salary /honorarium, facility and allowance) for Financial Year 2018 and 2017 tantien for the Board of Directors and the Board of Commissioners of the Company.	
Fourth Agenda	The appointment of Public Accountant Firm to audit the Company's Financial Report and Financial Report on the Partnership and Community Development Program for the financial year of 2018.	

General Meeting of Shareholders

Fifth Agenda	Approval on Recovery Plan Action plan of the Company.
Sixth Agenda	Enactment of Minister of SOE Regulation No. PER -02/MBU/7/2017 regarding the Second Amendment to Regulation of the Minister of BUMN No. PER-09/MBU/07/2015 on BUMN Partnership Program and Community Development Program.
Seventh Agenda	Approval on the amendment of Article of Association of the Company.
Eighth Agenda	Changes of the Company's Management.

Attendance of Shareholders Board of Commissioners and Board of Directors

The AGMS is attended by Shareholders who have fulfilled the quorum requirements and all members of the Board of Commissioners and Directors as follows:

Shareholders	The meeting was attended by shareholders and/or their proxies with a total of 106,940,941,244 shares equivalent to 87.48% of the total shares with valid voting rights issued by the Company.	
Board of Commissioners*	1. Andrinof A. Chaniago 2. Gatot Trihargo 3. A. Sonny Keraf 4. Mahmud 5. Rofikoh Rokhim 6. A. Fuad Rahmany 7. Vincentius Sonny Loho 8. Jeffry J. Wurangian 9. Nicolaus Teguh Budi H	1. President Commissioner/ Independent Commissioner 2. Vice President Commissioner/Commissioner 3. Independent Commissioner 4. Independent Commissioner 5. Independent Commissioner 6. Independent Commissioner 7. Commissioner 8. Commissioner 9. Commissioner
Board of Directors*	1. Suprajarto 2. Haru Koesmahargyo 3. Indra Utoyo 4. Susy Liestiwaty 5. Sis Apik Wijayanto 6. Handayani 7. R. Sophia Alizsa 8. Mohammad Irfan 9. Priyastomo 10. Kuswiyoto	1. President Director 2. Director 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Director 10. Director

*) General Meeting of Shareholders GMS attended by all Board of Directors and Board of Commissioners of Bank BRI

Opportunity to raise question/ input

The Shareholders have the right to ask questions and /or opinions in the GMS related to each agenda item. In the AGMS the number of questions and / or opinions conveyed by the Shareholders are as follows:

Agenda	Total Question/Opinion
First Agenda	5 (five) Shareholders / shareholders' representatives
Second Agenda	2 (two) Shareholders / shareholders' representatives
Third Agenda	None
Fourth Agenda	None

General Meeting of Shareholders

Agenda	Total Question/Opinion
Fifth Agenda	None
Sixth Agenda	None
Seventh Agenda	None
Eight Agenda	None

Notarial Deed No.50 dated March 22, 2018

Minutes of AGMS

Agenda	Number	Questioner's name	Number of Ownership Shares (sheets)	Questions	Answers
One	1	Kristoforus Antonius	2,400	What is the profit target and NPL for 2018	With regard to the 2018 target, the growth is aimed at 9% to 11%. Then for NPL between 2% to 2.2%.
One	2	Untara Hadi	1,700	Kindly make an evaluation sheet for the AGMS and EGMS as well as a report for investors which includes: 1. Timeliness 2. Accuracy Answers to questions 3. Discussion of the problem 4. Disclosure of material / explanation and the like 5. Food / drink 6. and others To improve the quality of the AGMS and EGMS concerned	will made attempt to fulfill the request and it is considered indeed a positive thing as long as it does not deviate from the applicable provisions.
One	3	Ratoelam P. Sianturi	4,500	Suggestions: when introducing Commissioners and Directors do not need to applaud because they are trustees not celebrities	Comments currently unavailable

General Meeting of Shareholders

Notarial Deed No.50 dated March 22, 2018

Minutes of AGMS

Agenda	Number	Questioner's name	Number of Ownership Shares (sheets)	Questions	Answers
One	4	Laurensia Irianti, as the power of Rahadi Santoso	12,849,600	Explanation on the Allowance for Impairment Losses on Net Value of Financial Assets (CKPN) described on page 789 of Rp. 16,994 T. Please made minimized adjustment on the financial reports for efficiency and convenience considerations.	Suggestions for financial reports to be minimized will be considered.
One	5			On the explanation of the annual report, is there a loan elimination?	Explained on page 218
Two	1	Laurensia Irianti, as the power of Rahadi Santoso	12,849,600	For every delivery of dividends, kindly informed the dividend nominal for 2017 per share. How much is the incremental in dividend compared to 2016?	The nominal per share is IDR 106.74 or an increase of 24.5% compared to the previous year
Two	2	Ibnu K. Hajar	300	The economic condition is quite stable, is it considered excessive to retain 55% of earnings?	The 55% of retained earnings have gone through a thorough study and has been communicated with Series A Shareholders. As for the future it is expected that profits can grow better.
Two	3			Who are the representatives of Dwiwarna Series A Shareholders present?	The Series A Dwiwarna Shareholder representative is Mr. Hamra

General Meeting of Shareholders

Voting

The decisionmaking mechanism at the meeting is based on consensus to reach an agreement. If an agreement cannot be reached then decision making is carried out by voting.

Voting is done through an electronic mechanism and carried out by an independent party (Securities Administration Bureau).

AGMS Resolution

First Agenda

Resolution	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Approved and ratified the Annual Report for Financial Year 2017 including the Supervisory Actions Reports as conducted by the Board of Commissioners for Financial Year 2017 and the Company's Consolidated Financial Statements for the financial year ended on December 31st, 2017 audited by the Public Accountant Firm Purwantono, Sungkoro dan Surja in accordance to Auditor report Number No. RPC-5581/PSS/2018 dated 24 January 2018. b. Approved the Annual Report on the Partnership and Community Development Program of the financial year of 2017 as part of the Company's Annual Report for the Financial Year 2017 including the Financial Report of the Partnership and Community Development Program for the financial year ended 31 December 2017, which has been audited by the Purwantono, Sungkoro and Surja Public Accountants Office in accordance with Report No. RPC-5812 / PSS / 2018 dated February 19, 2018. c. Received an Accountability report for the use of proceeds from public offering of the Shelf Bond II of Bank BRI phase II and III Year 2017 by the number of emissions amounted to Rp10.250.000.000.000 (Ten Trillion Two Hundred and Fifty Billion Rupiah). 2. Granted full release and discharge (volledig acquit et de charge) to all members of the Board of Directors and Board of Commissioners from the management and supervisory actions carried out for the financial year ending December 31 st 2017, including the management and supervision of the Partnership and Community Development Program, as long as such action is not a criminal offense, and reflected in the Company's Annual Report and Consolidated Financial Statement as well as the Annual Report of the Partnership and Community Development Program for the Book Year ending on 31 December 2017.
Voting Result	<p>Agree: 106.230.183.454 Shares (99,34%)</p> <p>Against: 217.563.900 Shares (0,20%)</p> <p>Abstain: 493.193.890 Shares (0,46%)</p>
Status	Has been Completed

General Meeting of Shareholders

Second Agenda	
Resolution	<ol style="list-style-type: none"> Approved the use of consolidated net profit attributable to the owners of the parent entity for Financial Year 2017 amounting Rp 28,996,534,838,032.20 (twenty eight trillion - nine hundred ninety six billion - five hundred thirty four million eight hundred thirty eight thousand thirty-two point twenty rupiah), namely : The dividend of 30% or Rp 8,698,960,451,409.66 (eight trillion - six hundred ninety eight billion - nine hundred sixty million - four hundred fifty one thousand - four hundred and nine - point six six rupiah) and additional special dividend of 15% or Rp. 4,349,480,225,704.83 (four trillion - three hundred forty nine billion - four hundred eighty million - two hundred twenty five thousand - seven hundred and four - point eight three rupiah) hence, the total dividend is 45% or Rp 13,048,440,677,114.50 (thirteen trillion - forty eight billion - four hundred forty million - six hundred and seventy seven thousand - one hundred and fourteen - point five zero rupiah) is determined as Cash Dividend distributed to shareholders which will be paid with the following conditions: <ol style="list-style-type: none"> In particular to dividend of Government ownership portion of 57.27% shares amounting to Rp. 7,472,280,892,834.35 (seven trillion - four hundred seventy two billion - two hundred eighty million - eight hundred ninety two thousand - eight hundred thirty four - point three five rupiah) will be deposited into the State General Cash Account. Giving authority and power of attorney to the Board of Directors of the Company with substitution right to determine the schedule and procedure for the distribution of 2017 financial year dividend in accordance with prevailing regulations. Sebesar 55% atau Rp 15.948.094.160.917,70 akan digunakan sebagai saldo laba ditahan.
Voting Result	<p>Agree : 106.304.978.704 Shares (99,40%)</p> <p>Againts/ : 404.735.950 Shares (0,38%)</p> <p>Abstain: 231.226.590 Shares (0,22%)</p>
Status	Has been Completed
Third Agenda	
Resolution	<ol style="list-style-type: none"> Granted full rights to the Series A Dwiwarna Shareholders to determine tantiem for the Financial Year 2017 to all members of the Board of Commissioners, as well as the salary/honorarium, allowances and also other facilities for the members of the Board of Commissioners for the year of 2018. Granted power and authority to the Company's Board of Commissioners with prior approval from Series A Dwiwarna Shareholder to determine tantiem for the 2017 Financial Year to all members of the Board of Directors, as well as the salary/ honorarium, allowances and also other facilities for members of the Board of Directors for the year of 2018.
Voting Result	<p>Agree: 96.930.724.839 Shares (90,64%)</p> <p>Againts: 6.853.266.820 Shares (6,41%)</p> <p>Abstain: 3.156.949.724.839 Shares (2,95%)</p>
Status	Has been Completed

General Meeting of Shareholders

Fourth Agenda	
Resolution	<ol style="list-style-type: none"> 1. Determined the appointment of Purwantono, Sungkoro & Surja (Ernst & Young), as Public Accountant Firm to audit the Company's Consolidated Financial Report and the Financial Report on the Partnership and Community Development Program for the financial year of 2018. 2. Giving the authority and power of attorney to the Board of Commissioners of The Company to appoint a Public Accountant Office to conduct audit on the Company's other Consolidated Financial Statements for Financial Year 2018 for the purpose and interest of the Company. 3. Granted the authority to the Board of Commissioners of the Company to determine the honorarium and other terms for appointed Public Accounting Office as well as to appoint a substitute in the event where Purwantono, Sungkoro & Surja as the appointed Public Accountant Firm for any reason fails to complete the audit of the Company's financial report and the Financial Report of the Partnership and Community Development Program for the financial year 2018 as well as to determine the honorarium and other terms applicable to the appointed Public Accountant Firm and the substitute Public Accountant Firm.
Voting Result	Agree: 100.276.501.351 Shares (93,77%) Againsts: 5.791.191.753 Shares (5,41%) Abstain: 873.248.140 Shares (0,82 %)
Status	Has been Completed
Fifth Agenda	
Resolution	<ol style="list-style-type: none"> 1. Approve the Recovery Plan of the Company in accordance with Financial Services Authority Regulation No. 14/POJK.03/2017.
Voting Result	Agree: 106.688.803.104 Shares (99,76%) Againsts: 6.871.750 Shares (0,01%) Abstain: 245.266.390 Shares (0,23%)
Status	Has been Completed
Sixth Agenda	
Resolution	<ol style="list-style-type: none"> 1. Confirming the enactment of the Minister of SOE Regulation of the Republic of Indonesia No: PER-02/MBU/07/2017 on Second Amendment to SOE Minister Regulation No: PER-09/MBU/07/2015 on Partnership and State-Owned Enterprises Development Program and its Amendments. 2. Giving the authority to the Board of Commissioners by first obtaining written approval from the Series A Dwiwarna Shareholders regarding the authority of the GMS as stipulated in the Republic of Indonesia SOE Minister Regulation No: PER-09/MBU 07/2015 as last amended by the SOE Minister of Republic of Indonesia Regulation No: PER-02 / MBU / 07/2017 and its amendments.
Voting Result	Agree: 106.256.701.464 Shares (99,36%) Againsts: 573.689.190 Shares (0,54%) Abstain: 110.550.590 Shares (0,10 %)
Status	Has been Completed

General Meeting of Shareholders

Seventh Agenda

Resolution	1. Approve the Amendment of Article of Association of the Company.
Resolution	2. Approve to rearrange the Article of Association in relation with the changes referred to in item 1 above.
	3. Approve to grant the power and authority to the Board of Directors of the Company with the substitution right to take all necessary actions relating to the decision of the agenda of this meeting, including drafting and restating all Articles of Association in a Notarial Deed and submitting to the authorities for approval and / or sign any receipt of notification of amendment to the Article of Association, to perform any action as deemed necessary and useful for this purpose with no exceptional, including to make additions and/or changes in the amendment to the Article of Association required by the authority.

Voting Result	Agree: 74.012.920.084 Shares (69,21%) Against: 29.783.954.515 Shares (27,85%) Abstain: 3.144.066.645 Shares (2,94%)
----------------------	---

Status	Has been Completed
---------------	--------------------

Eighth Agenda

Resolution	1. Affirm the honorably dismissal with, of Mr. Donsuwan Simatupang as Director of Risk Management, as of 21 March 2018, with gratuitous for the contribution of energy and thoughts given during the term as a Member of the Company's Board of Directors.
	2. Honorably discharged Ms. Susy Liestiowaty as Director of Compliance, as of the closing of this GMS, with gratuitous for the contribution of energy and thoughts given during the term as a Member of the Company's Board of Directors.
	3. Amend the Title nomenclature of Members of the Board of Directors into as follows:

Previous	Into
Director of Medium Credit, Corporation and SOE	Director of Corporate Banking
-	Director of Retail and Intermediate
Director of Micro and Retail Credit	Director of Micro and Small
Director of Business Strategy and Finance	Director of Finance
Director of Digital Banking and Information Technology	Director of Information Technology and Operation
-	Director of Compliance

4.	To transfer the Assignment of below names as members of the Board of Directors of the Company:
----	--

Name	Previous	Into
Kuswiyoto	Director of Medium Credit, Corporation and SOE	Director of Corporate Banking
Priyastomo	Director of Micro and Retail Credit	Director of Micro and Small
Haru Koesmahargo	Director of Business Strategy and Finance	Director of Finance
Indra Utoyo	Director of Digital Banking and Information Technology	Director of Information Technology and Operation
Mohammad Irfan	Director of Network and Services	Director of Risk Management

With term of office, continue the remaining position in accordance with the decision of the GMS of respective appointment.

General Meeting of Shareholders

5. Appoint the following names as Members of the Board of Directors of the Company:
 - 1) Mr. Supari as Director of Retail and Intermediate
 - 2) Mr. Osbal Saragi Rumahorbo as Director of Network and Services
 - 3) Mr. Achmad Solichin Lutfiyanto as Director of Compliance
6. Honorably discharged Mr. Vincentius Sonny Loho as Commissioner of the Company, as of the closing of this GMS, with gratuiton for the contribution of energy and thoughts given during the term as a Member of the Company's Board of Commissioner.
7. Appoint Mr. Hadiyanto as Commissioner of the Company.
8. The expiration of the term of office of members of the Board of Directors and and Commissioners as referred to in point 5 (five) and 7 (seven) is until the closing of the fifth Annual GMS since the respective appointment, being the Annual GMS for 2022, by taking into account the laws and regulations of Capital Market and without reducing the right of the GMS to terminate at any time.
9. With the confirmation affirmation of resignation, dismissal, changes in title nomenclature, transfer of assignments, and appointment of members of the Company's Board of Directors as referred to in numbers 1,2,3,4 and 5 and dismissal and appointment of the Company's Commissioners as referred to in numbers 6 and 7, the composition of the Company's Management be as follows:

a) Board of Directors

Name	Position
Suprajarto	President Director
Kuswiyoto	Director of Corporate Banking
Supari	Director of Retail and Intermediate
Priyastomo	Director of Micro and Small
Handayani	Director of Consumer
Osbal Saragi Rumahorbo	Director of Network and Services
Haru Koesmahargyo	Director of Finance
Indra Utoyo	Director of Information Technology and Operation
Sis Apik Wijayanto	Director of Institutional Relationship
R. Sophia Alizsa	Director of Human Capital
Mohammad Irfan	Director of Risk Management
Ahmad Solichin Lutfiyanto	Director of Compliance

b) Board of Commissioners

Name	Position
Andrinof A. Chaniago	President Commissioner/ Independent Commissioner
Gatot Trihargo	Vice President Commissioner/ Commissioner
A. Fuad Rahmany	Independent Commissioner
A. Sonny Keraf	Independent Commissioner
Rofikoh Rokhim	Independent Commissioner
Mahmud	Independent Commissioner
Nicolaus Teguh Budi Harjanto	Commissioner
Jeffry J. Wurangian	Commissioner
Hadiyanto	Commissioner

General Meeting of Shareholders

	10. Giving the power and authority to the Company's Board of Directors with the right of substitution to take all necessary actions relating to the decision of the eighth agenda in accordance with applicable regulations, including to declare in Notarial Deed and notify the composition of the Board of Directors and the Board of Commissioners to the Ministry of Law and Human Rights as well as to request the Financial Services Authority to conduct a Capability and Compliance Assessment (fit & proper test) for candidates for Directors and Commissioners in accordance with applicable regulations.
Voting Result	Agree : 74.491.243.732 Shares (69,66%) Against: 29.225.011.168 Shares (27,33%) Abstain: 3.224.686.344 Shares (3,01%)
Status	Has been Completed

2018 Extraordinary GMS Implementation

In 2018, the Company was not convened Extraordinary GMS.

Realization of GMS

Previous GMS (2016 AGMS)

There are 1 (one) of the 6 (six) subjects at the 2016 AGMS, namely: The Fifth Agenda

The first period of distribution will be given in January 2019

2017 GMS

2017 Annual GMS

All decisions of the 2017 Annual General Meeting of Shareholders have been fully realized (100%) hence no decision on The 2017 Annual GMS that needs to be further realized.

Extraordinary GMS 2017

All decisions of the 2017 Extraordinary GMS have been fully realized (100%) so that there are no more decisions at the 2017 Extraordinary GMS that need to be further realized.

The Board of Commissioners

The Board of Commissioners (BOC) is collectively responsible to perform oversight function on the management policy, general management of the Company and business by the Board of Directors including to monitor the Company's Corporate Plan, Work and Budget Plan, as well as the provision of the Articles of Association and the Resolution of the General Meeting of Shareholders, including the prevailing laws and regulations, for the interest of the Company and with due observance to the Company's purpose and objectives.

Legal Basis

- a. Law No. 40 Year 2007 regarding the Limited Liabilities Company.
- b. Law No. 19 Year 2003 regarding the Board of Commissioners of State-Owned Enterprises.
- c. Government Regulation No. 45 year 2005 regarding the Establishment, Management, Supervision, and Dissolution of State Owned Enterprises.
- d. Regulation of the Financial Services Authority No. 33/ POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
- e. Regulation of the Financial Services Authority No 27/ POJK.03/2016 regarding the Fit and Proper Test for Main Parties of Financial Services Institution.
- f. Circular Letter of Financial Services Authority No. 39/SEOJK.03/2016 regarding the Fit and Proper Test for Candidate of Controlling Shareholders, Members of the Board of Directors and the Board of Commissioners of Bank.
- g. Regulation of Bank Indonesia No. 8/4/PBI/2006 regarding Good Corporate Governance Implementation for Commercial Banks and its amendment, Regulation of Bank Indonesia No. 8/14/ PBI/2006.
- h. Regulation of Ministry of State Owned Enterprises No. PER-02/MBU/02/2015 regarding the Requirements and Procedures for the Appointment and Dismissal of Members of the Board of Commissioners and Board of Trustees of SOEs.
- i. Financial Services Authority Regulation No: 1 / POJK.03 / 2019 January 28, 2019 Regarding the Implementation of Internal Audit Functions for Commercial Banks.

Criteria, Appointment, Dismissal And Resignation of BOC Members

Criteria

Criteria of the BRI Board of Commissioners are compiled based on POJK number 55 /POJK.03/2016 concerning Implementation of Governance for Commercial Banks, POJK No.27 / 03.POJK / 2016 concerning Capability and Compliance Evaluation for Main Institutions of Financial Services Institutions, as well as internal provisions of the Board of Commissioners BRI Board of Commissioners Nokep: 07-KOM / BRI / 07/2015 concerning Nomination Policy for Members of the Board of Commissioners and Directors, including the following:

1. Any individuals that are legally competent, except within five (5) years prior to his/her appointment:
 - a. Has been declared as bankrupt.
 - b. Has been a member of the Board of Directors or Commissioners that is proven guilty for causing the bankruptcy of a company; or
 - c. Has been punished for a criminal act that inflicts loss in the state's finance and/or SOEs and/or those related to the financial sector.
2. Has integrity, dedication, and understanding about the company management issues that is related to one of the functions of management, has adequate knowledge in banking, and able to provide adequate time to carry out their duties.
3. Does not hold concurrent position as:
 - a. Members of the Board of Directors at other SOEs, regional-owned enterprises, private companies, and other positions that may pose any conflicts of interests; and/or
 - b. Other positions, in accordance with the prevailing laws and legislations.
4. Members of the BOC are only allowed to hold concurrent position as:
 - a. Member of the BOC, Directors, or Executives in one (1) non-financial institution/ company, or
 - b. Member of the BOC, Directors, or Executives that has a supervisory function in 1 (one) non-bank subsidiary company that are controlled by the Bank.

The Board of Commissioners

5. Not considered as concurrent position, in the event where:
 - a. Non-independent members of the BOC conduct its functional duties of the Bank's shareholder in the form of legal entities in its business group; and/or
 - b. Members of the BOC hold his/ her position in a non-pro fit organization or institution, as long as he/she does not neglect his/her duties and responsibilities as members of the Bank's Board of Commissioners.
6. Do not have any family ties with members of the Bank's Board of Directors and/or Board of Commissioners up to the third degree, either vertically or horizontally, including family ties resulted from marriage. The above general qualifications may be proven by among others a written statement of the relevant Candidate.

In particular, all members of the BOC have fulfilled the following requirements:

1. Fulfillment of PBI No. 12/23/2010 on Fit and Proper Test, whereby The BOC is obliged to obtain the predicate of passing the fit and proper test conducted by OJK (formerly Bank Indonesia) which includes integrity requirements.
2. Financial Services Authority Circular Number 39 / SEOJK.03 / 2016 concerning Capability and Compliance Assessment for Prospective Controlling Shareholders, Prospective Members of the Board of Directors, and Prospective Members of the Board of Commissioners of the Bank as follows:
 - a. Adequate knowledge in the field of banking, relevant to his/ her position;
 - b. Experience and expertise in banking and/or finance; and
 - c. Strategic management skills to develop a healthy bank.

Internally, all members of the Board of Commissioners have signed the Integrity Statement documented by BRI.

Nomination Procedures

The nomination system and procedures of members of the BOC is regulated as follows:

1. The Nomination and Remuneration Committee searches the Prospective Candidate member of the BOC that are meeting the set qualifications.

2. The qualified Prospective Candidate member of the BOC is further proposed by the Nomination and Remuneration Committee to the Board of Commissioners to take Evaluation process.
3. The evaluation process is carried out by the Nomination and Remuneration Committee to search for comprehensive information regarding the qualification and competency of Prospective Candidate, among others through reviewing the milestones/ resume of the candidates.
4. The search results of Prospective Candidate member of the BOC is discussed in the Nomination and Remuneration Committee meeting to stipulate the chosen Prospective Candidate member of the BOC.
5. The discussion results of the Nomination and Remuneration Committee as stated in point 4 (four) is submitted to the Board of Commissioners through Official Memo by the the Nomination and Remuneration Committee. The Official Memo serves as recommendations document of the Nomination and Remuneration Committee on the said Prospective Candidate member of the BOC
6. The selected member of the BOC is stipulated in the BOC Meeting that at the same time serve as recommendation basis of the Board of Commisisoners to the GMS through Shareholders Serie A.

Pursuant to POJK No. 27/POJK.03/2016 on the Fit and Proper Test for Financial Services Institution Main Entity, the Candidate of Main Entity (Controlling Shareholders, members of the Board of Directors and BOC) shall obtain the approval from OJK prior to carry out act, duty and function as the Main Entity. In providing the approval, OJK conducts fit and proper test to the candidate of the BOC covering: integrity, financial reputation and competency as well as shares ownership and Bank management as stated in the prevailing laws and regulations.

Furthermore, referring to the Circular Letter of Financial Services Authority No. 39/SEOJK.03/2016 on the Fit and Proper Test for Candidate of Controlling Shareholders, Candidate Member of the Board of Directors, and Candidate Member of the Board of the Board of Commisisoners of the Bank.

The Board of Commissioners

Appointment Procedures

Appointment of members of the BOC of the Company are stipulated in the General Meeting of Shareholders (GMS). In the event that the appointed member of the BOC has not been approved by the Financial Services Authority (OJK), then the appointment is not effective before approval is given to the respective party by OJK.

In order to obtain approval for members of its BOC, the Company submits an application to OJK to conduct a fit and proper test. Approval or rejection of such application shall be provided by OJK no later than 30 (thirty) days after receipt of the complete application.

The fit and proper test conducted by OJK includes administrative and interview research. In the event that the candidate being requested for approval and has been appointed in the GMS is not approved by OJK, then the Company through the GMS shall be obliged to dismiss the person concerned.

For a candidate member of the BOC of the Company that has not received OJK approval, the respective candidate is prohibited from performing duties as a member of the BOC in the activities of the Bank and or other activities that have a significant influence on the Bank's financial policies and condition, even though it has been approved and appointed by the GMS.

Dismissal Procedure

The terms of office of the BOC shall ended if:

- Passed away
- End of tenure
- Dismissed pursuant to the GMS
- Declared bankrupt by Commercial Court decision with permanent legal force or put under remission based on court decision
- No longer qualified as member of the BOC based on the Company's Articles of Associations and other laws and regulations (including but not limited on prohibited concurrent position.

Pursuant to the Articles of Association, A member of BOC has the right to resign from his position by written notification to BRI ad BRI must convene a GMS to decide the proposed resignation of respective BOC member at the latest sixty (60) days after acceptance of resignation letter.

Members of the BOC may also be dismissed by the General Meeting of Shareholders based on rational as deemed appropriate by the General Meeting of Shareholders for the purpose and benefit of the Company.

Resignation of BOC upon Financial Criminal Crime Act

In accordance with the Articles of Association of the Company, a member of the Board of Commissioners has the right to resign from his position by notifying in writing of his intentions to BRI and BRI having to hold a General Meeting of Shareholders to decide on the resignation of 60 (sixty) days after receipt of the resignation letter.

Fit and Proper Test of BOC

Based on the POJK Number 27/ POJK.03/2016 on the Fit and Proper Test for Main Party of Financial Services Institutions, the candidates of Controlling Shareholders, members of the Board of Directors and members of the BOC shall obtain OJK approval prior to carrying out their actions, duties and functions Main Parties. The BOC of the Company is required to meet the requirements of integrity, financial reputation, and competence.

The Board of Commissioners

Members of the BOC who have passed fit and proper test without notes and have received approval from the Financial Services Authority, indicate that each member of the BOC has adequate integrity, competence and financial reputation, can be seen through the table below:

No	Commissioner	Title	Effective Date based on OJK Letter	Fit And Proper Test Implementer	Result
1	Andrinof A. Chaniago	President Commissioner/ Independent	19 July 2017	OJK	Pass
2	Gatot Trihargo	Vice President Commissioner	10 June 2015	OJK	Pass
3	A. Fuad Rahmany	Independen Commissioner	26 May 2017	OJK	Pass
4	A. Sonny Keraf	Independen Commissioner	10 June 2015	OJK	Pass
5	Mahmud	Independen Commissioner	28 February 2017	OJK	Pass
6	Rofikoh Rokhim*	Independen Commissioner	31 January 2018	OJK	Pass
7	Hadiyanto**	Commissioner	21 September 2018	OJK	Pass
8	Vincentius Sonny Loho***	Commissioner	05 September 2012	OJK	Pass
9	Jeffry J. Wurangian****	Commissioner	19 July 2017	OJK	Pass
10	Nicolaus Teguh Budi Harjanto	Commissioner	19 July 2017	OJK	Pass

*) Declared passed by OJK Fit & Proper in 2018 based on OJK Letter No.:SR-18/PB.12/2018 dated 31 January 2018

**) Declared passed by OJK Fit & Proper in 2018 based on OJK Letter No SR-194/PB.12/2018 dated 21 September 2018

***) Effective serving until March 22, 2018

****) Effective serving until September 20, 2018

BOC CODE OF CONDUCT

In carrying out its duties, authorities, obligations and responsibilities, the Board of Commissioners has a guideline in the form of the Board of Commissioners' Code of Conduct that have been updated and ratified through the Board of Commissioners Decree Nokep:09-KOM/11/2018 dated 01 November 2018. The Structure of Guideline for the Board of Commissioners is in accordance with the prevailing laws and regulations:

DUTIES AND RESPONSIBILITIES

The BOC is collectively performing oversight to the management function of the Company. The roles of the BOC include the provision of advice and direction to the Board of Directors on the implementation of policies the Company's policies in conducting the business activities based on strategy and objectives of BRI.

Duties of the Board of Commissioners

The BOC has the duty to supervise the management policy, the general management of the Company and the Company's business and provide commitment to the Board of Directors including supervision of the implementation of the Company's Long Term Plan, Company Work Plan and Budget as well as the Articles of Association and Shareholders Resolution, as well as prevailing law and regulations, for the benefit of the Company and in accordance with the purposes and objectives of the Company.

The Board of Commissioners

President Commissioner

- a. Lead the BOC meetings and the meetings with the Board of Directors.
- b. Lead the General Meeting of Shareholders (GMS).
- c. Coordinate and monitor the implementation of the work program of the BOC.
- d. Coordinate the activities of the Board of Commissioners to supervise the implementation of the tasks and responsibilities of the Board of Directors.

Responsibilities of the BOC

Each member of the BOC is collectively liable on the Company's loss should one of them is guilty or negligent in performing his/her duties, unless the relevant member of the Board of Commissioners can prove:

1. The loss was not caused by his/her error or negligence;
2. Has performed supervision with good faith and prudence, in compliance with the Company's objectives;
3. Does not have any conflict of interest, directly or indirectly, for any of the Board of Directors' management that has caused the loss; and
4. Have taken actions to prevent the loss and its reoccurrence.

BOC Authorities

1. Verify books, letters, and other documents, review cash for verification purpose and other securities, and check the Company's assets;
2. Enter the yard, building and office used by the Company;
3. Request an explanation from the Board of Directors and / or other officials regarding all matters relating to the management of the Company;
4. To know all policies and actions that have been and will be carried out by the Board of Directors;
5. Requests the Board of Directors and / or other officials under the Board of Directors with the knowledge of the Board of Directors to attend BOC meetings;
6. Appoint and dismiss a Secretary of the BOC, upon the suggestion of the Series A Dwiwarna Shareholder;
7. Establish an Audit Committee and other committees, if deemed necessary by taking into account the Company's capabilities;
8. Use experts for certain matters and within a certain period of time at the Company's expense, if deemed necessary;
9. Temporarily dismiss member of the Board of Directors by stating the reason if the respective member of the Board of Directors breach the Article of Association of the Company or any indication of taking action that jeopardize the Company or neglecting his/her obligations or occurrence of urgent reasons for the Company.
10. Perform management actions of the Company in certain circumstances for a certain period of time in accordance with the provisions of the Company's Article of Association;
11. Attending Board of Directors' meetings and providing views on matters discussed;
12. Approved the appointment and dismissal of the Corporate Secretary and / or Head of the International Supervisory Unit.
13. Provide written approval for the actions of the Board of Directors in accordance with the Company's Articles of Association and applicable regulations;
14. Carry out other oversight authorities insofar as they do not conflict with statutory regulations, Articles of Association and / or GMS decisions.

The Board of Commissioners

Obligations

1. To advise the BOD in conducting the management of the Company;
2. Provide an opinion and approval of the Company's work plan consisting of:
 - a. Long Term Plan of the Company (RJPP);
 - b. Business Plan Bank (RBB); c
 - c. Work Plan and Budget of Company (RKAP), and
 - d. Other work plans prepared by the BOD in accordance with the laws and regulations shall obtain the approval of the Board of Commissioners;
3. Following the development of the Company's activities, providing opinions and suggestions to the General Meeting of Shareholders on any issues deemed important to the management of the Company;
4. Notify the regulator no later than 7 (seven) days after its post finding of the following events:
 - a. Violation of legislation in the field of finance and banking; and
 - b. Circumstances or predictions of circumstances that may compromise the viability of the Company's business; which has not been or has not been reported by the Company and / or by the Director in charge of the Compliance Function to the regulator.
5. Submit report to the Dwiwarna A-Series Shareholder in case of any declining performance of the Company;
6. To propose to the General Meeting of Shareholders the appointment of a Public Accountant who will conduct examination of the Company's books;
7. To examine and review the periodic reports and Annual Report prepared by the Board of Directors and to sign the Annual Report;
8. Provide explanations, opinions, and suggestions to the Annual General Meeting of Shareholders on the Annual Report if requested;
9. Prepare a report on the supervisory duties exercised by the Board of Commissioners during the preceding fiscal year that is an integral part of the annual report prepared by the Board of Directors.
10. Making a Meeting of the Board of Commissioners and keeping a copy of it;
11. Reporting to the Company regarding its ownership of its shares and / or its family to the Company and other companies;
12. To provide reports on supervisory duties that have been carried out during the past financial year to the General Meeting of Shareholders;
13. Provide an explanation of all matters asked or requested by the shareholders of Series A Dwiwarna by taking into account the prevailing laws and regulations prevailing in the Capital Market;
14. Ensure the implementation of Good Corporate Governance in all business activities of the Company at all levels or levels of the organization;
15. Monitoring the implementation of Integrated Governance;
16. Direct, monitor, and evaluate the implementation of the Bank's strategic policy;
17. Prepare a work program of the BOC which is an integral part of the Company's Annual Work Plan and Budget prepared by the BOD;
18. Conduct Active Supervision of Compliance Function, through:
 - a. Evaluation of the implementation of Bank Compliance Function at least two (2) times in one year;
 - b. Provide suggestions in order to improve the quality of the Bank's Compliance Function.
19. Conduct active oversight of risk management includes the following matters:
 - 1) Approve and evaluate the General Policy of Risk Management in accordance with applicable provisions;
 - 2) Evaluate the responsibility of the BOD on the implementation of risk management policies in accordance with applicable regulations.
 - 3) Evaluate and take decisions on the proposal from the Board of Directors related to transactions that require the approval of the Board of Commissioners.
20. Ensure the application of Integrated Risk Management in accordance with the characteristics and complexity of the business of Financial Conglomeration and ensure the implementation of Risk Management in each LJK in Financial Conglomeration;

The Board of Commissioners

21. To approve the policy on the implementation of Anti Money Laundering and Counter-Terrorism Prevention (AML & CTF) programs and to supervise the implementation of the Board of Directors' responsibilities for the implementation of AML & CTF programs;
22. To guide the growth of culture and awareness of Risk Management, Compliance and Anti Fraud at all levels of Bank organization;
23. Monitor Bank Soundness, and take necessary steps to maintain and / or improve Bank Soundness by applying prudential principles and risk management in conducting business activities; 2
24. Direct, monitor and evaluate the Information Technology Strategic Plan and Company policy regarding the use of Information Technology and evaluate the BOD accountability for the application of risk management in the use of Information Technology;
25. Ensure that the BOD has followed up on audit findings and recommendations from the Company's Internal Audit Unit, external auditors, the results of supervision by the Financial Services Authority, Bank Indonesia, the Supreme Audit Board, and / or other authorities oversight results;
26. Submit report on the results of supervision on the implementation of the Company's Business Plan every semester to the Financial Services Authority in accordance with applicable laws and regulations;
27. To supervise the management of the Financial Institution Pension Fund (DPLK) by the Management; submit annual report in writing of the results of its supervision; and appoint a public accountant to audit the financial statements of the Pension Fund of the Financial Institution (DPLK);
28. Submit report on the results of the Company's performance evaluation quarterly to the Dwiwarna A Series Shareholders;
29. Ensure that the established committees perform their duties effectively; and
30. Carry out other obligations in the context of supervisory and advising duties, as long as they do not conflict with laws and regulations, Articles of Association and / or the resolution of the General Meeting of Shareholders.

Scope of BOC

The Board of Commissioners carries out the supervisory function in accordance with its responsibilities and authorities which includes:

1. Passive supervision, namely through review of reports submitted by Management, letters received from OJK, Bank Indonesia and other institutions as well as other information obtained from other third parties.
2. Active supervision, namely through board meetings with the Board of Directors, Board of Commissioners Meetings with Directors and related officials, meetings with external auditors and other third parties, and through work visits to the Work Unit.

Strategy and Policy

Provide opinion and approval of the Company's work plan consisting of the Company's Long Term Plan (RJPP), the Bank's Business Plan (RBB), the Company's Work Plan and Budget (CBP), the Work Plan and Budget of the Partnership Program and Community Development (PKBL) as well as direct, monitor and evaluate the implementation of the Bank's strategic policies.

Good Corporate Governance

The BOC performs the role to ensure the implementation of GCG in each of the Company's business activities at all of the levels of the organization and monitor the implementation of Integrated Governance. In order to implement GCG, the BOC is responsible among others to:

- a. Propose the appointment of a Public Accountant to the GMS.
- b. Report the results of monitoring conducted to the GMS.
- c. Investigate and examine the periodic reports and the Annual Report, and provide explanations, opinions and suggestions to the GMS regarding the Annual Report when requested.

The Board of Commissioners

Risk Management	Perform active monitoring on risk management by approving and evaluating the Risk Management General Policy in accordance to the applicable regulations and evaluate the accountability of the Board of Directors on the implementation of risk management policy in accordance to applicable regulations. Moreover, within the Bank, the BOC is also responsible to maintain and monitor the Bank's health level and take the steps necessary to maintain and improve the health level of the Bank.
Compliance	Notify regulators of violation to legislation arising in the field of finance and banking, and/or a condition or potential condition that could endanger the Company's business, which is not or was not yet reported by the Company and/ or by the Director of Compliance to the regulators and evaluate the implementation of the Bank's Compliance Function.

- Utilizing the Company for personal, family, and/ or other interests that may harm or reduce the Company's profits.
- Conducting transactions that have a conflict of interest and/ or taking personal advantage either directly or indirectly from the activities of the Company other than a valid income as a member of the BOC.
- Affected by others in carrying out duties and decisionmaking which lead to misuse of authority and/ or inaccurate decision-making.
- Give or offer to the customer or an official of the Government and/ or other parties to influence or accept either directly or indirectly anything of value in exchange for what he or she has done and other actions in accordance with applicable laws and regulations.
- Engage in the sale or purchase of securities in which the insider has insider trading information.

Members of the Board of Commissioners shall not involve in any financial crimes. In the event that a member of the Board of Commissioners is involved in the financial crime such as being convicted by the authority, then such member of the Board of Commissioners shall resign. The financial crimes include manipulation and embezzlements in financial services activities as well as Criminal Acts in Money Laundering as stated in the Law No. 8 of 2010 on the Prevention and Elimination of Money Laundering Criminal Acts.

Prohibition of the Board of Commissioners

In accordance with the Board Charter, the BOC is prohibited from taking the following actions:

- Engage in decision-making of operational activities of the Company, except for the provision of funds to related parties and other matters specified in the Company's Articles of Association or prevailing laws and regulations.
- Takes multiple positions as:
 - Members of the Board of Directors in BUMN, BUMD, private owned enterprises.
 - The management of a political party and/ or a candidate/ member of the legislature and/ or the candidate for regional head/ deputy head of the region, other positions that may cause conflict of interest and/ or other positions in accordance with regulations and legislation;

Terms of Office

The term of office of the Commissioner for one period is 5 (five) years and can be extended again for one period without prejudice to the Rights of the General Meeting of Shareholders to at any time dismiss the Board of Commissioners through a GMS decision.

The Board of Commissioners

Ethics

1. Comply with the Article of Association and regulations as well as the principle of professionalism, efficiency of transparency, independence, accountability, accountability, and fairness;
2. Have good faith, prudent, and responsible in carrying out supervisory duties and giving advice to the Board of Directors for the interest of the Company and in accordance with the purpose and objectives of the Company;
3. In the event of conflict of interest, then each Member of the Board of Commissioners is personally, either directly or indirectly, having interests in a transaction, contract or proposed contract in which the Company is one of the parties, it must be stated the nature of its interests in a Board of Commissioners Meeting and has no right to participate in voting decision on matters related to the transaction or contract; and
4. Provide exemplary example by encouraging ethical behavior and upholding the Company's code of ethics.

Working Time

The working time of the Board of Commissioners is when but not limited to the Board of Commissioners' Meetings and the working visit of the Board of Commissioners.

ASSESSMENT CRITERIA OF THE BOC PERFORMANCE

1. Performance Evaluation of the Board of Commissioners

The Board of Commissioners makes a work plan at the beginning of each year and conducts self-assessments based on the achievement of the work of the Board of Commissioners and the determined Key Performance Indicator (KPI). In conducting its own assessment, the Board of Commissioners also reviews the implementation of the duties of the committees and secretariat under the Board of Commissioners in accordance with the targets set out in the Work Plan and Budget.

Based on the results of the review and self-assessment the performance of the Board of Commissioners and the Committee stated that all work plans set at the beginning of 2018 can be implemented 100% according to the targets set.

2. Assessment criteria

Indicators or performance criteria of the Board of Commissioners are measured by the achievement of work programs / work plans and budgets (RKA) that have been prepared at the beginning of each year. The Board of Commissioners work program is prepared by taking into account the key success factors (Key Success Factors) the implementation of the duties of the Board of Commissioners includes the Learning & Growth perspective, Internal process, compliance and financial.

The Board of Commissioners

In 2018, the Board of Commissioners has determined the aspects that become the main performance indicators, as follows:

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
1	Learning & Growth Perspective	Organization of the Board of Commissioners	a Organization of the Board of Commissioners In accordance with the provisions	Organization of the Board of Commissioners in accordance with applicable regulations	2,00
			b Organ Organizations of the Board of Commissioners in accordance with the provisions	Organ organizations under the Board of Commissioners in accordance with applicable regulations	2,00
		Competency Development of the Board of Commissioners	a New Board of Commissioners orientation program	The entire Board of Commissioners has just taken part in the orientation program	2,00
			b Members of the Board of Commissioners have competencies in accordance with applicable regulations	All members of the Board of Commissioners are declared to have passed the OJK fit and proper test and fulfilled the obligations of the MR Certification in accordance with the provisions	2,00
			c Educational programs / training / seminars to improve competence	Each Commissioner must participate at least once	2,00
			Sub Total		
2	Internal Procces	Implementation	a Ratification of the Board of Commissioners' Work Plan and Budget	The RKAP (Company Budget Work Plan) of the Board of Commissioners is ratified prior to the implementation of the current year the RKAP is valid (December 31 at the latest)	2,50
			b Bank Business Plan (RBB) endorsement and / or revised RBB on time	The RBB is validated before November 30 and the RBB Revision is authorized by the Board of Commissioners before June 30 each year	5,00
		Implementation	a Approval of corporate actions or actions of the Board of Directors that require Board of Commissioners approval in accordance with the provisions	Requests for approval from the Board of Commissioners regarding the Board of Directors' proposals are given no later than 15 working days after being received by the Board of Commissioners	5,00
			b Board of Commissioners' meetings are carried out in accordance with the provisions and targets	Board of Commissioners meetings are held at least once a month and the Board of Commissioners and Directors Meetings are held at least 4 months.	10,00
			c Develop Nomination policies and Implementation of the Nomination Process for the Company management candidates policies including subsidiaries that are the authority of the Board of Commissioners	a. Letter of Recommendation for Company Management Candidates submitted to Dwi Warna Series A Shareholders	2,50
				b. Company Nomination Policy	

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
			d Develop remuneration policies and remuneration structure for Board of Directors and Board of Commissioners	a. Remuneration Policy of the Board of Directors and Board of Commissioners. b. Recommendation of the remuneration structure for the Board of Commissioners and Board of Directors is conveyed to the Dwi Warna Series A Shareholders	2,50
			e Appointment of Public Accountant Office on the Company's Financial Report	Recommendations from the KAP (Public Accounting Firm) that will carry out an audit of the company's financial statements are given before the Company's AGMS	5,00
		Supervision	a Implementation of the Board of Commissioners' Working Visit	All Regional Offices are visited at least once by Members of the Board of Commissioners	7,50
			Implementation of internal control review	Review of SKAI Annual Audit Planning (PAT) and evaluation of internal audit implementation	2,50
			b Review the Internal Audit Examination Report and follow up on internal audit results	Review of Internal Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2,50
			c Review the Internal Audit Examination Report and follow-up on the results of the external audit	Review external Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2,50
			d Review of Financial Statements	Review financial statements carried out in accordance with the provisions and on time according to the target	2,50
Sub Total					50,00

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
3	Compliance Prespective	Implementation of corporate activities in accordance with Good Corporate Governance	a Implementation of GCG Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the provisions and on time as targeted	2,50
			b Implementation of Integrated Governance Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the provisions and on time as targeted	2,50
			c Public Accountant's opinion on the Company's Financial Report	Public Accountant Opinion Unqualified Fairness	5,00
			d CGPI score is better than the previous year	CGPI rating scores fit the target	2,50
		Implementation of the function of Supervision of Risk Management	a Implementation of a review of the Risk Profile Report.	The review of the Risk Profile Report every 3 months in accordance with the provisions and on time as targeted	10,00
			b Implementation of compliance function	Self assessment assessment score Implementation of compliance function is implemented every Semester	2,50
			c Implementation of a review of the Risk Profile Report and Compliance Function and the soundness of the bank.	The review of the Compliance function and the soundness of the bank is carried out every Semester in accordance with the provisions and on time according to the target	2,50
			d Review of the adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Annual Report of Integrated Governance.	The review of the adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Integrated Corporate Governance Annual Report is conducted every Semester in accordance with the provisions and on time as targeted	2,50
Sub Total					30,00

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
4	Financial Perspective	Assessment of aspects of profitability and capital	a Net profit	Achieving net profit target in accordance with RKAP (Company Budget Work Plan)	2,50
			b Asset	Achieving Asset target according to RKAP (Company Budget Work Plan)	2,50
			c NPL	Achieving target NPLs according to RKAP (Company Budget Work Plan)	2,50
			d CAR	Achieving target CAR according to RKAP (Company Budget Work Plan)	2,50
Sub Total					10,00
TOTAL					100,00

Achievement of the above performance indicators is calculated based on the weighted average with the following assessment criteria:

Score 80 - 100	= Very Good
Score 70 - < 80	= Good
Score 55 - < 70	= Fair
Score < 55	= Poor

3. Mechanism of the Assessment Process

The Board of Commissioners conducts self assessment of the achievement of the Board of Commissioners' Main Performance Indicators. Assessment is carried out by the Board of Commissioners in the Board of Commissioners Internal Meetings and the results are the basis for taking steps to improve the performance of members of the Board of Commissioners and Committees under the Board of Commissioners.

4. Review / Result of Assessment and Disclosure

Based on the Board of Commissioners 'self assessment results in accordance with the targets and indicators set, the achievement of the Board of Commissioners' Main Performance Indicators (KPI) in 2018 scores 100.27 with the criteria of "Very Good" with the achievement of each indicator as follows:

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)	
1	Learning & Growth Perspective	Organization of the Board of Commissioners	a	Organization of the Board of Commissioners in accordance with the provisions	The Board of Commissioners compliance organization with the applicable provisions	2,00
			b	Organ Organizations of the Board of Commissioners in accordance with the provisions	Organ organizations under the Board of Commissioners in accordance with applicable regulations	2,00
		Competency Development of the Board of Commissioners	a	New Board of Commissioners orientation program	All members of the Board of Commissioners joined the Board of Commissioners orientation program	2,00
			b	Members of the Board of Commissioners have competencies in accordance with applicable regulations	All members of the Board of Commissioners are declared to have passed the OJK fit and proper test and fulfilled the obligations of the MR Certification in accordance with the provisions	2,00
			c	Educational programs / training / seminars to improve competence	Each member of Board of Commissioner must participate at least once	2,00
			Sub Total			
2	Internal Procces	Planning	a	Ratification of the Board of Commissioners' Work Plan and Budget	The RKAP of the Board of Commissioners is ratified prior to the validation of RKAP current year implementation (December 31 at the latest)	2,50
			b	RBB endorsement and / or revised RBB on time	The RBB is validated before November 30th and the RBB Revision is authorized by the Board of Commissioners before June 30th each year	5,00
		Implementation	a	Approval of corporate actions or actions of the Board of Directors that require Board of Commissioners approval in accordance with the provisions	Requests for approval from the Board of Commissioners regarding the Board of Directors' proposals are given no later than 15 working days after being received by the Board of Commissioners	5,00
			b	Board of Commissioners' meetings are carried out in accordance with the provisions and targets	Board of Commissioners meetings are held at least once a month and the Board of Commissioners and Directors Meetings are held at least 4 months.	10,00

The Board of Commissioners

Target	Achievement	Score	Final Score
The organization of the Board of Commissioners is in accordance with the provisions of POJK, KBUMN and Regulators	In accordance with the Board of Commissioners Nokep: 09-KOM / 11/2018 November 1, 2018 The Board of Commissioners' organization complies with the provisions	1,00	2,00
Organ Organizations under the Board of Commissioners are in accordance with the provisions of POJK, KBUMN and Regulators		1,00	2,00
Each newly appointed Board of Commissioners receives an orientation program for the Board of Commissioners	During 2018 there was one new Member of the Board of Commissioners Mr. Hadiyanto and had attended the Board of Commissioners orientation program	1,00	2,00
8 (Eight) Members of the Board of Commissioners are declared to have passed the OJK fit and proper test and fulfilled the obligations of the MR Certification in accordance with the provisions	8 (Eight) Members of the Board of Commissioners are declared to have passed the OJK fit and proper test and fulfilled the obligations of the MR Certification in accordance with the provisions	1,00	2,00
All members of the Board of Commissioners must attend at least one training or seminar in one year	All Members of the Board of Commissioners have conducted training at least once a year	1,00	2,00
			10,00
The RKAP of the Board of Commissioners is ratified prior to the validation of RKAP current year implementation (December 31 at the latest)	The Board of Commissioners RKAP 2019 was authorized on December 28, 2018	1,00	2,50
The Board of Commissioners gives approval and response to the proposed RBB to the Board of Directors no later than November 30, 2018	The Board of Commissioners has given approval for the BRI RBB 2019-2021 and 2019 RKAP through a letter from the Board of Commissioners Number: R.76-KOM / 11/2018 November 21, 2018	1,00	5,00
The Board of Commissioners responds to requests for approval of corporate actions or actions of the Board of Directors that require Board of Commissioners approval in accordance with the provisions	During 2018, there were 40 responses and approvals submitted by the Board of Commissioners for all requests submitted by the Board of Directors	1,00	5,00
The Board of Commissioners must at least hold a monthly meeting and a minimum Board of Commissioners and Directors Meeting every 4 months.	During 2018 there were 55 Board of Commissioners and Directors Meetings and 45 Committee Meetings under the Board of Commissioners	1,00	10,00

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
			c Arrange Nomination and Implementation of Nomination Process policies Prospective management of the Company including subsidiaries which are the authority of the Board of Commissioners	a. Letter of Recommendation for Company Management Candidates submitted to Dwi Warna Series A Shareholders b. Company Nomination Policy	2,50
			d Prepare remuneration policies and remuneration structure for Directors and Board of Commissioners	a. Remuneration Policy of the Board of Directors and Board of Commissioners. b. Recommendation The remuneration structure for the Board of Commissioners and Directors is conveyed to the Dwi Warna Series A Shareholders	2,50
			e Appointment of Public Accountant Office on the Company's Financial Report	Recommendations from the KAP that will carry out an audit of the company's financial statements are given before the Company's Annual GMS	5,00
		Supervision	a Implementation of the Board of Commissioners' Working Visit	All Regional Offices are visited at least once by Members of the Board of Commissioners	7,50

The Board of Commissioners

Target	Achievement	Score	Final Score
<p>a. The Board of Commissioners submits a Nomination Letter to the Company's Management no later than Week III March 2018.</p> <p>b. The Company's Nomination Policy is available according to the provisions</p>	<p>a. The proposal of the BRI Company Management is submitted through the Service Note of the KNR No. : R.07- KNR / 03/2018 March 21, 2018.</p> <p>b. The Board of Commissioners has established a Nomination Policy for Members of the Board of Commissioners and the Board of Directors with NOKEP Decree: 07-KOM / BRI / 07/2015, July 28 2015</p>	1,00	2,50
<p>a. There are provisions of the Board of Commissioners regarding the Remuneration Policy of the Board of Directors and the Board of Commissioners.</p> <p>b. Recommendations on the structure of remuneration for the Board of Commissioners and Directors submitted to holders of Series Dwi A Shares are submitted no later than I Week of June 2018</p>	<p>a. The Board of Directors and Board of Commissioners Remuneration Policy are available as follows:</p> <ol style="list-style-type: none"> 1. Decree of the Board of Commissioners No.01-KOM / 01/2015 dated January 20, 2015. 2. Board of Commissioners Decree No: 09-KOM / 09/2015 September 8, 2015 3. Board of Commissioners Decree No: 09-KOM / 09/2017 November 30, 2017 concerning Remuneration Governance Policy 4. Board of Commissioners Decree No: 09-KOM / 11/2017 November 30, 2017 concerning Remuneration Governance Policy 5. Board of Commissioners Decree No: 04-KOM / 09/2018 September 12, 2018 concerning Implementation of Deferred Remuneration 6. Decree of the Board of Commissioners Number: SR.12-KOM / 05/2018 dated May 8, 2018 concerning Recommendation of the NRC on the proposed income of the Directors and the Board of Commissioners in 2018 and the tantiem for the performance of 2017 	1,00	2,50
Recommendations from the KAP that will carry out an audit of the company's financial statements are given before the Company's Annual GMS on March 22, 2018	The proposal of the KAP to carry out the general audit of the consolidated financial statements and financial statements of the BRI PKBL for fiscal year 2018 is submitted through a Letter of the Board of Commissioners Number: R.29-KOM / 03/2018 on March 6, 2018	1,00	5,00
The Board of Commissioners carried out a working visit to 19 Regional Offices	During 2018 the Board of Commissioners carried out work visits 26 times to 19 Regional Offices	1,00	7,50

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
			Implementation of internal control review	Review on SKAI Annual Audit Planning (PAT) and evaluation of internal audit implementation	2,50
			b Review of Internal Audit Examination Report and follow up of internal audit results	Review of Internal Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2,50
			c Review of Internal Audit Examination Report and follow-up of external audit results	Review external Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2,50
			d Implementation of Review of Financial Statements	Review financial statements carried out in accordance with the provisions and on time according to the target	2,50
		Sub Total			50,00
3	Compliance Prespective	Implementation of corporate activities in accordance with Good Corporate Governance	a Implementation of GCG Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the provisions and on time as targeted	2,50

The Board of Commissioners

Target	Achievement	Score	Final Score
Review on SKAI Annual Audit Planning (PAT) and evaluation of the implementation of internal audits carried out according to the set time target.	Review of SKAI Annual Audit Planning (PAT) and evaluation of the implementation of internal audits delivered through Letter of the Board of Commissioners B.77-KOM / 05/2018 concerning Evaluation of the BRI SKAI Annual Audit Planning for 2018	1,00	2,50
The Board of Commissioners' recommendations for internal audit results and follow-up of findings are carried out in accordance with the provisions and on time as targeted 4 times	Written recommendations on the results of internal audit checks in the form of opinions and suggestions from the Board of Commissioners to the Directors: a. Letter of the Board of Commissioners R.22-KOM / 02/2018 concerning Report of Audit Results for Semester II of 2018 b. Letter of the Board of Commissioners Number R.11-KA / 05/2018 concerning 2018 First Quarter Audit Results Report c. Letter of the Board of Commissioners Number: R.62-KOM / 08/2018 concerning Audit Report for Quarter II of 2018 d. Letter of the Board of Commissioners Number: R.82-KOM / 12 / concerning Audit Report for Quarter III of 2018	1,00	2,50
Board of Commissioners' recommendations on external audit results and follow-up of findings are carried out in accordance with the provisions and on time as targeted	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through letter Number: B.142-KOM / 08/2018 concerning follow-up management letter	1,00	2,50
The financial statements are carried out in accordance with the provisions and on time according to the target	Review of financial statements carried out quarterly and based on the review and discussion of the Internal Audit Unit and the Audit Committee found no indication of the need for material modification due to inconsistency in the presentation of posts in the Draft of Financial Statements of PT BRI (Persero) Tbk	1,00	2,50
			50,00
GCG Self Assessment is conducted twice a year	The Board of Commissioners has carried out GCG self assessment and provided written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter of the Board of Commissioners Number: B.03-Sekkom / 01/2018 Implementation of GCG Self Assessment II Semester 2017 and letter of the Board of Commissioners Number: B.40 -Sekkom / 07/2018 concerning the Implementation of GCG Self Assessment for the first semester of 2018	1,00	2,50

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)	
			b	Implementation of Integrated Governance Self Assessment	Integrated GCG Self Assessment is conducted every Semester in accordance with the provisions and on time according to the target	2,50
			c	Public Accountant's opinion on the Company's Financial Report	Opinion of Unqualified Public Accountants	5,00
			d	Corporate Governance Perception Index (CGPI) score value	CGPI score is in accordance with the target	2,50
		Implementation of the function of Supervision of Risk Management	a	Implementation of Review of the Risk Profile Report	Review implementation of the Risk Profile Report every 3 months in accordance with the provisions and on time as targeted	10,00
			b	Implementation of compliance function	a. The review of BRI compliance functions is conducted every semester. b. Self assessment Assessment Implementation of compliance function is carried out every Semester	2,50
			c	Review of the Risk Profile and Compliance Function and the soundness of the bank.	The implementation of the Review on the Compliance function and the soundness of the bank is carried out every Semester in accordance with the provisions and on time according to the target	2,50

The Board of Commissioners

Target	Achievement	Score	Final Score
Integrated GCG Self Assessment is conducted every Semester	Integrated GCG Self Assessment is conducted twice in one year	1,00	2,50
Opinion of Unqualified Public Accountants	Opinion of Unqualified Public Accountants	1,00	5,00
The score value target of the CGPI is higher than the previous year 87.74	CGPI score 89.06	1,00	2,50
There is a written recommendation in the form of opinions and suggestions from the Board of Commissioners for the Implementation of a Review on the Risk Profile Report every 3 months during 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Directors through: a. Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the 2017 Quarterly Risk Profile Report 2017 b. Letter of the Board of Commissioners Number: B.94 - KOM / 06/2018 concerning 2018 First Quarter Risk Profile Report c. Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester 1 Risk Profile Report d. Letter of the Board of Commissioners Number B.267 / KOM / 12/2018 regarding the Quarterly III Profile Report of 2018	1,00	10,00
Compliance risk rating is still in good standing ie ranking 2 (Low to Moderate) according to the OJK assessment	Compliance risk is still in good standing ie Rank 2 (Low to Moderate)	1,00	2,50
There is a written recommendation from the Board of Commissioners on the review of the compliance function and the level of bank health carried out every semester during 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors on the Compliance function and the soundness of the bank through: a. Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning 2017 Quarter IV Risk Profile Report, Compliance Function Implementation Report b. Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester 1 Risk Profile Report	1,00	2,50

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)	
			d	Review of Adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Annual Report of Integrated Governance	Review of Adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Integrated Corporate Governance Annual Report carried out every Semester in accordance with the provisions and on time as targeted	2,50

External Assessment of the Board of Commissioners

1. Performance Evaluation of the Board of Commissioners by the GMS

The procedure for evaluating the performance of the Board of Commissioners is carried out by the Shareholders at the Annual GMS when submitting the Board of Commissioners' supervisory report to the GMS in the Company's annual report, where based on the report the AGM states and provides full exemption (acquit et de charge) to the Board of Commissioners for supervisory actions conducted in the fiscal year ending at the end of the year.

The Board of Commissioners

Target	Achievement	Score	Final Score
Written recommendation available from the Board of Commissioners on the adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and the Annual Report of Integrated Governance carried out every Semester	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors regarding the adequacy of Integrated Internal Control, Integrated Risk Profiles, Implementation of Integrated Governance, and Integrated Corporate Governance Annual Report are carried out every semester through: a. Letter of the Board of Commissioners Number: B.83-KOM / 05 / concerning Report on Implementation of 2017 Semester Integrated Compliance Task. b. Letter Number: B.98-KOM / 06/2018 concerning 2017 Integrated Semester Risk Profile Report c. Letter of the Board of Commissioners Number: B.81-KOM / 05/2018 concerning the Report on the Implementation of the Integrated Internal Audit of Semester II of 2017. d. Letter of the Board of Commissioners Number: B.129-KOM / 08/2018 concerning Report on Implementation of the Integrated Semester I Compliance Task for 2018. e. Letter of the Board of Commissioners Number: B.219-KOM / 11/2018 concerning 2018 Integrated Semester I Risk Profile Report	1,00	2,50
			30,00
31,61	31,7	1,0029	2,51
1.213	1.234	1,02	2,54
2,35%	2,14%	1,10	2,75
21,39%	21,21%	0,99	2,48
			10,27
			100,27

Criteria for Evaluating the Performance of the Board of Commissioners by the GMS

The performance of the Board of Commissioners during 2018 is reflected in the achievement of the 2018 Work Program / Annual Work Plan of the Board of Commissioners which was all achieved on time and in accordance with applicable regulations.

Parties Who Conduct Assessment

The performance of the Board of Commissioners is carried out by Shareholders at the General Meeting of Shareholders.

The Board of Commissioners

Results of the Board of Commissioners Performance Assessment by the GMS

The Board of Commissioners' performance during 2018 was reflected in the achievement of the 2018 Annual Work Program / Board of Commissioners' Work Plan which was entirely achieved, which was based on the State Minister of State Regulation Number PER-09 / MBU / 2012 dated 6 July 2012 concerning Amendments to the Regulation of the Minister of State State-Owned Enterprises Number PER-01 / MBU / 2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, the Board of Commissioners must prepare an annual Work Plan and Budget (RKA) of the Board of Commissioners which is an integral part of Annual RKA of the Company. In addition, in the BRI Articles of Association, it is also regulated by the Board of Commissioners' obligation to develop work programs that are an integral part of the Company's Work Plan and Budget compiled by the Board of Directors.

The Annual Work Plan of the Board of Commissioners is prepared by taking into account the duties, authorities and obligations of the Board of Commissioners as stipulated in the applicable laws and regulations. In its implementation, the Board of Commissioners' Annual Work Plan and Budget are used as work guidelines for each member of the Board of Commissioners in carrying out the company's supervisory duties during the current year.

2. Board of Commissioners Performance Assessment Based on GCG Self Assessment

The Board of Commissioners also conducts GCG self assessment related to the assessment of bank soundness every semester by using the self assessment Working Paper as referred to in the OJK provisions. The intended self assessment includes an assessment of the Implementation of Duties and Responsibilities of the Board of Commissioners (factor 1), Completeness and Implementation of Committee Duties (factor 3) and Handling of Conflict of Interest (factor 4).

GCG Self Assessment Evaluation Criteria by the Board of Commissioners

GCG self assessment is carried out by the Board of Commissioners in a comprehensive and structured manner which is integrated into 3 (three) aspects of governance, namely: governance structure, governance process and governance outcomes that must be supported by adequate data / information and documents, such as internal policies, internal reports, Bank reports, and / or other disclosures that have been published.

The Party Conducting the Board of Commissioners' GCG Assessment

GCG Self Assessment Assessment The Board of Commissioners is conducted by the Board of Commissioners and Committee Members under the Board of Commissioners.

GCG Self Assessment Results by the Board of Commissioners

The results of the Board of Commissioners' GCG self-assessment in 2017 are as follows:

Assessment Aspect	Implementation Rating*
Governance Structure	1
Governance Process	1
Governance Outcome	1
Average	1 (Very Good)
*) These results represent the Board of Commissioners' self-assessment	

3. Board of Commissioners Performance Assessment Based on Independent Institutions

One mechanism for evaluating Board of Commissioners' external performance is through an assessment of the implementation of Good Corporate Governance. The Company is the Indonesian Institute for Corporate Governance (IICG) through a research program implementing GCG: Corporate Governance Perception Index (CGPI).

The Board of Commissioners

Procedures & Implementation Criteria for Board of Commissioners Performance Assessment Through the Corporate Governance Perception Index (CGPI)

The implementation of the Corporate Governance Perception Index (CGPI) assessment was carried out through 4 (four) assessment stages, namely 1) Self assessment, 2) Documentation Assessment, 3) Paper Assessment, and 4) Observation of Interviews on Governance Structure aspects, Governance Process, and BRI Outcome Governance.

Parties Who Conduct Assessment

The party that assesses the performance of the Board of Commissioners based on the Corporate Governance Perception Index (CGPI) is the Indonesian Institute for Corporate Governance (IICG).

Board of Commissioners Performance Assessment Results Through the Assessment Corporate Governance Perception Index (CGPI)

Based on the independent party's assessment, the Company's assessment score falls into the Very Trusted category with 89.06 total points (Governance Structure: 22.90, Governance Process: 38.16, and Governance Outcome: 28.00). This value increases when compared to the assessment of the previous year with a total point of 87.74.

BOARD OF COMMISSIONERS DIVERSITY POLICY

In accordance with the recommendation of the Financial Services Authority as set forth in Attachment to Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 concerning the Guidelines of Corporate Governance of Public Company, the composition of the BOC shall put into account on diversity of the composition of the BOC.

The diversity of the composition of the BOC is a combination of characteristics both as a Company's organ and as individual, in accordance with the needs of the Public Company. Such characteristics may be reflected in the determination of the skills, knowledge, and experience required for the implementation of supervisory and advisory tasks by the Board of Commissioners of the Public Company.

Diversity in the composition of the Board of Commissioners can help the efficiency of the implementation of the duties of the Board of Commissioners, especially in relation to decision making in the context of implementing the supervisory function carried out by considering various broader aspects

The composition of members of the BOC of the Company comes from various educational backgrounds, knowledge, skills, gender, age and experience as set forth in the profile of each member of the BOC, i.e from banking practitioners, scholars/ academics, bureaucracy and those who have a career decision makers/ policies in the field of regulation and corporations who are experienced in their respective fields.

The Board of Commissioners

The diversity of BOC members of 2018 is as follows:

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Andrinof A. Chaniago	President Commissioner/ Independent	56	Male	<ul style="list-style-type: none"> · Bachelor of Political Science, University of Indonesia · Fu Hsing Kang College Diploma, Taipei, Taiwan · Master of Planning and Public Policy at the University of Indonesia 	1. Executive Director of CIRUS Surveyors Group (CGS) 2. Minister of National Development Planning / Head of Bappenas 3. President Commissioner of Angkasa Pura I 4. Lecturer in Political Science, University of Indonesia	Social Sciences, Economics & Politics
Gatot Trihargo	Vice President Commissioner	58	Male	<ul style="list-style-type: none"> · Diploma, State Accounting College (STAN) · Diploma IV, State College of Accountancy · Masters in Accounting and Financial Information Systems, Ohio State University Ohio - USA · S3 Doctor of Strategic Management, Padjadjaran University 	1. Assistant Deputy for Information and Administration of the Ministry of BUMN 2. Commissioner of PT Adhi Karya (Persero) 3. Commissioner of PT Jiwasraya (Persero) 4. Assistant Deputy for Strategic Industry and Manufacturing Business II Ministry of BUMN 5. Commissioner of PT Telkom 6. Deputy for Services Business, Ministry of BUMN 7. Commissioner of PT Pertamina 8. Deputy of the Financial Services Business, Other Construction and Service Services of the Ministry of BUMN. 9. Deputy of Financial Services, Survey Services and Consultants, Ministry of BUMN	1. Accounting 2. Risk Management 3. Audit 4. Finance 5. Strategic Management

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
A. Fuad Rahmany	Independent Commissioner	64	Male	<ul style="list-style-type: none"> S1 Economics, University of Indonesia S2 Master of Art, Duke University, Durham, North Carolina, USA S3 Economics, Vanderbilt University, Tennessee, USA 	<ol style="list-style-type: none"> Commissioner of PT Danareksa (Persero) Head of Center for Government Bond Management, Ministry of Finance Commissioner of PT Bank Internasional Indonesia Director of Management of Government Securities, Ministry of Finance Deputy of Finance and Funding of the Aceh-Nias Rehabilitation and Reconstruction Agency, Ministry of Finance Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam) Ex officio Commissioner of the Deposit Insurance Corporation Director General of Tax, Ministry of Finance Member of the Non-Executive Board of Directors of the Indonesian Export Financing Agency Commissioner of PT Indonesia Asahan Aluminium (Persero) 	<ol style="list-style-type: none"> Economics Macro Fiscal Market Financial

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
A. Sonny Keraf	Independent Commissioner	60	Male	<ul style="list-style-type: none"> S1 Sekolah Tinggi Filsafat Driyarkara S2 The Higher Institute of Philosophy, Catholic University of Leuven, Belgium S3 The Higher Institute of Philosophy, Catholic University of Leuven, Belgium 	<ol style="list-style-type: none"> Professional Lecturer in Business Ethics & Accounting Ethics, Atmajaya University Member of the National Energy Council Commissioner of PT Gorontalo Sejahtera Mining Republic of Indonesia Minister of Environment RI DPR Member Commission VIII DPR RI 	<ol style="list-style-type: none"> Business Ethics Living Environment Philosophy Political science Legislation Energy and Mineral Resources
Mahmud	Independent Commissioner	65	Male	<ul style="list-style-type: none"> S1 Corporate Economics, Diponegoro University S2 Financial Management, Padjadjaran University 	<ol style="list-style-type: none"> Pekanbaru BI leader Deputy Leader of BI Surabaya Director of DPIP Bank Indonesia Head of the DPIP Department Head of Kpw Makassar Bank Indonesia Head of Department of DPB1, BI Jakarta Head of Department of DPB1, Financial Services Authority Senior Advisor, Strategic Support Group of the Board of Commissioners, Financial Services Authority 	<ol style="list-style-type: none"> Banking & Risk Management Finance

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Rofikoh Rokhim*)	Commissioner	47	Female	<ul style="list-style-type: none"> S1 Ekonomi Manajemen UII Yogyakarta S1 Public Administration Universitas Gadjah Mada S2 Public Finance French Prime Minister, Institute International d' Administration Publique (IIAP)-Ecole National d' Administration (ENA), Paris S2 gelar D.E.A (M.Phil) bidang International and Development Economics dari Université de Paris 1 Panthéon Sorbonne, Paris S3 EcoNomics (Applied Macro and Micro EcoNomics, Development Studies in Finance) Université de Paris 1 Pantheon-Sorbonne, Paris 	<ol style="list-style-type: none"> Head of Business Indonesia Intelligence Unit Audit Committee and Risk Committee, PT. Indonesian post Oil and Gas Satgas, Ministry of Energy and Mineral Resources Village Task Force, Ministry of Village, Transmigration and Disadvantaged Areas President Commissioner, PT Hotel Indonesia Natour (Persero) Lecturers and Researchers, EkoNomi and Business Faculty, University of Indonesia 	<ol style="list-style-type: none"> Economy Management Public Administration Finance Research
Nicolaus Teguh Budi Harjanto	Commissioner	46	Male	<ul style="list-style-type: none"> S1 International Relations, Gadjah Mada University Masters in Political Science, Ohio University, Athens, Ohio, USA S3 in Political Science, Northern Illinois University, USA 	<ol style="list-style-type: none"> Executive Director of Populi Center (Public Opinion & Policy Research) Public Opinion Survey Association (PERSEPSI) Commissioner of PT Permodalan Nasional Madani Secretary General of the Indonesian Political Science Association (API) Special Staff Minister of State for Political Communication and Institutions of the State Secretariat of the Republic of Indonesia 	<ol style="list-style-type: none"> International Relations Social Sciences Public Communication

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Hadiyanto**)	Commissioner	56	Male	<ul style="list-style-type: none"> · Bachelor of Laws, University of Padjadjaran · Masters of Law (LL.M) Harvard University Law of School · Doctoral Degree in Law Science, Padjadjaran University 	<ol style="list-style-type: none"> 1. The Supervisory Board of Harapan Kita Heart and Vascular Hospital 2. Commissioner of PT. Telkom Indonesia 3. Secretary General of the Ministry of Finance of the Republic of Indonesia 4. Chairperson of the Supervisory Board of the Hospital Dr. Cipto Mangunkusumo 5. Supervisory Board of Education Fund Management Institutions 	<ol style="list-style-type: none"> 1. Legal studies 2. Human Capital Management 3. State finances
Vincentius Sonny Loho***)	Commissioner	60	Male	<ul style="list-style-type: none"> · D3 Accounting State College of Accounting · D4 Accounting State College of Accounting · S2 Public Policy and Management, Carnegie Mellon University, Pittsburgh, USA 	<ol style="list-style-type: none"> 1. Head of Sub Directorate of Consolidation and Financial Reporting, Directorate General of Treasury, Ministry of Finance 2. Director of Financial Development for Public Services, Directorate General of Treasury, Ministry of Finance 3. Director General of State Assets, Ministry of Finance 4. IAI Consultant Public Sector Compartment Member 	<ol style="list-style-type: none"> 1. State finances 2. Public Management 3. Asset and Investment Management

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Jeffrey J. Wurangian****)	Commissioner	64	Male	<ul style="list-style-type: none"> S1 Development Economics, Sam Ratulangi University M.Sc S2., Agricultural Economics, Oklahoma State University, Oklahoma, USA. S2 MBA., European University, Belgium, Joined Program with IEU School of Business S3 Doctor of Economics, Merdeka University, Malang. S3 Ph.D program, Ag. Economics, all coursework completed, Oklahoma State University, Oklahoma, USA 	<ol style="list-style-type: none"> Managing Director of PT. Bank Sulut Marketing Director of PT. Bank Sulut Vice President of Saseka Finance Operations Director of Bank Mitra Niaga Deputy General Chairperson of BUMN Cooperation Development Indonesian Chamber of Commerce and Industry (KADIN Indonesia) 	Banking

*) Effective starting February 1, 2018

**) Effective starting September 21, 2018

***) Effective until March 22, 2018

****) Effective until September 20, 2018

The Board of Commissioners

BOC COMPOSITION AND CHANGES IN 2018

The number of members of the BOC is in accordance with prevailing laws and regulations, which are at least 2 (two) persons based on the provisions of the Financial Services Authority Regulation No. 33 / POJK.04 / 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Company.

In addition, the size of BOC also consider the conditions of the public company among others, the characteristic, capacity, and size, as well as the achievement of objective and the fulfillment of different business need among the public Company.

Thus, the excessive number of BOC members can potentially disrupt the effectiveness of the implementation of the BoC functions.

The number and composition of the BOC of BRI during 2018 is as follows:

BOC composition from 1 January 2018 – 22 March 2018

No	Commissioner	Title	Age	Legal Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/ Independent	56	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner / Commissioner	58	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	64	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	60	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	60	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	47	RUPSLB 18 October 2017
7	Vincentius Sonny Loho	Commissioner	60	AGMS 28 March 2012
8	Jeffry J. Wurangian	Commissioner	64	AGMS 19 March 2015
9	Nicolaus Teguh Budi Harjanto	Commissioner	46	AGMS 15 March 2017

The composition of the BOC from 22 March 2018 to 20 September 2018

Based on the resolution of the AGMS dated 22 March 2018, the GMS appointed Mr. Hadiyanto as Commissioner replacing Mr. Vincentius Sonny Loho, hence the composition of the BOC of BRI from 22 March 2018 to 20 September 2018 is as follows:

No	Commissioner	Title	Age	Legal Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/ Independent	56	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner / Commissioner	58	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	64	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	60	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	60	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	47	RUPSLB 18 October 2017
7	Jeffry J. Wurangian	Commissioner	64	AGMS 19 March 2015
8	Nicolaus Teguh Budi Harjanto	Commissioner	46	AGMS 15 March 2017
9	Hadiyanto	Commissioner	56	AGMS 23 March 2018

The Board of Commissioners

The composition of the BOC from 20 September 2018 to 31 December 2018

Based on the decision on resignation letter of Mr. Jeffry J. Wurangian on 20 September 2018, the composition of the BOC of BRI from 20 September 2018 until 31 December 2018 as follows:

No	Commissioner	Title	Age	Legal Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/ Independent	56	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner / Commissioner	58	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	64	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	60	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	60	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	47	EGMS 18 October 2017
7	Nicolaus Teguh Budi Harjanto	Commissioner	46	AGMS 15 March 2017
8	Hadiyanto	Commissioner	56	AGMS 23 March 2018

SEGREGATION OF BOC DUTIES

For effective implementation of the duties of each member of the BOC, the BoC stipulates the division of duties of each member of the BOC during 2018 as follows:

	KNR	KPMR	KTKT	KA
Chairman	Andrinof A. Chaniago	Mahmud	Mahmud	A. Fuad Rahmany
	Gatot Trihargo	Andrinof A. Chaniago	Andrinof A. Chaniago	A. Sonny Keraf
	Mahmud	A. Fuad Rahmany	Gatot Trihargo	Rofikoh Rokhim
	A. Fuad Rahmany	Nicolaus Teguh Budi Harjanto	Hadiyanto	
	A. Sonny Keraf			
Member	Rofikoh Rokhim			
	Nicolaus Teguh Budi Harjanto			
	Hadiyanto			

INDEPENDENCY OF BOC

Based on the provisions of POJK No: 55 / POJK.03 / 2016 on Governance Implementation in Commercial Banks, the BOC must consist of Independent Commissioners and Non-Independent Commissioners where the Independent Commissioner shall at least 50% (fifty percent) of the total members of the BOC. The Independent Commissioner must submit a Statement of Independency of Independent Commissioner in the governance implementation report.

The working relationship of the BOC and the Board of Directors is a check and balances relationship with the principle that the two organs of the Company have a duty to maintain the long-term Bank's business continuity and have the ultimate goal for the progress and health of the Bank.

The BOC and the Board of Directors of the Company do not hold concurrent positions as Commissioners, Directors or Executive Officers at other Banks / Institutions, and have no family relationship with other members of the Board of Directors and or with members of the BOC up

The Board of Commissioners

to the second degree. Under such conditions, the members of the BOC and the Board of Directors of the Company are always acting independently, in the sense that they have no conflict of interest, which may impair their ability to perform their duties independently.

DISCLOSURE ON BOC AFFILIATED RELATIONSHIP

1. Financial Relations

There is no financial relationship between members of the BOC with either other members of the BOC or with members of the Board of Directors of the Company and Controlling Shareholders of the Company.

2. Family Relationship

There is no family relationship between members of the BOC either with other members of the BOC or with members of the Board of Directors of the Company and Controlling Shareholders of the Company.

That in accordance with the Articles of Association of the Company, Members of the Board of Directors and Board of Commissioners are not permitted to have family relations up to the third degree, either in a straight line or side line or a relationship / family relationship arising from marital ties, including daughter-in-law or brother-in-law. The data can be explained in the table below:

Relations of Members of the Board of Directors with the BOC and Controlling Shareholders

Name	Financial Relationship with						Family Relationship with					
	BOC		BOD		Controlling Shareholder		BOC		BOD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Board of Commissioners (BOC)												
Andrinof A. Chaniago		√		√		√		√		√		√
Gatot Trihargo		√		√		√		√		√		√
A. Fuad Rahmany		√		√		√		√		√		√
A. Sonny Keraf		√		√		√		√		√		√
Mahmud		√		√		√		√		√		√
Rofikoh Rokhim ^{*)}				√		√		√		√		√
Nicolaus teguh Budi Harjanto		√		√		√		√		√		√
Hadiyanto ^{**)}						√		√		√		√
Vincentius Sonny Loho ^{***)}				√		√		√		√		√
Jeffry J. Wurugian ^{****)}				√		√		√		√		√

^{*)} Effective 1 February 2018 – 31 December 2018

^{**)} Effective 21 September 2018 – 31 December 2018

^{***)} Effective 1 January 2018 – 22 March 2018

^{****)} Effective 1 January 2018 – 20 September 2018

The Board of Commissioners

BOC CONCURRENT POSITION

The concurrent position held by member of the BOC of BRI refers to and therefore comply with the Financial Services Authority Regulation No. No. 55/POJK-03/2016 regarding the Board of Directors and the Board of Commissioners of Issuers or Public Company, i.e. not holding concurrent position as a member of the Board of Directors, BOC or Executive Officers at:

1. Financial institution or financial company, whether bank or non bank;
2. More than 1 (one) non-financial institution or non-financial company, both domiciled within and outside the country.

The following is the BOC concurrent positions as of 31 December 2018:

No	Name	Title	Period	Concurrent Title	Company/ Institution
1	Andrinof A. Chaniago	President Commissioner/ Independent Commissioner	2006 – present	Lecturer in Political Science Department, Social and Political Faculty	Universitas Indonesia
2	Gatot Trihargo	Vice President Commissioner	July 2015 - present	Deputy of Financial Services, Survey and Consultancy Services	SOE Ministry
			2014 – present	Board Member of National Management	Ikatan Akuntan Indonesia (IAI)
			2010 – present	President of Association	Certified <i>Fraud</i> Examiner (CFE) - Indonesia Chapter
			2010 - present	Honorary Board Member	Ikatan Komite Audit Indonesia (IKAI)
			2009 - present	Board Member of Examiner	<i>Certified Professional Management Accountant</i> (CPMA)
			2009 - present	Board Member of Examiner	<i>Center for Sustainability Reporting</i> (NCSR)
			2016 - present	Chairman	Ikatan Akuntan Manajemen Indonesia (IAMII)
3	A. Fuad Rahmany	Independent Commissioner	None		
4	A. Sonny Keraf	Independent Commissioner	1998 - present	Lecturer of Business Ethics and Accounting Profession Ethics	Universitas Atma Jaya Jakarta
			2014 - present	Member	National Energy Board
			2016 - present	Independent Commissioner	PT Gorontalo Sejahtera Mining
5	Mahmud	Independent Commissioner	None		
6	Rofikoh Rokhim ^{*)}	Independent Commissioner	2006 - present	Lecturer and Researcher, Economics and Business Faculty	Univesitas Indonesia

The Board of Commissioners

No	Name	Title	Period	Concurrent Title	Company/ Institution
7	Nicolaus Teguh Budi Harjanto	Commissioner	2015 - Present	Special Staff of State Secretary Minister of Political Communication and Institution	State Secretary Ministry
8	Hadiyanto**)	Commissioner	2015-present	Secretary General	Ministry of Finance of Republic of Indonesia
			2016-present	Chairman of Supervisory Board	RS Dr. Cipto Mangunkusumo
			2015-present	Supervisory Board	Lembaga Pengelola Dana Pendidikan
9	Vincentius Sonny Loho***)	Commissioner	2014 - present	Consultative Board Member	IAI Public Sector Accounting Compartment
10	Jeffry J. Wurangian****)	Commissioner	2015 - present	Vice Chairman of SOE Corporation Development	Kamar Dagang Industri Nasional (KADIN)

*) Effective 1 February 2018 – 31 December 2018

**) Effective 21 September 2018 – 31 December 2018

***) Effective 1 January 2018 – 22 March 2018

****) Effective 1 January 2018 – 20 September 2018

2018 SHARES OWNERSHIP BY THE COMPANY

Members of the BOC of BRI have submitted the transparency of bonds' buy and sell transactions through a Statement Letter being submitted to the Company.

The Independent Commissioners are directly or indirectly not permitted to own the Company's shares as stipulated in the BOC Board Charter.

In line with the independency of BOC members of the Company, as of 31 December 2017, none of the BOC members of the Company has 5% or more shares ownership either in the Company or other company or other bank or other nonbanking financial institutio.

No	Commissioner	Share ownership more than 5%			
		BRI	Other Banks	Non- Bank Financial Institution	Other Company
1	Andrinof A. Chaniago	-	-	-	-
2	Gatot Trihargo	-	-	-	-
3	A. Fuad Rahmany	-	-	-	-
4	A. Sonny Keraf	-	-	-	-
5	Mahmud	-	-	-	-
6	Rofikoh Rokhim*)	-	-	-	-
7	Nicolaus teguh Budi Harjanto	-	-	-	-

The Board of Commissioners

No	Commissioner	Share ownership more than 5%			
		BRI	Other Banks	Non- Bank Financial Institution	Other Company
8	Hadiyanto ^{*)}	-	-	-	-
9	Vincentius Sonny Loho ^{***)}	-	-	-	-
10	Jeffry J. Wurangian ^{****)}	-	-	-	-

^{*)} Effective 1 February 2018 – 31 December 2018

^{**)} Effective 21 September 2018 – 31 December 2018

^{***)} Effective 1 January 2018 – 22 March 2018

^{****)} Effective 1 January 2018 – 20 September 2018

CONFLICT OF INTEREST MANAGEMENT

Each member of the Company's BOC with conflict of interest in the Company's transaction and/or corporate action must declare such conflict of interest and therefore he/she is not included in the decision making process of such transaction and/or corporate action.

Any transaction with a conflict of interest shall first obtain the approval of the independent shareholders prior to its execution.

In 2018 there are no BRI corporate transactions or actions containing conflict of interest.

BOARD OF COMMISSIONERS ORIENTATION AND DEVELOPMENT PROGRAM

BRI has an orientation and education program policy for the Board of Directors and the Board of Commissioners as stated in the Decree of the Board of Directors of BRI: S.43-DIR / SKP / 01/2018 dated January 17, 2018, with the following education and orientation programs:

1. The Orientation Program is conducted specifically for newly appointed members of the Board of Commissioners through BRI GMS or at the request of the Board of Commissioners if requested;
2. The Orientation Program is held specifically for newly appointed Directors through the BRI GMS or at the request of the Board of Directors when requested;
3. Educational programs are implemented by Members of the Board of Directors and Members of the Board of Commissioners at least once a year and / or as needed.

4. The Orientation Program held for the new Board of Commissioners and Directors includes:
 - a. Knowledge of the company, including Vision & Mission, Strategy, Medium Term & Long Term Plans, performance and finance.
 - b. Understanding of duties and responsibilities as Members of the Board of Directors and Board of Commissioners, authority, working hours, Board of Commissioners meetings, and relevant rules.
 - c. Company provisions related to GCG, Code of Ethics, Corporate Culture, and other GCG provisions as supporting the duties of the Board of Commissioners / Directors.
 - d. Company policies that are relevant and appropriate to the orientation program requirements.
 - e. Introduction of Bank BRI's business processes and consolidated business structure.

The Board of Commissioners

Orientation Program of BOC

The Orientation Program is held for each new member of the BOC of the Company. The Orientation Program is a corporate recognition program organized by the Corporate Secretary to new members of the BOC. Implementation of this program in the form of presentations, meetings, visits to the company's work unit and the assessment of documents or other programs. The objectives of the Board of Commissioners' orientation programs are as follows:

1. Supporting the achievement of the Bank's objectives through continuous improvement of performance.
2. Adding knowledge to and new Commissioners on Vision, Mission, Profile and objectives of BRI Bank;
3. Provide an overview of responsibilities, authorities and prohibitions as a Commissioner of BRI;
4. Provide guidance, description of duties and responsibilities of the commissioners in carrying out their duties;
5. To increase the BOC's understanding of work and operational system at Bank BRI;
6. Adding to the understanding of work and operational systems at Bank BRI; understanding of value creation for stakeholders, risk management, understanding of the banking industry or the subsidiary business of Bank BRI;
7. Increase the knowledge and knowledge of the BOC in accordance with its field and business development of BRI;
8. Support the implementation of tasks and responsibilities supported by knowledge of educational outcomes.

The Orientation Program for the Board of Commissioners in 2018:

Participant	Venue and Date of Implementation	Presenter	Material
Hadiyanto Commissioner	Ruang Rapat Sekjen, Gedung Djuanda I lantai 4 Kompleks Kementerian keuangan RI, 04 April 2018	1. Risk Management Division 2. Corporate Secretariat Division 3. Corporate Development and Strategy Division 4. BOC Secretariat 5. Compliance Division	1. Briefing on Risk Management for the BRI BOC. 2. Knowledge of the company, including Vision and Mission, Strategy and Medium and long-term Plan, performance and finance. 3. Understanding of duties and responsibilities as BOC members, authority, working hours, BOC meeting, relation with the Board of Directors, relevant rules / provisions. 4. Company provisions on GCG, Code of Ethic, Corporate Culture and other GCG related provision as supporting areas of the BOC duties. 5. Relevant company policies and requirements for orientation programs, 6. Introduction of BRI's business processes and consolidated business structure; 7. Rights and Obligations of the BOC.

The Board of Commissioners

BOC Training and Competency Development

BRI has the policy on competency development of BOC members with the objective to increase the competency as well as skill of each BOC in performing their duties.

The competency development aims to:

1. Increase the insight and knowledge of the BOC in accordance with their fields and business development;
2. Add network and relationship with stakeholders;
3. Support the implementation of duties and responsibilities supported by knowledge of educational results;
4. Developing professional knowledge, competence and leadership capabilities of the BOD and BOC in line with the latest development in the industry and good corporate governance.
5. Increase awareness on educational programs, orientation and development for the BOC are important part of the learning process and developing the company in addition to strengthening the structure and corporate governance.

The implementation of BOC competency development in 2018 are as follows :

Commissioner	Venue	Date	Providers	Material
Andrinof A. Chaniago	Xiamen, Tiongkok	27 -29 April	Persatuan Pelajar Indonesia Tiongkok	Speaker
	New York & Boston, Amerika	25-31 August	Harvard Business School	Business Trip to BRI New York and participate in Leadership Coaching
Gatot Trihargo	Davos - Klosters, Switzerland	23-26 January	World Economic Forum	World Economic Forum Annual Meeting 2018 : Creating a Shared Future in a Fractured World
A. Fuad Rahmany	Brunei Darussalam	7-8 November 2018	ASEAN Bankers Association	48th ASEAN Banking Council Meeting
A. Sonny Keraf	New York, USA	16-20 April	SRW & Co.	ASEAN Global Leadership Program : Transforming ASEAN Organizations, The Leadership Imperative
	Dusseldorf - Frankfurt, Germany	02-09 July	LPPI	Executive Risk Management Refreshment Program : Risk Management as Performance Enabler
Mahmud	Dusseldorf - Frankfurt, Germany	02-09 July	LPPI	Executive Risk Management Refreshment Program : Risk Management as Performance Enabler

The Board of Commissioners

Commissioner	Venue	Date	Providers	Material
Rofikoh Rokhim*	Philadelphia, USA	23 -26April	Wharton - University of Pennsylvania	Wharton's Introduction to Brain Science for Business MBA Course : leveraging Neuroscience for Business Impact
	San Francisco, Amerika	19-24 Agust	Stanford Business School	Training : People, Culture and Performance - Strategies from Silicon Valley
Nicolaus TB Harjanto	Roma, Milan, Italy	06-14 October	LPPI - IBI	International Risk Management & Treasury Dealer Refreshment Program for Executives
Hadiyanto**	During 2018 there was no training program executed			
Jeffry J. Wurangian***	Boston, USA	11-17 March	Harvard Business School	<i>Executive Education Finance : Launching New Ventures</i>
*) Effective 1 February 2018 **) Effective 21 September 2018 ***) Effective 1 January 2018 – 22 March 2018 ****) Effective 1 January 2018 – 20 September 2018				

Risk Management Certification

In order to support the implementation of Risk Management for the Bank's business activities, the BOC must have competence and expertise in the field of Risk Management in accordance with the minimum standard requirements in accordance with the provisions of Bank Indonesia Regulation No. 11/19 / PBI / 2009 dated June 4, 2009 on Risk Management Certification for Management and Officials of Commercial Banks and amendment to the Bank Indonesia Regulation No. 12/7 / PBI / 2010 dated April 19, 2010.

Taking into account in the context of developing competencies and fulfilling requirements as a BOC in addition to participating in various training and conferences, the BOC of the Company always equipped with risk management certification that support their duties the Company's Supervisor. The certification followed by the Company's BOC is as follows:

Name	Title	Certification/Refreshment MR		
		Certification Agency	Level	Date
Andrinof A. Chaniago	President Commissioner/ Independent	LSPP	Level 2	21 April 2017
Gatot Trihargo	Vice President Commissioner	BSMR	Level 1	11 April 2015
A. Fuad Rahmany	Independent Commissioner	BSMR	Level 2	9 April 2017
A. Sonny Keraf	Independent Commissioner	LSPP	Level 2	2 May 2015
Mahmud	Independent Commissioner	BSMR	Level 5	7 February 2017
Rofikoh Rokhim	Independent Commissioner	LSPP	Level 2	2 November 2017
Nicolaus T. Budi Harjanto	Commissioner	LSPP	Level 1	6 April 2017
Hadiyanto	Commissioner	LSPP	Level 1	14 May 2018

The Board of Commissioners

Board of Commissioners Recommendation in 2018

In addition to carrying out the oversight and monitoring functions of the implementation of the Board of Directors' policies, the Board of Commissioners also provided various recommendations and input to management based on routine management reports to the Board of Commissioners and based on events or policies carried out by management. During 2018, the Board of Commissioners has provided recommendations on the following:

Date	Reference Number	Subject
16-Jan-18	B.06-KOM/01/2018	Development of Bank Assurance products and / or bank products with third parties
19-Jan-18	B.10-KOM/01/2018	Fraud events have a significant negative impact and / or have the potential to become a public concern in the fourth quarter of 2017
19-Jan-18	B.13-KOM/01/2018	Imposing sanctions to pay by regulators in quarter IV / 2017
31-Jan-18	B.17-KOM/01/2018	Direction for the 2018 partnership and community development program budget plan
02-Mar-18	B.29-KOM/03/2018	Review of the draft internal audit charter draft
09-Mar-18	B.35-KOM/03/2018	Imposition of False sanctions on SID / SILK reports and failed settlement of treasury activation by Bank Indonesia
15-Mar-18	B.41-KOM/03/2018	Risk profile report for the fourth quarter of 2017, report on the implementation of compliance functions, anti-money laundering and prevention of terrorist funding (AML & CTF) programs in semester II 2017, 2017 semester II bank soundness report, 2017 II anti-fraud strategy implementation report 2017
08-May-18	B.75-KOM/05/2018	Loan portfolio Guidelines 2018
08-May-18	B.81-KOM/05/2018	Report on the implementation of integrated internal audit assignments in semester II 2017
15-May-18	B.84-KOM/05/2018	Findings of the results of the working visit of the BRI Board of Commissioners for the first quarter of 2018
28-May-18	B.90-KOM/05/2018	Board of Commissioners' supervisory report on BRI's performance in the first quarter of 2018
04-Jun-18	B.94-KOM/06/2018	Report on risk profile for quarter I 2018
21-Jun-18	B.98-KOM/06/2018	Review of integrated risk profiles in semester II of 2017
26-Jun-18	B.101-KOM/06/2018	Evaluasi implementasi tata kelola DPLK BRI
17-Jul-18	B.113-KOM/07/2018	Fraud events have a significant negative impact and / or have the potential to become a public concern in quarter II / 2018
07-Aug-18	B.129-KOM/08/2018	Assessment of the implementation of integrated governance in semester I 2018
16-Aug-18	B.132-Kom/08/2018	Evaluation of the implementation of BRI DPLK governance
29-Aug-18	B.142-KOM/08/2018	Follow-up management letter for the 2017 financial statement general audit

The Board of Commissioners

Date	Reference Number	Subject
20-Sep-18	B.165-KOM/09/2018	2018 first semester risk profile report, implementation of compliance function report, semester I anti-money laundering (AML) and Prevention (CTF) program in 2108, first semester bank soundness report 2018, and anti fraud strategy implementation report first semester of 2018
12-Nov-18	B.219-KOM/11/2018	Review of integrated risk profile in semester I 2018
27-Feb-18	SR.04-KOM/01/2018	Performance Evaluation of Directors of PT BRI Persero Tbk
29-Mar-18	SR.07-KOM/03/2018	Proposed control matrix of company deputy placement in subsidiaries or joint ventures of SOEs
08-May-18	SR.12-KOM/05/2018	Recommendation of the NRC on income proposals
09-Jan-18	R.04-KOM/01/2018	Implementation of GCG self-assessment in the second semester of 2017
15-Jan-18	R.08-KOM/01/2018	Assessment of the implementation of integrated governance in the second semester of 2017
06-Feb-18	R.11-KOM/02/2018	The 2nd semester of 2017 DPLK BRI investment evaluation report
06-Feb-18	R.12-KOM/02/2018	Credit Consultation
13-Feb-18	R.13-KOM/02/2018	Financial performance and investment in BRI DPLK in 2017
13-Feb-18	R.14-KOM/02/2018	BRI compliance report of semester II / 2017 to OJK
27-Feb-18	R.22-KOM/02/2018	Reports of principal results of the audit of the second semester of 2017
27-Feb-18	R.25-KOM/02/2018	Board of Commissioners supervision report on the performance of BRI in semester II 2017
27-Feb-18	R.26-KOM/02/2018	Board of Commissioners' oversight report on the performance of BRI in the 4th quarter of 2017
08-Jun-18	R.44-KOM/06/2018	Evaluation of Reports on the results of the first quarter of Audit results in 2018
08-Jun-18	R.45-KOM/06/2018	Evaluation report of the BRI Audit Committee on the implementation of audit services for historical financial information for the financial year 2017 & KAP PSS (EY)
26-Jun-18	R.46-KOM/06/2018	BRI Audit Committee Evaluation Report on the implementation of Audit service provision for historical financial information of BRI DPLK for 2018 & KAP NSS
26-Jun-18	R.47-KOM/06/2018	Evaluation of audited financial and investment performance of BRI DPLK 2017
30-Jul-18	R.50-KOM/07/2018	Performance evaluation report of BRI Semester I DPLK Investment 2018
30-Jul-18	R.52-KOM/07/2018	Credit restructuring and non-performing loans for the medium and corporate business segments
30-Jul-18	R.53-KOM/07/2018	Audit Result Report (LHA) online loan collateral insurance application audit (A3KOL)
21-Aug-18	R.59-KOM/08/2018	Revision of PT BRI (Persero) Tbk's remuneration policy
23-Aug-18	R.60-KOM/08/2018	Credit Consultation
23-Aug-18	R.61-KOM/08/2018	Evaluate reports on audit results for the second quarter of 2018
24-Aug-18	R.62-KOM/08/2018	Board of Commissioners supervision report on the performance of PT BRI in the second quarter of 2018
24-Aug-18	R.63-KOM/08/2018	Board of Commissioners supervision report on the performance of PT BRI in semester I 2018
27-Nov-18	R.77-KOM/11/2018	Board of Commissioners supervision report on the performance of PT. BRI (Persero) Tbk quarter III of 2018
04-Dec-18	R.79-KOM/11/2108	Submission of proposals for candidates for BRI SKAI heads

The Board of Commissioners

BOARD OF COMMISSIONERS OVERSIGHT WORK PROGRAMS

Realization of the BOC Work Programs The BOC work programs are developed with due observance to the duties, obligations and responsibilities of the BOC.

The BOC work programs are developed in a document called Work and Budget Plan of the Board of Commissioners prepared at every beginning of fiscal year. In implementing the Work and Budget Plan, the Board of Commissioners is assisted by the Audit Committee, Nomination and Remuneration Committee, and Integrated Governance Committee. For effective implementation of duties, obligation and responsibilities, the BOC uses all resources, including all members of the BOC, Committee Members of Non Commissioners, as well as the Board of Commissioners' Secretary, to support the achievement of such work programs.

Herewith the work programs realization of the BOC in 2018:

1. Nomination by BRI Directors

In accordance with the Financial Services Authority Regulation, POJK Number 5.5 / POJK.03 / 2016 dated December 7, 2017 concerning Implementation of Good Corporate Governance for Commercial Banks, each proposal to appoint and / or replace members of the Board of Commissioners and / or Directors by the Board of Commissioners must pay attention to recommendation of the NRC. The Nomination process that occurs during 2018 is as follows:

- a. Nomination at the 2018 Annual GMS.
The Nomination and Remuneration Committee has carried out the process of nominating candidates for Directors and Commissioners from the Internal Board of Commissioners which will be proposed to the Board of Commissioners for further submission to the holders of Dwiwarna Series A Shares to be resolved at the Company's Annual GMS 2018

The implementation of the Directors Nomination Process activities and the NRC Recommendations are as follows:

No	Subject	Time Realization	Output
1	Board of Directors Nomination Proposal	21 March 2018	Proposals for candidates for the President Director and prospective members of the BRI Board of Directors are submitted through the Service Note KNR No. : R.07- KNR / 03/2018 March 21, 2018

- b. Nomination at the EGM 2019
The Nomination and Remuneration Committee has nominated the Candidates for Directors who will be proposed to the Board of Commissioners for further submission to the Series A Dwiwarna Shareholders to be stipulated at the EGM on January 3, 2019 in accordance with the SOE Ministry letter No.SR-742 / MBU / 11/2019 Date 05 November 2018, one of the agendas is a change in the Company's Management.

No	Subject	Time Realization	Output
1	Changes in Management of BRI at the 2019 EGMS	28 December 2018	<ol style="list-style-type: none"> 1. Top Talent Update Proposal by PT. BRI (Persero) Tbk submitted through the Directors' Letter No. SR.24-KOM / 12/2018 dated 28 December 2018 2. Changes in PT. BRI (Persero) Tbk. proposal submitted through the Directors' Letter No. SR.25-KOM / 12/2018 dated 28 December 2018

The Board of Commissioners

2. Nomination of Candidates for Commissioners and Directors in Subsidiaries or Company Representatives placed in Subsidiaries or Related Parties

Based on the provisions in the BRI Articles of Association, one of the actions of the Board of Directors that requires the approval of the Board of Commissioners and Holders of Series A Dwiwarna Share is to propose Company Representatives

to become candidates for Directors or Board of Commissioners in subsidiaries that make a significant contribution to the company and / or strategic value. Noting this, during the 2018 Nomination and Remuneration Committee the Board of Commissioners carried out the Nomination process for the prospective deputy representatives proposed by the Board of Directors to be placed in subsidiaries and related Parties as follows:

No	Subject	Time Realization	Output
1	Nomination of Prospective Commissioners and Directors of PT BRIsyariah	04 January 2018	Approval of the Prospective Commissioner and Director of PT BRIsyariah is submitted in the Board of Commissioners' Letter No. : SR.02-KOM / 01/2018
2	Nomination of Candidates for BRI Agroniaga Commissioners and Directors	29 March 2018	Candidates for BRI Agroniaga Board of Commissioners and Board of Directors are presented in the Board of Commissioners' Letter No. : SR.08-KOM / 04/2018
3	Nomination of Prospective President Director of PT Bahana Artha Ventura	17 April 2018	Approval of the Candidate for President Director of PT Bahana Artha Ventura delivered in the Letter of the Board of Commissioners No. : SR.09-KOM / 04/2018
4	Nomination of BRI Life Commissioners and Directors Candidates	7 June 2018	Approval of BRI Life Candidates and Directors is submitted in the Board of Commissioners' Letter No. : SR.14-KOM / 06/2018
5	Nomination of Indonesian Multifinance BRI Commissioners and Directors (BRI Finance) Nominations	24 July 2018	Approval of the Candidates and Directors of the Indonesian Multifinance BRI (BRI Finance) is submitted in the Board of Commissioners' Letter No. : SR.16-KOM / 07/2018

3. Directors Performance Evaluation

In accordance with the provisions of the Minister of SOE Regulation Number PER-03 / MBU / 02/2015 concerning Requirements, Procedures for Appointment, and Dismissal of Members of the Board of Directors of State-Owned Enterprises and the Articles of Association of PT Bank Rakyat Indonesia

(Persero) Tbk, the Nomination and Remuneration Committee must evaluate towards the achievement of the Directors' performance in accordance with the Directors' KPI. The objectives of the Board of Directors' evaluation included evaluating the performance of the Directors and reviewing the competencies of each of the Directors.

Implementation of activities of the Company's Directors is as follows:

Subject	Time Realization	Output
Evaluation of Directors' Performance per Field	27 February 2018	Written letter of the Board of Commissioners through a letter of the Board of Commissioners SR04-KOM / 01/2018 Evaluation of the Directors of PT BRI (Persero) Tbk

The Board of Commissioners

4. Making of the Remuneration Policy / Provisions of the Board of Directors and the Board of Commissioners

In order to ensure the governance of the provision of remuneration to encourage prudent risk taking by Bank Officials in accordance with the Financial Services Authority (OJK) Regulation No. 45 / POJK.03 / 2015 dated 23 December 2015 concerning Implementation of Governance in the Provision of Remuneration for Commercial Banks, banks must have a remuneration governance policy..

Based on these provisions, the NRC has compiled a policy on BRI's Remuneration Governance Policy which has been established through a Joint Decree of

the Board of Directors and Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk No. 09-KOM / BRI / 11/2017 and No. 1023-DIR / KPS / 11/2017 Letter dated 30 November 2017 concerning Remuneration Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk.

In order to implement the remuneration policy for the Board of Directors and the Board of Commissioners and encouraging prudent risk taking, as a manifestation of improved governance, part of the variable remuneration is deferred for a certain period of time, in 2018 the NRC has devised Deferred Variable Remuneration Provisions PT Bank Rakyat Indonesia (Persero) Tbk.

Subject	Time Realization	Output
Provisions for the Implementation of Variable Remuneration Provisioned by PT. Bank Rakyat Indonesia (Persero) Tbk.	12 September 2018	Board of Commissioners Decree No. : 04-KOM / 09/2018 dated 12 September 2018 concerning Provisions for the Implementation of Variable Remuneration which is Suspended Bank Rakyat Indonesia (Persero) Tbk.

5. Review of the Remuneration Structure of the Board of Directors and the Board of Commissioners

Based on the results of the 2018 AGMS decision, the AGMS authorized the Board of Commissioners to determine the structure and amount of remuneration for the Board of Directors and the Board of Commissioners to the Board of Commissioners after obtaining approval from Series A Dwiwarna shareholders.

Based on the decision, the NRC submitted a review and proposal for the remuneration of the Board of Directors and the Board of Commissioners to the Board of Commissioners which included proposals for honorarium / salaries of the Board of Commissioners and Directors, allowances and facilities for 2018, proposed bonuses for the performance of 2017 Fiscal Year to be subsequently submitted to Series A Shareholders Dichromatic.

The implementation of review and proposed remuneration of the Directors and Board of Commissioners are as follows:

Subject	Time Realization	Output
Review of the Remuneration of the Board of Directors and the Board of Commissioners	8 May 2018	Written proposal by the Board of Commissioners to Series A Dwiwarna Shareholders through a Letter of the Board of Commissioners Number SR.12-KOM / 05/2018 dated May 8, 2018 concerning Recommendation of the NRC on the proposed income of Directors and Board of Commissioners in 2018 and bonuses for 2017 performance.

In formulating the remuneration proposal for the NRC assisted by Independent Consultant Willis Towers Watson, a review was carried out by conducting a survey survey based on benchmarks with world-class companies in the country or Southeast Asia in accordance with Permen No.06 / MBU / 2017 which among others had business scale criteria considered equal, has a similar core business or the same complexity of business, and can be known the performance indicators and can be known the costs of the Board of Directors and Board of Commissioners in the company.

The Board of Commissioners

6. Review of the Implementation of Labor Policy

The NRC presented recommendations regarding the results of the Review on the Implementation of Labor Policy to the Board of Commissioners. The recommendations are material for the Board of Commissioners in order to provide opinions and suggestions to the Board of Directors to ensure

that the Company always establishes employment policies in accordance with the Company's vision and mission. The review was conducted by evaluating the implementation of Human Capital Architecture, Human Capital Policy and reports and the presentation of the Director of Human Capital and the BRI Employee remuneration system.

The implementation and realization of reviews on the implementation of Workers' remuneration and Employment Policy are as follows:

Subject	Time Realization	Output
Review of Employment Policy	18 December 2018	The written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors are conveyed in a Letter of the Board of Commissioners to the Board of Directors Number: R.85-KOM / 12/2018 dated 18 December 2018 concerning Recommendations on Labor Policy and Remuneration of BRI Workers.

Matters that are a concern of the NRC and the Board of Commissioners related to BRI's Human Capital policies and management include the following:

- Develop innovative programs to reach the best talents and encourage BRI to be the first choice for the best talent to work.
- Develop an integrated Talent Management System (ITMS) in an integrated manner both at BRI and with Subsidiaries as well as assess employee career paths to strengthen long-term performance and career relationships.
- Management's strategies and plans in managing HR face the era of digital banking and fintech.
- Redesign performance assessments to ensure a fair and transparent process.
- Re-align the remuneration mechanism to reward employees and work distribution that is fair.
- Review the structure of employee remuneration, specifically the amount of remuneration received each month, so that it is more attractive for the best talent to join BRI.
- Remuneration for workers at every level of position is comparable with industry, which encourages worker productivity.

- Acceleration of structural positions formation fulfilling, management is expected to relax by giving trust to good and affirmative young talents for workers in the region to be able to fulfill the position formation.
- Develop strategies and design training in conglomeration with subsidiaries that support workers' knowledge and capabilities in a coglomeration manner.

7. Review of Company's Vision / Mission and Approval of Long-Term Plans (Corporate Plans), Bank Business Plans (RBB) and Corporate RKA

Review of the company's Vision / Mission is carried out periodically along with the preparation of the Long Term Plan (CPR), while reviewing the company's strategy is carried out together with the preparation of the Bank Business Plan (RBB).

In order to direct the bank's operational activities according to its vision and mission, the bank needs to set strategic objectives and a set of corporate values that are further elaborated in the business plan. Based on the Financial Services Authority Regulation No. 5 / POJK.03 / 2016 Regarding the Bank's Business Plan, the Board of Directors is obliged to prepare a Business Plan and must obtain approval for the Company's Business plan.

The Board of Commissioners

Before approving the bank's business plan, the Board of Commissioners reviews the proposed Business Plan to ensure that the plan has been prepared carefully and realistically based on prudential principles and the application of risk management, and takes into account internal and external aspects with

comprehensive coverage and banking principles. Besides giving approval, the Board of Commissioners supervises the Realization of the Company's Business Plan which will be submitted to the Financial Services Authority no later than two months after the reporting period.

The discussion and approval of the Business Plan carried out by the Board of Commissioners during 2018 are as follows:

No	Subject	Time Realization	Output
1	Approval of Revision of 2018-2020 RBB and 2018 RKAP	6 June 2018	Letter of the Board of Commissioners of BRI Number: R.43-KOM / 06/2018 concerning Approval of the 2018-2022 BRI Long-Term Plan
2	Approval of 2019-2021 RBB and 2019 RKAP	21 November 2018	Letter of the Board of Commissioners of BRI Number R.76-KOM / 11/2018 concerning Approval of the 2019-2021 RBB and 2019 RKAP

8. Review of Financial Statements

The Board of Commissioners reviews the financial statements that will be published by the Company including quarterly and annual financial reports. The results of the review can be in the form of responses

to the Board of Directors for improvement or improvement of the report before publication.

Review's realization of the financial statements 2018 is as follows::

No.	Study Material	Time Realization	Financial Statement Review Results
1.	Final Financial Report 2017	18 January 2018	There are no matters that are of concern to KAP that cause KAP to believe that the consolidated financial information does not present fairly, in all material respects, the financial performance and consolidated cash flow of PT. BRI (Persero) Tbk. and its subsidiaries for the six-month period ending December 31, 2017, in accordance with Indonesian Financial Accounting standards. Review and discussion are stated in minutes of meeting No. : B.02-KA / 01/2018.
2.	2018 First Quarter Financial Report	17 April 2018	Based on the review and discussion of the Internal Audit Unit and the Audit Committee, there was no indication of the need for material modification due to inconsistency in the presentation of posts in the Draft of Financial Statements of PT BRI (Persero) Tbk. TW I Year 2018. Review and discussion are set forth in minutes of meeting No. : 10 - KA / 04/2018

The Board of Commissioners

No.	Study Material	Time Realization	Financial Statement Review Results
3.	Financial Statements of Quarter II of 2018	27 July 2018	There were no matters of concern to the KAP that caused KAP to believe that the interim consolidated financial information did not present fairly, in all material respects, the financial performance and consolidated cash flows of PT. BRI (Persero) Tbk. and its subsidiaries for the six-month period ended June 30, 2018, in accordance with Indonesian Financial Accounting standards. Review and discussion are set forth in minutes of meeting No. : 12 - KA / 07/2018 16-KA / 10/2018
4.	Third Quarter Financial Report 2018	23 October 2018	Based on the review and discussion of the Internal Audit Unit and the Audit Committee, there was no indication of the need for material modification due to inconsistency in the presentation of posts in the Draft of Financial Statements of PT BRI (Persero) Tbk. TW III of 2018. Review and discussion are set forth in minutes of meeting No. : 16-KA / 10/2018

9. Evaluation of Adequacy of Internal Control

The Board of Commissioners through the Audit Committee has evaluated the planning and implementation of audits as well as monitoring the follow-up of audit results in order to assess the adequacy of internal controls and monitoring follow-up findings by management.

This activity is the implementation of Board of Commissioners' function in order to monitor the follow-up of audit findings. The purpose of this

monitoring is to ensure that the Board of Directors has made improvements in accordance with the commitments and suggestions submitted by the Public Accounting Office, OJK, BI, BPK and the Internal Audit Unit or other regulators. The monitoring is carried out in conjunction with regular meetings with the Internal Audit Unit and if deemed necessary it will invite the relevant Directors / Divisions or related work units.

The realization of the Board of Commissioners' evaluation and approval of 2018 Annual Audit Planning and monitoring of the follow-up of audit results is targeted as follows:

No	Subject	Time Realization	Output
1	Evaluation and approval of the Board of Commissioners for Annual Audit Planning for 2018	08 May 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors in a letter of the Board of Commissioners B.77-KOM / 05/2018 concerning Evaluation of the BRI SKAI Annual Audit Planning for 2018
2	Review of Results of Internal Audit Examination in Semester II 2017	27 February 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors R.22-KOM / 02/2018 concerning the 2018 Semester II Audit Results Report

The Board of Commissioners

No	Subject	Time Realization	Output
3	Review of 2018 Internal Audit First Quarter Audit Report	8 June 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors Number R.11-KA / 05/2018 concerning 2018 First Quarter Audit Results Report
4	Review of the Second Quarter Quarterly Internal Audit and Integrated Audit Results Report 2018	21 August 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors Number: R.62-KOM / 08/2018 concerning Audit Report for Quarter II of 2018
5	Review of the Report of the Third Quarter Internal Audit Examination in 2018	11 December 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors Number: R.82-KOM / 12 / concerning Audit Report for Quarter III of 2018

10. Evaluation of the implementation of general audits of the BRI DPLK Financial Statements and Investment Performance and BRI DPLK Performance Evaluation

Evaluation of the implementation of general audits of the BRI DPLK Financial Statements and Investment Performance and BRI DPLK Performance Evaluation. The Board of Commissioners as the DPLK Supervisor of BRI will supervise the implementation of general audits of the BRI DPLK Financial Statements and Investment Performance and BRI DPLK Performance Evaluation.

The realization of the supervision in 2018 is as follows:

No	Subject	Time Realization	Output
1	Evaluation of the implementation of the general audit of Financial Statements and Performance of BRI's DPLK 2017 financial year.	26 June 2018	Letter of the Board of Commissioners No. R.46-KOM / 06/2018 concerning the Audit Committee Evaluation Report of BRI on the implementation of the provision of Audit services on the financial information of the BRI DPLK for the 2018 year book & KAP NSS.
2	Evaluation of DPLK BRI Investment Performance 2nd Semester 2017	13 February 2018	Letter of the Board of Commissioners to DPLK Management No: R.13-KOM / 02/2018 concerning 2017 Financial Performance and DPLK investment
3	Evaluation of DPLK BRI Investment Performance 1st Semester 2018	30 July 2018	Letter of the Board of Commissioners to DPLK Management No. R.50-KOM / 07/2018 concerning performance evaluation report for DPLK BRI Investment in 1st Semester 2018

11. Review of Bank Assessment Rating Report

In accordance with POJK No.4 / POJK.03 / 2016 dated January 26, 2016 concerning the Assessment Rating of Commercial Banks, the Board of Commissioners is responsible for maintaining and monitoring the Bank's Assessment Rating and taking steps necessary to maintain and / or improve Bank Assessment Rating. Self-assessment results of the Bank's rating

assessment every semester that have received Board of Directors approval must be submitted to the Board of Commissioners.

The Board of Commissioners evaluates the Rating Assessment Report which includes the risk profile assessment (risk profile), Good Corporate Governance (GCG), profitability (earnings), and capital (capital).

The Board of Commissioners

Evaluation of the 2018 Bank Assessment Rating Report is as follows:

No	Subject	Time Realization	Output and Recommendation	Description
1	Assessment Rating Report July - December 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.	Based on the composite self-assessment results and based on the criteria set, the rating of BRI's semester II 2017 Assessment rating is ranked 2 (healthy) with the following details: · Risk Profile: Rating 2 (healthy) · GCG: Rank 2 (healthy) · Rentability: Rank 1 (very healthy) · Capital: Rating 1 (very healthy) The condition of BRI in the second semester of 2017 is generally healthy so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors
2	Assessment Rating Report January-June 2018	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report	Based on the composite self-assessment results and based on the criteria set, the rating of the first semester of 2018 BRI Health Level is ranked 2 (healthy) with the following details: · Risk Profile: Rating 2 (healthy) · GCG: Rank 2 (healthy) · Rentability: Rank 1 (very healthy) · Capital: Rating 1 (very healthy) The condition of BRI in the first semester of 2018 period was generally healthy so that it was considered capable of facing significant negative effects from changes in business conditions and other external factors.

12. Policy Evaluation and Implementation of MPA Governance

In accordance with POJK No 16 / POJK.05 / 2016, regarding the Pension Fund Management Guidelines, the Supervisory Board makes periodic monitoring reports containing performance evaluations of financial reports, investments, application of GPFG / GCG.

The implementation and review of DPLK's 2018 performance and policies and Governance are as follows:

No	Subject	Target	Output
1.	Evaluation of the governance implementation of BRI DPLK	26 June 2018	Letter of the Board of Commissioners to DPLK Management No: B.101-KOM / 06/2018 concerning Evaluation of the implementation of BRI DPLK governance

The Board of Commissioners

13. Review and Evaluation of Compliance Function's implementation

In line with the development of the Company's business, it is necessary to support the application of the precautionary principle to ensure that all business activities and policies have been carried out by complying with all applicable laws and regulations, both regulations stipulated by Bank Indonesia and other authorized authorities.

The Board of Commissioners reviews and evaluates the Compliance Function Implementation Report, especially in compliance with applicable regulations concerning the implementation of the precautionary principle, including the Minimum Capital Adequacy Requirement (CAR), LLL, Net Open Position (NOP), Derivative Transactions, GWM of Rupiah and Foreign Exchange, and the Problematic Credit Level (NPL). If the Board of Commissioners' monthly review results

are found to be non-compliance with the applicable provisions, the Board of Commissioners will provide advice and opinions no later than two weeks after the report is received.

In addition, the Board of Commissioners also reviews and evaluates Semester Reports on the Implementation of the Compliance Director's Tasks as stipulated in PBI No. 1/6 / PBI / 1999 dated September 20, 1999 concerning Assignment of Compliance Director and Implementation of Standards for Implementation of Commercial Bank Internal Audit Functions, in accordance with POJK 46 / POJK.03 / 2017 dated July 12, 2017 concerning Implementation of Compliance Function of Commercial Banks.

Review and evaluation of the implementation of the compliance function in 2018 are as follows:

No	Subject	Realization	Output	Description
1.	Review and Evaluation of Compliance Function's implementation for 2nd Semester 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.	<ul style="list-style-type: none"> In 2nd Semester of 2017 there were 266 tests of the precautionary principle towards Credit and Non-Credit Decisions, Cooperation Agreements in the Field of Credit and Non-Credit and Credit and Non-Credit Policies. 145 Providing responses to Compliance and Implementation of Internal Policy Review. 85 Resume & Impact Analysis The consolidation of the implementation of prudential regulations covering CAR, LLL, NPL, NOP, Derivative transactions and LCR does not violate the applicable provisions. Complaint risk is still within good limits, which is ranked 2 (Low to Moderate) according to OJK assessment.

The Board of Commissioners

No	Subject	Realization	Output	Description
2.	Review and Evaluation of Compliance Function's implementation for 1st Semester II 2018	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report	<ul style="list-style-type: none"> • In the first semester of 2018 there were 163 tests of the precautionary principle on Credit and Non-Credit Decisions, Credit and Non-Credit Credit and Non-Credit Policy Cooperation Fields. • 119 Provision of response to Compliance and Implementation of Internal Policy Review. • 44 Resume & Impact Analysis • The consolidation of the implementation of prudential regulations covering CAR, LLL, NPL, NOP, Derivative transactions and LCR does not violate the applicable provisions. • Complaint risk is still within good limits, which is ranked 2 (Low to Moderate) according to OJK assessment.

14. Risk Profile Review and Evaluation

The Board of Commissioners reviews and evaluates the risk profile assessment conducted by taking into account the level of risk inherent in the Company's business activities (inherent risk) that has the potential to affect the Company's financial position.

The review and evaluation of the risk profile assessment is as follows:

No	Subject	Realization	Output	Description
1.	Risk Profile Report for Quarter IV of 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.	Risk Profile Rank in Quarter IV of 2017 in composite at rank 2 (two) or Low to Moderate.

The Board of Commissioners

No	Subject	Realization	Output	Description
2.	2018 First Quarter Risk Profile Report	4 June 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.94 - KOM / 06/2018 concerning 2018 First Quarter Risk Profile Report	Rank Risk profile in 2018 Quarter I composite is fixed at 2 (two) or Low to Moderate.
3.	Second Quarter 2018 Risk Profile Report	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report	Ranking The risk profile in the second quarter of 2018 is composite still in the rank 2 (two) or Low to Moderate.
4.	Risk Profile Report for Quarter III of 2018	18 December 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter of the Board of Commissioners Number B.267 / KOM / 12/2018 concerning the Quarterly III Profile Profile Risk Report 2018	Ranking Risk profiles in Quarter III of 2018 are composite stays at rank 2 (two) or Low to Moderate.

15. Review of Report on the Application of Anti-Fraud Strategies

In accordance with Circular Number 13/28 / DPNP dated 9 December 2011 concerning the Implementation of Anti-Fraud Strategies for Commercial Banks that banks are required to build 4 (four) pillars of fraud control strategies that are interrelated with each other, namely:

- Prevention;
- Detection;
- Investigation, reporting and sanctions;
- Monitoring, evaluation and follow-up.

In order to control the risk of fraud, BRI is required to implement risk management where the active supervision of the Board of Commissioners is an important aspect of risk management. KPMR will conduct regular evaluations regarding the application of four pillars of fraud control strategies at BRI.

Implementation of review and evaluation of the Report on the Implementation of the Anti-Fraud Strategy in 2018 is as follows:

No	Subject	Realization	Output
1.	Report on the Implementation of Anti-Fraud Strategy for Semester II 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.

The Board of Commissioners

No	Subject	Realization	Output
2.	Report on the Implementation of Anti-Fraud Strategy for Semester I 2018	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report

16. Review the AML CTF Program Implementation Report

Based on Article 4 of the Financial Jaka Authority Regulation Number 12 / POJK.01 / 2017 dated March 16, 2017 concerning the Application of anti money laundering and prevention of terrorism funding programs for commercial banks that Banks are required to implement the AML CTF program. Paragraph (1) Article 5 states that the AML CTF program is part of the application of Bank risk management. Furthermore, in paragraph (2) article 5 it is stated that the application of the AML CTF program includes active supervision of the Board of Commissioners.

Periodic review of the 2018 AML CTF Program Implementation is as follows:

No.	Subject	Realization	Output
1.	Report on the Implementation of AML CTF Semester II 2017 Program	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.
2.	Report on the Implementation of the First Semester Year PPT PPT Program	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report

17. Report on the Implementation of Good Corporate Governance (GCG)

GCG factor assessment is an assessment of the quality of bank management on the implementation of the GCG principles, taking into account the significance or materiality of a problem with the implementation of GCG at the Bank.

The self assessment is carried out comprehensively and structurally integrated into 3 (three) aspects of governance, namely governance structure, governance process and governance outcome, as a continuous process.

The governance structure assessment aims to assess the adequacy of the Bank's governance structure and infrastructure so that the process of implementing GCG principles produces outcomes that are in line with the expectations of Bank stakeholders.

The governance process assessment aims to assess the effectiveness of the GCG principle implementation process which is supported by the adequacy of the Bank's governance structure and infrastructure so as to produce outcomes that are in line with the expectations of Bank stakeholders.

The Board of Commissioners

Governance outcome assessment aims to assess outcome quality that meets the expectations of Bank stakeholders which are the result of the process of implementing GCG principles that are supported by the adequacy of the Bank's governance structure

and infrastructure. The results of the assessment of governance outcomes also reflect the extent to which the implementation of governance processes and adequate support from governance structure.

Review of the 2018 GCG Implementation implemented by the Company's Board of Commissioners is as follows:

No	Subject	Realization	Output	Description
1.	Self assessment in 2017 Second Semester	08 January 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.03-Sekkom / 01/20198 Implementation of the Second Semester GCG Self Assessment 2017	BRI's GCG in Semester II of 2017 was ranked 1 (Very Good) through BRI's GCG self assessment, but there was a value adjustment by OJK to rank 2 (Good).
2.	Self assessment in the first semester of 2018	3 July 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.40-Sekkom / 07/2018 concerning Implementation of First Semester GCG Self Assessment 2018	Bank BRI's GCG in Semester I 2018 ranked 2 (Good) according to BRI GCG self assessment and OJK assessment.

18. Review of Audit Implementation by the Public Accountant Office

In accordance with POJK No.13 / POJK.03 / 2017 dated March 27, 2017 concerning the use of Public Accountant Services and Public Accounting Firms in financial service activities. Bank Rakyat Indonesia as a party to Implement Financial Services is required to submit a Audit Committee Evaluation Report on the Implementation of Audit Services for Annual Historical Financial Information by Public Accountants (AP) and / or Public Accounting Firms (KAP) to the Financial Services Authority, the longest audit 6 (six) months after the book year ends.

The scope of evaluation activities carried out on KAP includes:

1. Conformity of audit implementation by AP and / or KAP with applicable audit standards;
2. sufficient time for field work;
3. Assessment of coverage of services provided and adequacy of quotation tests;
4. Recommendations for improvements given.

The Board of Commissioners

The Audit Implementation Evaluation Activities by the Public Accountants Office carried out in 2018 included Evaluation of the Implementation of Audit Services for historical financial information 2017 by KAP Purwanto Sungkoro Surja (KAP PSS EY) and Evaluation of the implementation of Audit Services for the BRI DPLK Historical Financial Information The 2017 Financial Year by KAP Noor Salim, Sursehan & Sinarahardja (KAP NSS) with the following details:

No	KAP Evaluation	Evaluation			
		Conformity of Audit Implementation by KAP and / or KAP with Applicable Audit Standards	Adequacy of Field Work Time	Assessment of coverage of services provided and adequacy of quotation tests	Recommendations for improvements given.
1	Evaluation of the Implementation of Service Providing Audit of historical financial information 2017 financial year by KAP Purwanto Sungkoro Surja (KAP PSS EY)	The audit by KAP PSS EY is carried out in accordance with the applicable audit standards. Audit standards are used as a reference, among others, the Audit Standards established by the Indonesian Institute of Certified Public Accountants and the Financial Services Authority Regulation [POJK].	KAP PSS Has had an audit time table to carry out its work in accordance with the scope of the audit. In its implementation, KAP PSS has completed all work agendas according to the deadline set in the audit time table. In conducting audits based on the audit time table, KAP PSS has completed accounting issues found in the field, including estimates and significant judgments that occurred. The availability of data from the work units at BRI that are needed by the PSS Public Accountant Office in a timely manner has supported the implementation of the audit in accordance with the agreed time table audit.	Based on discussions with PSS KAP. The Audit Committee believes that Audit risk (Identification of inherent risk and control risk and minimizing detection risk) can be minimized through the planning and implementation of identified audit procedures that are sufficient to detect miss statement material in the Company's consolidated financial statements, whether caused by errors. As such, the Audit Committee believes that KAP PSS has tested the transaction with an adequate number of Pick Tests.	Recommendations are submitted in the Board of Commissioners' Letter Number: R.45 -KOM / 06/2018 dated June 8, 2018

The Board of Commissioners

No	KAP Evaluation	Evaluation			
		Conformity of Audit Implementation by KAP and / or KAP with Applicable Audit Standards	Adequacy of Field Work Time	Assessment of coverage of services provided and adequacy of quotation tests	Recommendations for improvements given.
2	Evaluation of the implementation of Audit Services for the Financial Information of DPLK BRI for the Financial Year 2017 by KAP Noor Salim, Sursehan & Sinarahardja (KAP NSS).	The audit by the NSS KAP is carried out in accordance with the applicable audit standards that are used as a reference, among others, are audit standards set by the Indonesian Institute of Certified Public Accountants and the Financial Services Authority Regulation (POJK)	Availability of data required by the NSS Public Accountant Office according to the agreed time table audit.	The Audit Committee ensures that the scope of services provided to the NSS Public Accountant Office is in accordance with the applicable standards, there is no insurance and non-insurance assignments carried out simultaneously.	Recommendations are submitted in the Board of Commissioners' Letter Number: R.46 -KOM / 06/2018 dated June 26, 2018

Based on the Evaluation of the above KAP, the Audit Committee believes that the audit of the Company's consolidated financial statements for the Fiscal Year 2017 by the PSS KAP has been carried out and the Audit of the Financial Year Financial Information DPLK BRI for the 2017 Year by KAP Noor Salim, Sursehan & Sinarahardja (KAP NSS) in accordance with the standards applicable audits.

19. Monitoring of Follow-Up Audit Findings

This activity is the implementation of the functions of the Board of Commissioners in order to monitor the follow-up of audit findings. The purpose of this monitoring is to ensure that the Board of Directors has made improvements in accordance with the commitments and suggestions conveyed by the Public Accounting Office, OJK, BI, BPK and Internal Audit. The monitoring is carried out in conjunction with regular meetings with the Internal Audit Unit and if deemed necessary it will invite the relevant Directors / Divisions or explore the relevant work units.

The follow-up monitoring of audit findings is as follows:

No	Subject	Date	Output
1.	Management Letter for 2017 financial statements general audits	22 August 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through letter Number: B.142-KOM / 08/2018 concerning follow-up of the general audit management letter on the financial statements of BRI for the 2017 financial year by KAP Purwantoro, Sungkoro, and Surya (EY)

The Board of Commissioners

Based on the monitoring of the follow-up above, the Board of Commissioners has submitted recommendations to Management, including the following:

- a. Improve the competence of Human Resources (HR) and risk awareness culture (risk culture) in each BRI work unit, especially in credit and operational activities, so that there is a uniform understanding of business processes in order to minimize the occurrence of human error;
- b. Each leader of the BRI Work Unit must ensure that the inherent control function, namely the function of "worker, checker, and signer" in every business process and activity has been running effectively;
- c. The implementation of credit restructuring must pay attention to the principle of prudence including complying with rules and regulations both internally and externally;
- d. Ensuring that the development of LAS Trade Finance applications and their implementation has been implemented properly and effectively so that reconciliation and recording of L / C, Bank Guarantee, and SBLC transactions become more accurate;
- e. Improving and developing administration and filing systems in all BRI Work Units so that the administration of documents can be carried out quickly and completely in order to facilitate audit trail and function as an effective alert system to avoid potential loss of BRI;
- f. The Internal Audit Unit along with Regional Internal Audit (AIW) must ensure that the commitment / action plan with the status of "Completed" has been in accordance with the agreed commitments, including the commitments and improvements that have been carried out properly and effectively by the relevant Work Unit so that they are not found repeat in the future;
- g. Follow up on commitments and follow-up actions (status plan) that are still "Monitor" and ensure that all of the commitments or action plans can be completed in accordance with the time target that has become a commitment.

20. Recommend the Public Accounting Firm (KAP) in the Audit Audit of BRI Financial Statements.

Procurement of Public Accounting Firm (KAP) Audit Services in the Framework of General Audit of Consolidated Financial Statements and Financial Statements of PT Bank Rakyat Indonesia (Persero) Tbk Partnership and Community Development Program. The 2018 Book Year is carried out under the coordination of the BRI Board of Commissioners through the Audit Committee by using the provisions and procedures for the procurement of goods and services applicable at BRI.

This is in accordance with the Minister of SOE Regulation No. : PER-01 / MBU / 2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, that the BUMN Annual Financial Report is audited by an external auditor appointed by the GMS / Minister from candidates submitted by the Board of Commissioners / Supervisory Board; and the Board of Commissioners / Supervisory Board through the Audit Committee conducts the process of appointing prospective external auditors in accordance with the provisions for the procurement of goods and services. This is also in accordance with the Financial Services Authority Regulation Number 55 / POJK.04 / 2015 dated 23 December 2015 concerning the Establishment and Work Guidelines of the Audit Committee, that one of the duties of the Audit Committee is to provide recommendations to the Board of Commissioners regarding the appointment of accountants based on independence, scope of assignment, and service fees.

The Board of Commissioners has conducted the KAP selection and appointment process as follows:

- a. Based on the Decree of the Board of Commissioners NOKEP: 01-KOM / BRI / 01/2018 dated 25 January 2018 it is stipulated that the process of procurement of KAP Audit Services is carried out by the Technical Team, Self Estimating Team (HPS) and Procurement Team under the coordination of the Audit Committee.
- b. The Technical Team, which is the team in charge, among others, makes the scope, submits the KAP service procurement budget allocation, prepares the Terms of Reference (TOR) and conducts the technical assessment of

The Board of Commissioners

- the KAP candidates to be appointed based on the technical criteria and experience of each KAP and requests the Procurement Team to carry out the procurement process.
- c. The HPS Compilation Team in charge included preparing and analyzing the Own Estimate Price of KAP Service Procurement of BRI Financial Statements and proposing to the Board of Commissioners through the Audit Committee.
 - d. The Procurement Team is a work unit tasked with carrying out the service procurement process in accordance with applicable provisions, including among others proposing estimated prices
 - e. Based on the reports and recommendations submitted by the Audit Committee related to the process of procuring audit services for Public Accountants in the framework of the General Audit of Consolidated Financial Statements and the Company's PKBL Financial Statements for 2018, the Board of Commissioners has decided and determined Purwantono, Sungkoro and Surja KAPs (Ernst & Young) as KAP that will carry out the task with a Work Order B.284.P-PBJ / PJN / 03/2018 dated 9 March 2018. The scope of the Audit Implementation by the appointed KAP includes the following:
 1. General audit and provide opinions on the consolidated financial statements of the Company and subsidiaries in 2018 compiled based on Financial Accounting Standards;
 2. General audit and provide opinions on the Company's PKBL financial statements prepared based on the Financial Accounting Standards for Entities without Public Accountability (SAK-ETAP).

21. Review of the adequacy of Integrated Internal Control, Integrated Compliance Function and Integrated Risk Profile

In line with the development of the Company's business, it needs to be supported by internal controls to ensure that all business activities and policies have been carried out with the principle of prudence, attention to the risks that may occur and the completion of the action plan for all risks and violations of internal control.

Review and evaluation of the Implementation of the Integrated Internal Control Function is conducted in Semester by taking into account the Company's Compliance Director and LJK Semester Report of the Company conglomerate submitted to the Board of Commissioners and also by obtaining an explanation through the presentation of each LJK member of the Board of Commissioners Integrated Management.

In addition, the Board of Commissioners through KTKT reviews and evaluates Semester Reports on the Implementation of the Compliance Director's Tasks as stipulated in PBI No. 1/6 / PBI / 1999 dated September 20, 1999 concerning the Assignment of Compliance Director and Implementation of Standards for Commercial Bank Internal Audit Function Implementation, hereinafter amended by Financial Services Authority Regulation Number 46 / POJK.03 / 2017 concerning Implementation of Compliance Function of Commercial Banks.

The review of the adequacy of integrated internal controls and integrated compliance functions are as follows:

Subject	Realization	Output
Review Results of 2017 2nd Semester Integrated Compliance Results Report 2017	11 May 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter of the Board of Commissioners Number: B.83-KOM / 05 / regarding the Report on Implementation of 2017 Semester Integrated Compliance Tasks.
Review results of the Integrated Risk Profile for 1st Semester 2017	21 June 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners through letter Number: B.98-KOM / 06/2018 concerning 2017 Integrated Semester Risk Profile Report

The Board of Commissioners

Subject	Realization	Output
Review result of 2017 2nd Semester Integrated Audit Results Report	8 May 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners through letter Number: B.81-KOM / 05/2018 concerning the Integrated Internal Audit Task Implementation Report of Semester II 2017
Results of review of 2018 Integrated Semester I Compliance Results Report	7 August 2018	The written recommendation is in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.129-KOM / 08/2018 concerning the Report on the Implementation of the Integrated Semester I Compliance Task 2018.
Review results of the 2018 Integrated Semester I Profile	12 November 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners through letter Number: B.219-KOM / 11/2018 concerning 2018 Integrated Semester I Profile Profile Report

22. Approval of Corporate Action in Subsidiaries

Every corporate action that includes additional capital in subsidiaries, participation / acquisition of other companies, divestment of subsidiaries and other strategic plans must be approved as stipulated in the Articles of Association of the Company must be approved by the Board of Commissioners.

Corporate Action Agreement in the form of additional capital in subsidiaries, participation / acquisition of other companies, divestment of subsidiaries and other strategic plans during 2018 are as follows:

No	Subject	Realization	Output
1	Additional Capital to PT Bank BRIsyariah amounted to Rp1 Trillion	8 January 2018	Letter of the Board of Commissioners No. R.02-KOM / 01/2018 concerning Approval of Equity Participation in PT Bank BRIsyariah
2	Additional Capital at PT Bank BRIsyariah amounted to IDR 600 billion	20 February 2018	Letter of the Board of Commissioners No. R.17-KOM / 02/2018 concerning Approval of Equity Participation in PT Bank BRIsyariah
3	BRIsyariah's Initial Public Offering	23 April 2018	Letter of the Board of Commissioners No. R.39-KOM / 04/2018 concerning Approval of BRIsyariah's Initial Public Offering
4	Additional Capital to BRI Agro in 2018 and BRI Agro MESOP program plan by: 1. Execution of warrants worth Rp69,954,770,210, -; 2. Preemptive Rights worth Rp.975 Billion; 3. MESOP BRI Agro has 350,000,000 shares.	8 May 2018	Letter of the Board of Commissioners No. R.41-KOM / 05/2018 concerning Approval of Equity Participation in PT Bank BRIsyariah

The Board of Commissioners

No	Subject	Realization	Output
5	Equity Participation in PT Sarana East Nusa Tenggara Ventura by: 1. Purchase of NTT Ventura shares as much as 97.61% with a value of Rp3,090,096,336, - 2. Adding equity participation in NTT Ventura of Rp 200 billion	26 September 2018	Letter of the Board of Commissioners No. R.67-KOM / 09/2018 concerning Approval of Equity Participation in PT Sarana Nusa Tenggara Timur Ventura
6	Equity Participation in PT Danareksa Sekuritas amounting to 67% with a fair price value	27 September 2018	Letter of the Board of Commissioners No R.68-KOM/09/2018 concerning Approval of Participation in Danareksa Sekuritas
7	Equity Participation In PT Danareksa Investment Management amounting to 35% with a fair price value.	27 September 2018	Letter of the Board of Commissioners No. R.69-KOM / 09/2018 concerning Approval of Participation in Danareksa Investment Management

23. Approval of Provision of Fund Provision Facility to Related Parties

The Board of Commissioners reviews and approves credit facilities given to Subsidiaries or other Related Parties with the Company as stipulated in the Articles of Association of the Company and or Circular of the Board of Directors of the Company.

Approval of the provision of facilities for providing funds to subsidiaries or related parties in 2018 is as follows:

No	Subject	Realization	Output
1.	Provision of funds to related parties. PT. BRINS	9 January 2018	Letter of the Board of Commissioners No: R.03-KOM / 01/2018 concerning Approval of Providing funds to related parties. PT. BRINS
2.	Provision of funds to parties related to A. Fuad Rahmany	3 July 2018	Letter of the Board of Commissioners No: R.48-KOM / 07/2018 concerning Approval of Providing funds to related parties. A Fuad Rahmany
3.	Provision of funds to parties related to A. Fuad Rahmany	13 November 2018	Letter of the Board of Commissioners No: R.73-KOM / 10/2018 concerning Approval of Providing funds to related parties. A Fuad Rahmany

The Board of Commissioners

24. Credit Consultation of Directors to the Board of Commissioners

The Board of Commissioners has provided opinions on each credit award that fulfills the credit criteria that must be consulted by the Board of Directors to the Board of Commissioners as stipulated in the Circular of the Company's Board of Directors. Credit consultation can be carried out before or after a credit decision is made by the Board of Directors.

During 2018 there have been 3 times Credit Consultations with details as follows:

No	Subject	Realization	Output
1	Credit Consultation for 6 Debtors	6 February 2018	Letter of the Board of Commissioners No: R.12-KOM / 02/2018 concerning Credit Consultation
2	Credit Consultation for 4 Debtors	3 August 2018	Letter of the Board of Commissioners No: R.55-KOM / 08/2018 concerning Credit Consultation
3	Credit Consultation for 4 Debtors	23 August 2018	Letter of the Board of Commissioners No: R.60-KOM / 08/2018 concerning Credit Consultation

25. Business Trip

The business trip of the Board of Commissioners is intended to gain an understanding of the operational activities and implementation of the Company's policies in the work unit. The operational activities of the work units that are evaluated principally cover all activities or operational activities in the work unit

concerned, such as credit, funding, services, human resources, information technology and other aspects. The results of business trip can be used as material for the Board of Commissioners in formulating recommendations for improvement and / or in order to improve the performance of the Company.

Business trip during 2018 are as follows:

No.	Work Unit	Commissioner	Date	Trip's Report
1	Pekanbaru Kanca Batam Nagoya, Kanca Batam Center, Kanca Singapore	Andrinof A Chaniago	26-28 March	B.04-KOM/04/2018
2	Padang Kanwil Padang, Unit Tarusan, Kanca Painan	Andrinof A Chaniago	20 - 22 April	
3	Lampung Kanca Bengkulu, Kanca Curup, Unit Kembang Seri	Andrinof A Chaniago	24-26 June 5-6 July	B.12-KOM/07/2018
4	Hongkong BRI Remittance	Andrinof A Chaniago	29 April - 1 May	B.09-KOM/05/2018
5	Jakarta 1 Kanwil Jakarta 1	Gatot Tri Hargo	23-Feb	
6	Jakarta 3 Kanca Mempawah, Kanca Singkawang	Gatot Tri Hargo	30 Aug - 1 Sep	B.15-KOM/09/2018
7	Bandung 1. Kanwil Bandung, 2. Kanca Purwakarta, 3. Kanca Subang, 4. Sendik Bandung	A. Fuad Rahmany	12 - 13 April	B.07-KOM/04/2018
8	Banda Aceh KCP Sabang	A. Fuad Rahmany		B.22-KOM/10/2018
9	Surabaya Kanca Mojokerto, Kanca Jombang	Rofikoh Rokhim	10 - 12 May	B.10-KOM/05/2018
10	Makassar 1. Kanca Ambon, 2. Unit Kairatu 3. Kanca Masohi	Rofikoh Rokhim	12 - 14 April	B.06-KOM/04/2018
11	1. Atambua 2. Timor Leste	Rofikoh Rokhim	9-11 September	B.17-KOM/09/2018

The Board of Commissioners

No.	Work Unit	Commissioner	Date	Trip's Report
12	Jayapura Kanca Manokwari, Nabire, wamena	A. Sonny Keraf		B.19-KOM/09/2018
13	Banjarmasin Kanca Balikpapan, Tanah grogor, Sanggata	A. Sonny Keraf		B.20-KOM/10/2018
14	Denpasar 1. Kanwil Denpasar, 2. Kanins Denpasar, 3. Kanca Negara, Bangli 4. Kanca Singaraja, 5. KCP BRI Unit	A. Sonny Keraf	7-9 March	B.01-KOM/03/2018
15	Semarang Kanwil Semarang	Mahmud		B.25-KOM/11/2018
16	Pekanbaru Kanwil Pekanbaru, AIN Wilayah Pekanbaru, Kanca Pekanbaru Sudirman, Cabang Pekanbaru Tuanku Tambusai, Unit Simpang Baru, Cabang Batam Nagoya, Cabang Batam Center, KCP Botania,	Mahmud	10-12 October	B.21-KOM/10/2018
17	Yogyakarta Kanwil Yogyakarta, Kanca Purwokerto, Kanca Bayumas, Kanca Bantul	Nicolaus TB Harjanto	18 - 21 April	B.08-KOM/04/2018
18	Palembang Jambi	Nicolaus TB Harjanto	15-17 November	B.14-KOM/08/2018
19	Yogyakarta Kanwil Yogyakarta	Nicolaus TB Harjanto	30 Aug - 1 Sep	B.16-KOM/09/2018
20	Palembang Kanwil Palembang	Nicolaus TB Harjanto		B.23-KOM/11/2018
21	Medan 1. Kanca Tarutung, 2. KCP Siborong Borong, 3. Unit Siborong, 4. Teras Tomok	V. Sonny Loho	14 - 17 March	B.02-KOM/03/2018
22	Malang 1. Kanwil Malang 2. BRI Unit Singosari I 3. Kanca Malang Martadinata	Hadiyanto	28 – 29 November 2018	B.24-KOM/12/2018
23	Manado 1. Kanca Airmadidi, 2. Unit Bersehati, 3. Kanwil Manado	Jeffry J. Wurangian	4 - 6 April	B.5-KOM/04/2018
24	Manado 1. Kanca Tahuna 2. Kanwil Manado	Jeffry J. Wurangian	26 - 29 May	B.11-KOM/06/2018
25	Newyork Agency Newyork Agency	Jeffry J. Wurangian	7 March 2018	B.03-KOM/03/2018
26	Manado Kanca Tahuna, Kanca Tondano	Jeffry J. Wurangian	16-19 September	B.18-KOM/09/2018
27	Jakarta 2 Kanwil Jakarta 2	Hadiyanto	27 December	B.24-KOM/12/2018

The Board of Commissioners

26. Special supervision

Specific supervision is carried out on matters that are necessary to deepen or things of a strategic nature and require immediate decisions. In 2018, the specific problems of concern to the Board of Commissioners are:

- a) Management and utilization of Information Technology (IT), including transformation of IT development and BRI Digital Banking;
- b) Risk management, specifically related to efforts to improve operational risk and liquidity management;
- c) Optimizing the funding structure and improving low-cost funding sources (CASA), through structured programs related to intensification of customer acquisition and retention, and retail funds that are not sensitive to interest rates.
- d) Development of subsidiaries (Bank BRI Agro, Bank BRI syariah, BRI Life & BRI Finance), among others, are related to plans to increase capital participation in subsidiaries, subsidiaries' governance in an integrated governance framework, integrated risk management and business alignment of subsidiaries with the Company as parent.
- e) Development of transactional solutions and services, as well as integrated e-channel access related to business models towards digital banking.
- f) Medium & corporate credit restructuring and Review of productive asset portfolios.
- g) Evaluate the implementation of the BRI Partnership and Community Development Program (PKBL).
- h) Progress on the development of BRI's Core Banking System (CBS).
- i) Development of HR in order to realize BRI's Vision as home to the best talent and transformation process through the Brivolution program to face the era of digital banking and Fintech.

Big Data Management Information System (MIS) development so that all data in BRI is well organized, integrated and useful in developing business, making strategic decisions, managing risk management, marketing activities and so on more quickly, precisely, cheaply, efficient and structured.

TYPES OF DECISIONS THAT NEED APPROVAL OF THE BOARD OF COMMISSIONERS 2018

The Board of Commissioners carries out the function of supervision and monitoring of the implementation of the Directors' policies. During 2018, the Board of Commissioners has given approval for the following matters:

Date	Letter Number	Subject
19-Jan-18	B.11-KOM/01/2018	The principle permit of cooperation planning to borrow and use a part of BRI proclamation building
19-Jan-18	B.12-KOM/01/2018	Completion of the remaining funds for the BBL BRI Peduli program activities
20-Feb-18	B.19-KOM/02/2018	Action plan document (recovery plan) of PT. BRI (Persero) Tbk
08-May-18	B.77-KOM/05/2018	Approval of 2018 Internal Audit Plan (PAT) SKAI
18-May-18	B.86-KOM/05/2018	Approval of BRIS's organization changes
05-Sep-18	B.145-KOM/09/2018	Approval request for changes in policies and procedures for implementing the AML & CFT program
06-Sep-18	B.146-KOM/09/2018	Threshold proposal for the directors' action which must obtain the approval of the BRI Board of Commissioners and Series A Dwiwarna Shareholders
08-Sep-18	B.164.a-KOM/09/2018	Approval of credit policy
15-Oct-18	B.198-KOM/10/2018	Procurement of KAP audit services

The Board of Commissioners

Date	Letter Number	Subject
07-Nov-18	B.218-KOM/11/2018	Proposal of granting authority to directors to decide upon write-off of fixed assets
15-Nov-18	B.227-KOM/2018	Permit for KAP audit services for financial reports and BRI DPLK investment reports 2018
21-Nov-18	B.229-KOM/11/2018	Approval of the founder's participation in changes of BRI's pension fund regulations
27-Nov-18	B.239-KOM/11/2018	Action plan document (recovery plan) of PT. BRI (Persero) Tbk
06-Dec-18	B.254-KOM/12/2018	Threshold proposal for the directors' action which must obtain the approval of the BRI Board of Commissioners and Series A Dwiwarna Shareholders
08-Jan-18	SR.02-KOM/01/2018	Approval of prospective Commissioners and Directors of PT. BRIsyariah
05-Apr-18	SR.08-KOM/04/2018	Request for approval of prospective BRI Agroniaga Commissioners and Directors
17-Apr-18	SR.09-KOM/04/2018	Request for approval of prospective members of the Board of Commissioners and Directors of PT Bahana Artha Ventura
17-Apr-18	SR.10-KOM/04/2018	Stipulation of President Director of PT Bahana Artha Ventura
22-May-18	SR.13-KOM/05/2018	Approval of appointment of BRI Multifinance Indonesia Commissioners and Directors (BRI Finance) members
07-Jun-18	SR.14-KOM/06/2018	Approval of the appointment of BRI Life Commissioners and Directors
24-Jul-18	SR.16-KOM/07/2018	Approval of appointment of members of the Board of Commissioners and Directors of PT BRI Multifinance Indonesia (BRI Finance)
08-Jan-18	R.02-KOM/01/2018	Approval of additional capital for PT Bank BRIsyariah
09-Jan-18	R.03-KOM/01/2018	Provision of funds to related parties PT. BRINS
15-Jan-18	R.07-KOM/01/2018	Replacement of BRI Corporate Secretariat Division Head
19-Feb-18	R.16-KOM/02/2018	HPS approval for the provision of services for the Public Accountant Office in 2018
20-Feb-18	R.17-KOM/02/2018	Approval of additional capital of PT. BRIsyariah Bank
22-Feb-18	R.19-KOM/02/2018	Review's approval of the HPS Service Procurement Public Accountants Office in 2018
06-Mar-18	R.29-KOM/03/2018	KAP Proposal which conducts general audits of consolidated financial statements and financial statements of PKBL BRI 2018
16-Mar-18	R.30-KOM/03/2018	Procurement of consultant services related to preparation of the Board of Commissioners & Directors remuneration policies
20-Mar-18	R.33-KOM/03/2018	Recommendation of Audit Committee for the appointment of KAP in 2018
23-Apr-18	R.39-KOM/04/2018	Approval of implementation of the BRIsyariah Public Offering in 2018
08-May-18	R.41-KOM/05/2018	Approval of BRI Agro 2018 additional capital and plans for the BRI Agro MESOP and LTI program
06-Jun-18	R.43-KOM/06/2018	Approval 2018-2020 RBB and 2018 RKAP revision
03-Jul-18	R.48-KOM/07/2018	Provision of funds to related parties, Mr. Ahmad Fuad Rahmany
26-Sep-18	R.67-KOM/09/2018	Approval of the capital participation planning in PT Sarana Nusa Tenggara timur ventura
27-Sep-18	R.68-KOM/09/2018	Approval of equity participation in PT Danareksa Sekuritas
27-Sep-18	R.69-KOM/09/2018	Approval of equity participation in PT Danareksa Investment Management
21-Nov-18	R.75-KOM/11/2018	Approval of guidelines for cooperation in the utilization of BRI fixed assets
21-Nov-18	R.76-KOM/11/2018	Approval of the 2019-2021 RBB and 2019 RKAP
27-Nov-18	R.78-KOM/11/2018	Approval of the BRI Sustainable Financial Action Plan (RKAB) document for 2019-2023

The Board of Commissioners

INDEPENDENT COMMISSIONER

Independent Commissioner is BOC members without relationship on financial, management, share ownership and / or family up to the second degree with other members of the BOC, Board of Directors and/or controlling shareholders or other relationships that can affect their ability to act independently.

The Independent Commissioner must free from conflict of interest that can interfere with his ability to carry out his duties.

The existence of an Independent Commissioner is to encourage the creation of a climate and work environment that is more objective and places fairness and equality among various interests including the interests of minority shareholders and other stakeholders.

Criteria of Independent Commissioner

BRI has 5 (five) Independent Commissioners of a total of 9 (nine) members of the Board of Commissioners. The number of BRI Independent Commissioners has exceeded the minimum number of 30% of Independent Commissioners according to the amount required by POJK Number 55 / POJK.03 / 2016.

The criteria of Independent BOC is as follows:

1. Has no financial relationship and family relationship with members of the Board of Directors and Controlling Shareholders of BRI or any other relationship that may affect its ability to act independently.
2. Does not hold concurrent positions as a member of the Board of Commissioners, Board of Directors, or Executive Officer of more than 1 (one) non-financial institution/ Company, SOE, ROE, or Private-Owned Enterprise.

3. Not a person working or having the authority and responsibility to plan, lead, control or oversee the Company's activities within the last 6 (six) months, except for re-appointment as an Independent Commissioner of the Company in the following period;
4. Not having any share directly or indirectly to the Company;
5. Has no direct or indirect business relationship related to the Company's business activities;
6. Has passed the Fit and Proper Test in accordance with Bank Indonesia's provisions on Fit and Proper Test.
7. Proposed by the Shareholders and appointed by the GMS.
8. Within 5 (five) years prior to his appointment:
 - a. Never declared bankrupt.
 - b. Never become a member of the Board of Directors or a member of the BOC or a member of the Supervisory Board who is found guilty of causing a company to be declared bankrupt.
 - c. Never be punished for committing a crime that is detrimental to the finances of the State and / or SOE and / or related to the financial sector.

Independency Statement

Each member of Independent Commissioner of BRI disclose his/her Independent Commissioner.

SURAT PERNYATAAN INDEPENDEN KOMISARIS INDEPENDEN
PT. BANK RAKYAT INDONESIA (PERSERO) Tbk.

Yang bertanda tangan di bawah ini,

1. **Andrinof A. Chaniago, Komisaris Utama/Komisaris Independen**
2. **A. Fuad Rahmany, Komisaris Independen**
3. **Mahmud, Komisaris Independen**
4. **A. Sonny Keraf, Komisaris Independen**
5. **Rofikoh Rokhim, Komisaris Independen**

dengan ini menyatakan bahwa saya :

1. Merupakan pihak yang independen terhadap pemilik bank atau PSP.
2. Tidak memiliki hubungan keuangan, hubungan kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris lainnya, anggota Direksi dan/atau Pemegang Saham Pengendali atau hubungan lain yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Pelaksanaan Good Corporate Governance bagi Bank Umum.
3. Apabila dikemudian hari, saya ditemukan memiliki hubungan-hubungan sebagaimana dimaksud pada butir 1 diatas, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian pernyataan independensi ini dibuat dengan sebenar-benarnya.

Jakarta, 19 Desember 2017
Komisaris Independen
PT. Bank Rakyat Indonesia (Persero) Tbk


A. Fuad Rahmany
Komisaris Independen


Andrinof A. Chaniago
Komisaris Utama / Komisaris Independen


Rofikoh Rokhim*
Komisaris Independen


A. Sonny Keraf
Komisaris Independen


Mahmud
Komisaris Independen

* Rofikoh Rokhim diangkat oleh PIR di Progres Teror GDE

Board of Directors

The Board of Directors is the Company's organ that is authorized and responsible for the management of the Company for the interest of the Company in coherent with the Company's purpose and objective in accordance with the Articles of Association.

Legal Basis

1. Law No. 40 Year 2007 regarding the Limited Liabilities Company.
2. Law No. 19 Year 2003 regarding the Board of Commissioners of State-Owned Enterprises.
3. SOE Ministry Regulation No. PER-01/MBU/2011 dated 01 August 2011 on the Implementation of Good Corporate Governance in the SOE and its amendment, the SOE Ministry Regulation No. PER09/MBU/2012 dated 06 July 2012.
4. Regulation of the Financial Services Authority No. 33/POJK.04/2014 dated 08 December 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
5. Articles of Association of BRI.

CRITERIA, APPOINTMENT AND DISMISSAL

Criteria

BRI Board of Directors' criteria has met the requirements as stated in the applicable regulations as follows:

General Qualification

1. Any individuals that are legally competent, except within five (5) years prior to his/ her appointment:
 - a. Has been declared as bankrupt.
 - b. Has been a member of the Board of Directors or Commissioners that is proven guilty for causing the bankruptcy of a company. or
 - c. Has been punished for a criminal act that inflicts loss in the state's finance and/or SOEs and/or those related to the financial sector.
2. Has integrity, dedication, and understanding about the company management issues that is related to one of the functions of management, has adequate knowledge in banking, and able to provide adequate time to carry out their duties.
3. Does not hold concurrent position as:
 - a. Member of the Board of Directors of SOEs, Regional owned enterprises, or private enterprises.
 - b. Member of the Board of Commissioners/ Supervisory Board of the SOE.
 - c. Structural and functional positions in the central or local government institutions.
 - d. Member in the structure of political party and or legislative candidate/member and or candidate of head/ deputy head of region. and or
 - e. Other positions that may inflict conflict of interests and/or other positions pursuant to the prevailing laws and regulations.
4. Do not have any family ties with members of the Bank's Board of Directors and/ or Board of Commissioners up to the third degree, either vertically or horizontally, including family ties resulted from marriage.

Board of Directors

General Qualification

Fulfillment of PBI No. 12/23/2010 on Fit and Proper Test

To pass the Fit and Proper Test conducted by the Financial Services Authority (formerly Bank Indonesia).

Fulfillment of the Financial Services Authority/ Otoritas Jasa Keuangan Circular No. 39 / SEOJK.03 / 2016 concerning Fit and Proper Test for Prospective Controlling Shareholders, the Board of Directors Member Candidate, and Candidate Member of the Board of Commissioners of Bank (SEOJK 39 / SEOJK.03 / 2016)

Members of the BOD shall have adequate knowledge in the field of banking, relevant to his/ her position, experience and expertise in banking and/or finance. And strategic management skills to develop a healthy bank.

Integrity Requirement

The Bank Management shall meet the requirements of integrity, competency, and financial reputation. To meet the requirements of integrity, the BOC candidate shall have the following:

- Good character and morals.
- Commitment to comply with the prevailing laws and regulations.
- High commitment to the development of sound bank operations.
- Excluded from the Disqualified List.

Appointment and Dismissal

Appointment

Appointment Procedures of the Board of Directors are as follows:

- Candidate of the Board of Directors who have met the qualifications and competency requirements shall first evaluated by the Nomination and Remuneration Committee of BRI through examination of track record and professional experience. The evaluation result from the Nomination and Remuneration Committee is further submitted to the Board of Commissioners in a form of Official Memorandum of Nomination and Remuneration Committee.

- The Board of Commissioners based on the recommendation from the Nomination and Remuneration Committee provides approval on the candidate of the Board of Directors. The Board of Commissioners decision also considered as the basis for recommendation of the Board of Directors candidate to the GMS through Series A Dwiwarna Shareholders.

The candidate of the Board of Directors is further appointed by the decision of the General Meeting of Shareholders being effective after obtain approval from the Financial Services Authority (OJK) by referring to POJK No. 27/POJK.03/2016 on Fit and Proper Test for the Top Personnel of a Financial Services Institution. The OJK assessment is conducted through administrative research as well as interview. In the event where OJK does not approve the proposed candidate who has been appointed by the GMS, then the respective candidate must be dismissed by the GMS.

Dismissal

The terms of office of the Board of Directors shall ended if:

- Passed away.
- End of tenure.
- Dismissed in the GMS due to a reason deemed to be relevant by the General Meeting of Shareholders for the Company's interests and objectives.
- Declared bankrupt by Commercial Court decision with permanent legal force or put under remission based on court decision.
- No longer qualified as member of the Board of Directors based on the Articles of Associations of BRI and other prevailing regulations, including the prohibited concurrent position or resignation.

Member of the Board of Directors has the right to resign from his/ her position by written notification to BRI and BRI must convene a GMS to decide the proposed resignation of respective Board of Directors member at the latest sixty (60) days after acceptance of resignation letter.

Board of Directors

Disclosure on Substitute Director and SEVP Policy

In order to ensure the efficiency and effectiveness of the company's operational, in the event of a vacant position of the Director(s) and SEVP, BRI has in place the Substitute Director Stipulation policy as stated in the Decree of BRI Board of Directors No. 20-DIR/ CDS/05/2017.

Substitute Director

1. The appointed Substitute Director has a corresponding field of duty with the substituted Director position.
2. The Substitute Director is effective when a Director is absent or unavailable for any reasons, without having to prove the situation to a third party, for certain period of at least 1 (one) day.
3. The First Substitute for President Director is Vice President Director.
4. The Second Substitute for President Director is 1 (one) Director, should the vice president director is not available for any reasons, with due observance to the four eyes principle as stipulated in the Bank's lending policies. The Risk Management Director and Compliance Director are exempted.
5. Should the vice president director is unavailable for any reasons, the president director may take over his/ her duties. A Certificate of Responsibility Handover is not required

6. The Second Substitute of Vice President Director is 1 (one) director, should the president director and vice president director are unavailable for any reasons, except for the Risk Management Director and Compliance Director.

7. The Substitute Director for Compliance Director shall meet Bank Indonesia's requirements regarding the implementation of compliance function in commercial banks, as follows:

- a. Other Director, except the President Director and Vice President Director.
- b. The Substitute Compliance Director may not oversee business & operational functions, risk management that serves as the decision-making authority on the Bank's business activities, treasury, finance and accounting, logistics, and goods & services procurement, information technology, and internal audit.
- c. In the event that the Substitute Compliance Director is overseeing the functions in the point 'b' of this clause, his/her main duties shall be replaced by the Substitute Director.

8. The First Substitute Director is established when a Director is absent or unavailable.

9. The Second Substitue Director is established when the Director and First Substitute Director are absent or unavailable.

10. The Third Substitute Director is established when the Director, First Substitute Director and Second Substitue Director are absent or unavailable.

11. In the event that the First to Third Substitute Directors are absent or unavailable or under other assignments that are preventing them to take the duties as the Substitute Director, then the President Director and Vice President Director have the authority to appoint other Director as the Substitute Director. The Compliance Director is exempted.

12. In the event that the First to Third Substitute Directors, President Director and Vice President Director are absent or unavailable, then any Director can implement the duty as the Substitute Director. The Compliance Director is exempted.

Substitute SEVPs

1. The appointed Director as the Substitute Director that taking over the SEVP duties has a corresponding field of duty with the SEVP position.
2. The transfer of SEVP duties is effective when a SEVP is absent or unavailable for any reasons, without having to prove the situation to a third party, for certain period of at least 1 (one) day.
3. The First Director taking over the SEVP duties is established when the SEVP is absent or unavailable.
4. The Second Director taking over the SEVP duties is established when the First Director is absent or unavailable.

Board of Directors

5. In the event that the First and Second Directors taking over SEVP Duties are absent or unavailable or under other assignments that are preventing them to take the duties as the First and Second Directors, then the President Director and Vice President Director have the authority to appoint other Director as the Director taking over the SEVP duties. The Compliance Director is exempted.
6. In the event that the First and Second Directors, President Director and Vice President Director are absent or unavailable, then any Director can implement the duty of SEVP. The Compliance Director is exempted.

BOARD OF DIRECTORS DUTIES AND RESPONSIBILITIES

Referring to Articles of Association, the Board of Directors is collegially responsible in managing the Company as well as representing the Company within and outside of the court. The Board of Directors shall prioritize the interest of the Company in accordance with the purpose and objective of the Company by complying with prevailing laws and regulations, the Articles of Association and the resolutions of the GMS.

BOD BOARD CHARTER

The BRI Board of Directors has in place the BOD Board Charter, which was approved through the Decree No. 801-DIR/SKP/11/2015 dated 11 November 2015.

The BOD Board Charter contains work rules and guidance of the Board of Directors in performing their respective duties aligned with the vision and mission to be achieved by the Company.

The BOD Board Charter contains among others:

1. General rules of the Board of Directors members position.
2. Duties and responsibilities of the Board of Directors.
3. Authorities and obligations of the Board of Directors.
4. Corporate values.
5. Work ethics of the Board of Directors.
6. Work period of the Board of Directors.
7. Board of Directors Meeting.
8. Board of Directors Membership Structure.
9. Reporting and Accountability of the Board of Directors.

Responsibility to the Board of Commissioners and Shareholders

- a. Implementing GMS resolutions.
- b. Prepare the Corporate Long-Term Plan, Bank Business Plan, Work Plan and Budget and other work plans and changes to be submitted to obtain approval from the Board of Commissioners.
- c. Conduct the GMS based on a written request from one or more shareholders representing at least 1/10 (one ten) of the total shares issued with valid voting rights.
- d. Create and maintain a list of shareholders and special lists containing lists of shareholdings owned by commissioners and directors including their families within the Bank and in other companies.
- e. Consult the provision of credit above a certain amount to the Board of Commissioners by referring to the prevailing provisions.
- f. Submit an Annual Report after being reviewed by the Board of Commissioners within a period of no later than 5 (five) months after the financial year of the Company ends to the General Meeting of Shareholders for approval.

Board of Directors

Responsibility in Accounting and Annual Report

- a. Conduct and maintain the Bank's books and administration in accordance with the prevailing practices of the company.
- b. Ensure that the Bank's accounting system is in accordance with financial accounting standards and internal control principles, particularly in terms of financial management, recording, retention and control.
- c. Preparing Annual Report and Periodic Financial Report.

Responsibility in Risk Management

- a. Ensure the adequacy of processes and systems to identify, assess and control the risks faced by the Bank.
- b. Monitor and assess the existence of a sound management process to assess the adequacy of the risk management system and internal control, financial reporting and compliance.
- c. Ensure the existence of an effective control system to ensure the reliability and integrity of information, compliance with applicable policies, procedures, rules and laws, safeguards of the Bank's assets, the efficient use of economic resources, and the achievement of defined objectives and targets for operations.

Responsibilities Related with Organization

Establish an organizational structure, tasks and assign clear responsibilities including appointment of management.

Authority

In carrying out the duties and responsibilities, the Board of Directors shall attain the following authorities as stipulated under the Articles of Association:

1. Stipulate the Policy which appropriately deemed in the Company's management.
2. Arrange the delegation of authority of the Board of Directors to represent the Company inside and outside the court to one or several members of the Board of Directors especially appointed for that purpose, or to a personnel and/or other entity.
3. Administer the regulations regarding the Company's manpower, including determining salaries, pensions or benefits and other income for the employees of the Company pursuant to the prevailing laws and regulations.
4. Appoint and discharge the employees of the Company pursuant to the Company's manpower regulations and prevailing laws and regulations.
5. Appoint and discharge the Corporate Secretary.
6. Write-off bad debt hereinafter reported to the Board of Commissioners.
7. Not to recollect interest receivables, penalties, costs and other receivables besides the basis in order to pay off the Company's receivable.

8. Take or perform all other actions and deeds with regard to the management and ownership of the Company's assets, bind the Company to other parties and/or bind other parties to the Company, and representing the Company inside and outside the court with respect to all matters and in all events, with the limitations as provided in the laws and regulations, the Articles of Association and/or the Resolutions of the GMS.

Obligation

Based on the Articles of Association the Board of Directors has the following obligations:

1. Undertake and ensure the implementation of the Bank's business activities in accordance with the purpose, objectives, and business activities.
2. Prepare in due course the Bank's Corporate Plan, Annual Work and Budget Plan, and other Work Plan and Amendments to be submitted to the Board of Commissioners and approved by the Board of Commissioners.
3. Create a list of Shareholders, Special Lists, Minutes of GMS, and Minutes of Board of Directors' Meeting.
4. Create Annual Report which includes, among other things, the Financial Statements, as a form of accountability of the Bank's management, and the Bank's financial documents as referred to in the Law.

Board of Directors

5. Prepare the Financial Statements as referred to in point 4 in accordance with the Financial Accounting Standards and to submit to the Public Accountant for audit.
6. Submit an Annual Report after the Board of Commissioners has reviewed it within 5 (five) months after the end of fiscal year, to the GMS for approval and ratification.
7. Provide an explanation to the GMS on the Annual Report.
8. Submit Balance Sheet and Profit Loss Statements that have been approved by the GMS to the Minister in charge of the Law in accordance with the provisions of applicable legislation.
9. Maintain List of Shareholders, Special Register, Minutes of GMS, Minutes of Board of Commissioners' Meeting and Board of Directors' Meeting, Annual Report, Bank's financial documents, and other Bank's documents.
10. Archive List of Shareholders, Special Register, Minutes of GMS, Minutes of Board of Commissioners' Meeting and Board of Directors' Meeting, Annual Report, Bank's financial documents, and other Bank's documents in the Bank's domicile.
11. Perform and maintain the Bank's books and administration in accordance with the prevailing rules for a Bank.
12. Develop accounting system in accordance with the Financial Accounting Standards and based on the principles of internal control, especially the functions of handling, recording, storage, and supervision.
13. Provide periodic reports in a manner and time in accordance with applicable provisions, and other reports requested by the Board of Commissioners and/or Dwiwarna Series A Shareholders, with due observance to the laws and regulations, in particular, the prevailing capital market regulations.
14. Prepare the Bank's organizational structure in details with the job descriptions.
15. Provide an explanation of all matters stated or requested by members of the Board of Commissioners and Dwiwarna Series A Shareholders, with due observance to the laws and regulations, in particular, the prevailing capital market regulations.
16. Carry out other obligations in accordance with the provisions stipulated in the Bank's Articles of Association and which are determined by the GMS in accordance with the laws and regulations.
17. Together with the Board of Commissioners shall draw up binding guidelines for each member of the Board of Commissioners and Board of Directors, in accordance with the prevailing laws and regulations.
18. Together with the Board of Commissioners shall establish a code of conduct applicable to all members of the Board of Directors and Board of Commissioners, Employees, and organs of the Bank, in accordance with the prevailing laws and regulations.
19. In performing its duties, the Board of Directors shall put power, thought, and devotion to the duties, obligations, and achievements of the Bank's objectives.
20. In performing duties, members of the Board of Directors shall comply with the Bank's Articles of Association and prevailing laws and regulations, and are required to implement the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness.
21. All members of the Board of Directors shall carry out duties and responsibilities in good faith, full of responsibility and prudence in the best interest of the Bank, with regard to the prevailing rules.
22. Each member of the Board of Directors shall disclose:
 - a. Share ownership of 5% (five percent) or more, in the Bank or other Banks/ companies, domiciled within and outside the country.
 - b. Financial relationships and family relationships with other commissioners, members of the Board of Directors and/or controlling shareholders of the Bank.

Board of Directors

Work Ethics

1. Members of the Board of Directors shall not utilize the Bank for personal, family, and/ or other interests that may detriment or reduce the profits and reputation of the Bank and its subsidiaries.
2. Members of the Board of Directors shall not take personal advantage either directly or indirectly in the Bank's activities with the exception of legitimate income.
3. Members of the Board of Directors shall not hold concurrent positions, as follows:
 - a. A member of the Board of Directors at the State-Owned Enterprises (SOEs), Regional-Owned Enterprises, and private owned enterprises.
 - b. A member of the Board of Commissioners/ Board of Trustees at State-Owned Enterprises.
 - c. Other structural and functional positions in institutions/agencies of the central and/or local government.
 - d. A political party and/or candidate/legislative member and/or candidate for regional head/ deputy head.
 - e. Other positions that may cause conflict of interest and/or other positions, in accordance with the prevailing laws and regulations.
4. Members of Board of Directors, either individually or jointly, shall not own more than 25% (twenty five percent) of the paid-in capital in the Bank and/or other companies.
5. Members of the Board of Directors shall not use individual and/or professional advisors as consultants, unless they meet the following requirements:
 - a. projects of special nature.
 - b. based on clear contracts, which at least cover the scope of work, responsibilities, time frames, and costs.
 - c. consultant is an Independent Party and has the qualification to work on a project of a special nature as referred to in point 1.
6. Members of the Board of Directors shall not have a family relationship up to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners
7. Members of the Board of Directors are prohibited from granting power of attorney to any other party that may result in the transfer of Directors' duties and responsibilities.
8. Members of the Board of Directors shall be subjected to the Bank's Code of Conduct, applicable laws and regulations, and the Bank's internal policies.

SCOPE OF DUTIES

Referring to the Articles of Association, the distribution of duties of BOD members is conducted based on the BOD Decree, which aim to ensure more effective and efficient management function. The distribution of BOD duties are as follows:

Board of Directors

Name	Scope of Duties
Suprajarto President Directors	<p>Duties and authority in:</p> <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead entire Directorate that responsible for the management of the Company; Represent the company both inside and outside the Company <p>based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.</p>
Kuswiyoto Director of Corporate Banking	<p>Duties and authority in:</p> <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the business management of state owned enterprises, agribusiness, as well as Syndication and Corporate Business Services Financial Institutions; Represent the company both inside and outside the Company <p>based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.</p>
Supari Director of Retail and Intermediate	<p>Duties and authority in:</p> <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of Policy & Strategy Retail & Medium Business, Retail Business, Medium Business, and Agricultural Business; Represent the company both inside and outside the Company <p>based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.</p>
Priyastomo Director of Micro and Small	<p>Duties and authority in:</p> <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of Micro & Small Business Policy, Business Micro, Small Business & Partnerships and Business Incubation Micro & Retail; Represent the company both inside and outside the Company <p>based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.</p>
Handayani Director of Consumer	<p>Duties and authority in:</p> <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the business management of Wealth Management, Consumer Credit, Credit Card, Dana & Services, Retail Payment and Marketing Communication; Represent the company both inside and outside the Company <p>based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.</p>

Board of Directors

Name	Scope of Duties
Osbal Saragi Rumahorbo Director of Network and Services	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of the Retail Business Networking, Micro Business Network, Network Brilink, E-Channel, Service & Contact Center, and the Center of Operations; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Haru Koesmahargyo Director of Finance	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for Corporate Development & Strategy, Management Accounting & Finance, Assets & Liabilities Management, and Investor Relations; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Indra Utoyo Director of Information Technology and Operation	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of IT Planning & Development, IT Operations, Satellite & Network Infrastructure, the Digital Center of Excellence, Teamwork Technology and Information Security; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Sis Apik Wijayanto Director of Institutional Relationship	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the business management of the Institution, Transaction Banking and Social Entrepreneurship; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
R. Sophia Alizsa Director of Human Capital	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of Human Capital as well as BRI Corporate University; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.

Board of Directors

Name	Scope of Duties
Mohammad Irfan Director of Risk Management	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of Enterprise Risk & Portfolio Management, Operational and Market Risk Management, Credit Risk Analysis, Restructuring & Settlement Loans and Credit Operations; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Ahmad Solichin Lutfiyanto Director of Compliance	Duties and authority in: <ul style="list-style-type: none"> directing the corporate strategy and work plan; lead the Directorate that responsible for the management of Compliance, Legal, Policies & Procedures, Credit Policy, and Corporate Transformation; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.

BOARD OF DIRECTORS' COMMITTEES PERFORMANCE ASSESSMENT

In supporting the effectiveness and efficiency of their duties, BRI Board of Directors may establish the committees that are under and directly responsible to the Board of Directors.

As of 31 December 2018 there were 11 committees under the Board of Directors namely:

- Asset and Liability Committee
- Risk Management Committee
- Credit Committee

- Capital and Investment Committee
- Credit Policy Committee
- Information Technology Steering Committee
- Human Resources Policy Committee
- Job Evaluation Committee
- Project Management Office Committee
- Product Committee
- Goods & Services Procurement Committee

The Board of Directors considers that all Committees have carried out their duties optimally.

The assessment was carried out with the criteria of performance result in the form of contribution of each committee to the Company including reports and recommendations provided to the Board of Directors.

Board of Directors

BOD DIVERSITY POLICY

The BOD Diversity Policy is stipulated in a form of diversity in competency, experience as well as educational background of BOD members. The BOD Diversity Policy is an important factor in developing efficient decision that enable to support the Company to achieve its purpose as well as short and long term goals.

Composition of the Board of Directors Diversity Data Table BRI

Usia	Gender	Religion	Educational Background / Field of Study	Work Experience	Experience / in the field of banking or financial industry
Board of Directors ages ranging from age 48 s / d 62 years	There Directors of BRI male and female sex	There is more than one religious diversity	BRI Directors of Education S3 has a background in business management, accounting education, MBA, Master of Management, agricultural science dentists, master business administration, Electrical Engineering Communication, Communication and Signal Processing	Work experience over 20 years in finance / financial and / or experience in the field task of Directors held today.	Directors of Bank BRI has director experience before becoming directors of Bank BRI, Directors of Bank BRI has experience in banking and or field tasks that are currently performed by the concerned.

BOARD OF DIRECTORS COMPOSITION AND CHANGES IN 2018

Through the Board of Directors' appointment procedures, the Board of Directors composition is determined by considering the Bank's strategic needs and objectives. In 2018 there was a change in the composition of the Board of Directors through the AGMS on March 22, 2018 whereby the AGMS approved and/or confirmed the dismissal of Mr. Donsuwan Simatupang as Director of Risk Management and Ms. Susy Liestiowaty as Compliance Director. Furthermore, the AGMS approved the appointment:

1. Mr. Supari as Director of Retail and Intermediate.
2. Mr. Osbal Saragi Rumahorbo as Director of Networks and Services.
3. Mr. Achmad Solichin Lutfiyanto as Director of Compliance.

BOD Composition for the Period 01.01.2018 - 22.03.2018

Name	Title	Appointment
Suprajarto	President Directors	AGMS dated 15 March 2017
Priyastomo	Director of Micro and Small	AGMS dated 23 March 2016
Kuswiyoto	Director of Medium Credit, Corporate and SOE	RUPSLB dated 12 August 2015
Indra Utoyo	Director of Digital Banking and Information Technology	AGMS dated 15 March 2017

Board of Directors

BOD Composition for the Period 01.01.2018 – 22.03.2018

Name	Title	Appointment
Mohammad Irfan	Director of Network and Service	AGMS dated 19 March 2015
Haru Koesmahargyo	Director of Business Strategy and Finance	AGMS dated 19 March 2015
Susy Liestiowaty	Director of Compliance	AGMS dated 19 March 2015
Donsuwan Simatupang	Director of Risk Management	AGMS dated 19 March 2015
Sis Apik Wijayanto	Director of Institutional Relationship	AGMS dated 23 March 2016
Handayani	Director of Consumer	EGMS dated 18 October 2017
R. Sophia Alizsa	Director of Human Capital	EGMS dated 18 October 2017

BOD Composition for the Period 22.03.2018 – 31.12.2018

Name	Title	Appointment
Suprajarto	President Directors	AGMS dated 15 March 2017
Kuswiyoto	Director of Corporate Banking	EGMS dated 12 August 2015
Supari	Director of Retail and Intermediate	AGMS Dated 22 March 2018
Priyastomo	Director of Micro and Small	AGMS dated 23 March 2016
Handayani	Director of Consumer	EGMS dated 18 October 2017
Osbal Saragi Rumahorbo	Director of Network and Services	AGMS Dated 22 March 2018
Haru Koesmahargyo	Director of Finance	AGMS dated 19 March 2015
Indra Utoyo	Director of Information Technology and Operation	AGMS dated 15 March 2017
Sis Apik Wijayanto	Director of Institutional Relationship	AGMS dated 23 March 2016
R. Sophia Alizsa	Director of Human Capital	EGMS dated 18 October 2017
Mohammad Irfan	Director of Risk Management	AGMS dated 19 March 2015
Ahmad Solichin Lutfiyanto	Director of Compliance	AGMS Dated 22 March 2018

BOARD OF DIRECTORS INDEPENDENCY

The BRI BOD Board Charter regulates the Independence of the Board of Directors where the Board of Directors must prioritize the interests of the Company above personal and certain group interest as well as avoid potential conflict of interest over transactions carried out by the Bank.

In addition to the decision-making process by the Board of Directors, it must be free from any pressure or intervention from any party.

BRI ensures the independence of the Board of Directors through the Board of Directors membership that:

1. has no affiliation with the controlling shareholder or members of the Board of Directors and the Board of Commissioners; and
2. has no concurrent positions outside BRI.

Board of Directors

DISCLOSURE ON AFFILIATES RELATIONSHIP

1. All Members of the Board of Directors of BRI does not have an affiliate relationship with other members of the Board of Directors both in terms of financial, family or management.
2. All members of the Board of Directors of BRI does not have an affiliate relationship with a member of the Board of Commissioners, both in terms of finances, family relationships, and relationship management.
3. All members of the Board of Commissioners of BRI does not have an affiliate relationship with fellow members of the Board of Commissioners, both in terms of finances, family relationships, and relationship management.

4. All members of the Board of Commissioners of BRI has no financial or family relationship with the Controlling Shareholder.
5. All members of the Committee who is not a member of the Board of Commissioners of BRI has no financial or family relationship with the Controlling Shareholder, Member of the Board of Commissioners and Board of Directors of the Bank.

As of December 31, 2018, there is no member of the Board of Directors with affiliates relationship with the controlling shareholder, or with fellow members of the Board of Directors and Board of Commissioners both financially, in management and in family relations.

Whereas Pursuant to the Articles of Association, Member of the Board of Directors and Board of Commissioners should not be related by blood to the third degree, either vertically or horizontally laterally or relationship by marriage / family relationships arising from matrimony, including the law or laws. The data can be explained in the table below:

Relations Board of Directors by the Board of Commissioners and the Controlling Shareholders Table

Name	Financial Relations with						Family Relations with					
	BOD		BOC		Controlling shareholders		BOD		BOC		Controlling shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Member of the Board of Directors (BOD)												
Suprajarto		√		√		√		√		√		√
Priastomo		√		√		√		√		√		√
Kuswiyoto		√		√		√		√		√		√
Indra Utoyo		√		√		√		√		√		√
Mohammad Irfan		√		√		√		√		√		√
Haru Koesmahargyo		√		√		√		√		√		√
Susy Liestiwaty*				√		√		√		√		√
Donsuwan Simatupang*				√		√		√		√		√
Sis Apik Wijayanto		√		√		√		√		√		√
Handayani		√		√		√		√		√		√
R. Sophia Alizsa		√		√		√		√		√		√
Suprajarto		√		√		√		√		√		√
Priastomo		√		√		√		√		√		√
Kuswiyoto		√				√		√				√
Osbal Saragi Rumahorbo**				√		√				√		√
Ahmad Solichin Lutfiyanto**				√		√				√		√

*) Effective January 1, 2018 to March 22, 2018

**) Appointed by the AGM on March 22, 2018

Board of Directors

BOARD OF DIRECTORS MULTIPLE BOARD MEMBERSHIPS

The BRI Board of Directors has fulfilled the provision of concurrent position as regulated in Bank Indonesia Regulation. The BOD members are prohibited from holding concurrent positions as members of the Board of Commissioners, Directors or Executive Officers of banks, companies and/or other institutions.

DISCLOSURE ON BOARD OF DIRECTORS SHARES OWNERSHIP

Share ownership of the BRI Board of Directors members as of December 31, 2018 are as follows:

Name	Position	Ownership			
		31 December 2017		30 December 2018	
		Shares	%	Shares	%
BOARD OF DIRECTORS					
Suprajarto	President Director	-	-	466,100	0.00038
Sis Apik Wijayanto	Director	700,000	0.00057	1,328,700	0.00107
Susy Liestyowati *	Director	2,900,000	0.00235		
Donsuwan Simatupang *	Director	142,500	0.00012		
Mohammad Irfan	Director	170,000	0.00014	698,700	0.00057
Haru Koesmahargyo	Director			528,700	0.00043
Kuswiyoto***	Director	-	-	528,700	0.00043
Priyastomo	Director	-	-	528,700	0.00043
Indra Utoyo	Director	-	-	419,500	0.00034
R Sophia Alizsa	Director	25,000	0.00002	142,100	0.00010
Handayani	Director			106,600	0.00003
Osbal Saragi Rumahorbo**	Director	-	-	410,500	0.00033
Ahmad Solichin Lutfiyanto**	Director	-	-	585,000	0.00047
Jumlah					

*) Effective up to 22 March 2018

**) Effective as of 22 March 2018

***) Effective until 03 January 2019

DISCLOSURE ON SHARES TRANSACTION BY THE BOARD OF DIRECTORS IN 2018

Stock transactions carried out by the Board of Directors and Commissioners of BRI throughout 2018 has been reported to the Company within three (3) working days after the transaction is done and further reported to the Financial Services Authority/Otoritas Jasa Keuangan.

The share transactions as carried out by the Board of Directors members throughout 2018 were reported to the OJK in accordance with OJK Regulation No.

11/POJK.04/2017 on the Ownership Report or Any Amendment to Public Company Share Ownership.

Share ownership program by the Board of Directors and Board of Commissioners of Bank BRI conducted in 2018 in the framework of the Board of Directors and Board of Commissioners bonuses deferred into shares of the company (BBRI). This program is only a stock ownership program in order to award bonuses deferred portion within a specified period in accordance with the provisions / requirements disbursement has been determined. This program applies only to Members of the Board of Directors and Independent Commissioners who served during the period in 2017.

Board of Directors

The program was executed on 26 September 2018 following details.

No	Name	Position	Share Purchases / Sales	
			Shares	Transaction Date
1	Suprajarto	President Director	466.100	26 September 2018
2	Kuswiyoto	Director	528.700	26 September 2018
3	Sis Apik Wijayanto	Director	528.700	26 September 2018
4	Haru Koesmahargyo	Director	528.700	26 September 2018
5	Handayani	Director	106.600	26 September 2018
6	Priyastomo	Director	528.700	26 September 2018
7	Indra Utoyo	Director	419.500	26 September 2018
8	Mohammad Irfan	Director	528.700	26 September 2018
9	R. Sophia Alizsa	Director	106.600	26 September 2018
10	Nicolaus T B Harjanto	Commissioner	188.700	26 September 2018
11	Jeffry J Wurangian	Commissioner	237.900	26 September 2018
12	Gatot Trihargo	Vice President Commissioner	249.700	26 September 2018

BOARD OF DIRECTORS CONFLICT OF INTEREST MANAGEMENT

Each member of the Company's Board of Directors with conflict of interest in the Company's transaction and/or corporate action must declare such conflict of interest and therefore he/she is not included in the decision making process of such transaction and/or corporate action.

Any transaction with a conflict of interest shall first obtain the approval of the independent Commissioners and Independentshareholders prior to its execution.

In 2018 there are no transactions or corporate actions containing conflict of interest.

ORIENTATION PROGRAM AND COMPETENCY DEVELOPMENT OF THE BOARD OF DIRECTORS

Board of Directors Orientation Program

The new joined Board of Directors members must follow the Orientation Program convened by the Corporate Secretary. The Orientation Programs can be in a form of presentations, meetings, visits to the Company's work unit and the review of other documents or programs with the following scope:

1. Vision, mission and strategy of the Company.
2. GCG Principles within the Company
3. Board of Directors Duties and Responsibilities
4. Introduction of the Company's organs and their duties and authorities including the Committees that assist the implementation duties of the Board of Directors and Board of Commissioners.

In 2018, the orientation program has been conducted on first week for new appointed BRI BOD members namely Sdr. Supari , Sdr. Osbal Saragi Rumahorbo dan Achmad Solichin Lutfiyanto.

Board of Directors

Board of Directors Competency Development Program

The Competency Development and Trainings aims to improve the competency and skill of each member of the Board of Directors in carrying out their duties.

Implementation of competency development and trainings of the Board of Directors in 2018:

No	Participant	Training	Date of Implementation	Venue
1	Handayani Director of Consumer	The 4th international CWM Executive Europe Program 2018	22.07.2018	Frankfurt and Paris
2	Priyastomo Director Micro and Small	Risk Management Certification Refresher Program For Banks Executives "Strategic Bank Management" Workshop	07.08.2018	Amsterdam, Belanda
3	Priyastomo Director Micro and Small	Enterprise Risk Management Sebagai Upaya Meminimalisir Risiko Perusahaan	15.08.2018	Jakarta
4	Sis Apik Wijayanto Director of Institutional Relationship	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	06.12.2018	Batam
5	Indra Utoyo Director of Information Technology and Operation	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	06.12.2018	Batam

Risk Management Certification

Risk management certification participated by the Board of Directors members throughout 2018 is as follows:

Name	Position	Risk Management Certification /Refreshment		
		Institutions	Level	Date
Andrinof A. Chaniago	President Commissioner / Independent	LSPP	Level 2	21 April 2017
Gatot Trihargo	Vice President Commissioner	BSMR	Tingkat 1	11 April 2015
A. Fuad Rahmany	Independent Commissioner	BSMR	Tingkat 2	9 April 2017
A. Sonny Keraf	Independent Commissioner	LSPP	Level 2	2 May 2015
Mahmud	Independent Commissioner	BSMR	Level 5	7 February 2017
Rofikoh Rokhim	Independent Commissioner	LSPP	Level 2	2 November 2017
Nicolaus T. Budi Harjanto	Commissioner	LSPP	Level 1	6 April 2017
Hadiyanto	Commissioner	LSPP	Level 1	14 May 2018

Board of Directors

MONITORING AND EVALUATION STRATEGY

The Board of Directors and the Board of Commissioners jointly carry out monitoring and evaluation of the 2018 strategy contained in the Bank's Business Plan, the Company's Work Plan and Budget as well as the Partnership and Community Development and Work Program and Budget Plan (PKBL).

The monitoring and evaluation of the 2018 strategy was implemented in:

- Directors and Board of Commissioners perform tasks according to the corporate governance structure, namely the executive and supervisory functions including the monitoring and evaluation of the Bank's strategy. In this case both the Bank's strategy in the form of CBP (annual), RBB (3 years) as well as the Corporate Plan (Long Term).
- Monitoring and evaluation are carried out in the semi-annual period, the evaluation carried out by the Board of Directors and then later requested the opinion and the decision together with the Board of Commissioners of BRI. It has been held regularly and subsequently if there are revisions will be requested in accordance with the applicable regulatory provisions.

BOARD OF DIRECTORS SUCCESSION PLAN

The succession of Directors of the company held by the company's long-term goals. Implementation of Directors considers the succession of the various aspects of the field in terms of employment, work experience and leadership. The principle of the implementation of the succession of the Board of Directors based on the principles of good corporate governance in order to guarantee business continuity and long-term goals of the company.

BRI has a policy of candidate talent pool to select potential employees to occupy leadership positions in the Company or the Company's other state-owned enterprises. In addition the company also periodicals evaluating executive officers and officials under it to become the next successor to the leadership and character remain relevant and appropriate to the capacity needed and required by the company.

Candidates who are selected are then proposed to the Nomination and Remuneration Committee for the nomination of Directors subsequently undergo procedures based POJK No. 33 / POJK.04 / 2014 and Regulation of the Minister of State-Owned Enterprises Enterprises No. PER-03 / MBU / 02/2015 regarding Requirements, Procedure for Appointment and Termination of Directors of State Owned Enterprises.

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 Mechsnism

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.

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

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	6.40%	Higher than the previous year	6.48
Leadership, Governance & Social Responsibility	12	scores KPKU	4.80%	Better than last year	4.83
	13	Corporate Governance Perception Index (CGPI)	4.80%	Better than last year	4.83
	14	Realization Distribution Partnership Program and Community Development	4.00%	Realization of at least 80% of the budget RKAP	4.6
Agent of Development	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

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

REMUNERATION POLICY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

BRI has a remuneration management policy that has been regulated in accordance with the Financial Services Authority Regulation No: 45/POJK.03/2015 dated December 23, 2015. BRI's remuneration management policy is regulated in a Joint Decree of the Board of Commissioners and Board of Directors No.09-KOM/BRI/11/2017 and Nokep: S.1023-DIR/KPS/11/2017 dated November 30, 2017 regarding BRI Remuneration Governance Policy.

Remuneration policy development process includes:

- Background and Objectives of remuneration policy. In order to maintain and retain the Employees, it is necessary to regulate the Remuneration policy that can maintain and enhance the motivation of Employees and encourage the creation of a conducive working climate. The Company prepares a Remuneration policy aiming at attracting potential Employees, maintaining competent Employees and maintaining Employees' motivation to excel.
- Evaluation of remuneration policy of the previous year and its improvement. The Bank prepares a Remuneration policy based on practices in the labor market in the banking sector and is constantly reviewing and updating in accordance with changes and business developments with due regard to the Bank's capabilities.
- Remuneration independence for employees in the control unit. Employees' Remuneration is arranged based on the position of the Employee through the result of job evaluation. Hence, the Remuneration received by the Employees in the control unit is not related to the supervised unit.

Scope of remuneration and implementation policies per business unit, per region, and at subsidiaries or overseas branch offices.

In order to align with the different levels of transregional overhead, the Bank provides assistance with the high-cost adjustment in the form of Premium Allowance. The Bank conducts regular review of Premium Allowance if necessary in accordance with the expenditure level in each region and the Bank's ability. The Subsidiaries have separate and self-made Remuneration Policy by Subsidiaries.

Risk associated remuneration includes:

The remuneration is associated with risk and is based on the consideration of Employee's Person Grade and/or Job Grade in a wage structure that describes the Employees Remuneration from the lowest to the highest positions. On all positions, a specified wage range is created that represents the minimum wage, midpoint wage (mid-value), and up to the maximum wage. The amount of remuneration received by the Employee is considered equal to the burden and potential risk attached to the position. The higher the position, the higher the Employees' duties and responsibilities in making decisions that have a significant impact on the Bank's risk profile/exposure.

As such, the Bank has established the parties as the Material Risk Takers (MRT), based on certain considerations in accordance with the potential risks arising from a position. For those designated as MRT, the Bank shall suspend variable Remuneration payments partially.

Performance measurement related with remuneration includes:

- Remuneration policy toward performance assessment. To encourage Employees to excel, the Bank has a variable compensation program provided to Employees who achieve and exceed the performance targets. The Employees with high achievement will obtain high variable compensation as well. Conversely, the Employees who underachieved will obtain low variable compensation, or do not obtain any variable compensation at all.

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

- b. Individual remuneration methods with the bank's performance, unit's performance, and individual's performance.

In the provision of Employees' variable compensation, the amount of compensation value received by the Employees depends on the performance of the Bank, the unit's performance, and the individual's performance in which each component has a target achievement indicator, weight, and independent multiplier factor.

- c. Remuneration adjustment methods toward underachieved performance.

At the beginning of the year, the Bank has established requirements to be met by Employees to obtain variable compensation, one of which is performance achievement. For Employees who do not meet the stipulated requirements, they will not receive any variable compensation.

Remuneration adjustment related to performance and risk which includes:

- a. Remuneration policy on the amount and criteria with suspended variable. Pursuant to Joint Decree of the Board of Directors and Board of Commissioners No. 09KOM/BRI/11/2017 dan S.1023-DIR/KPS/11/2017 dated 30 November 2017 on the Remuneration Governance of PT Bank rakyat Indonesia (Persero) Tbk., has been stipulated the following matters:
1. For parties designated as MRT, some variable remuneration will be suspended.
 2. The amount of suspension for the Board of Directors and Board of Commissioners is 20% of Tantiem.
- b. Remuneration policy on deferred variable which is delayed or cancelled. The Bank may defer payment of Remuneration, which is suspended variable to MRT that proven to perform Individual Fraud.

PROCEDURE FOR DETERMINATION OF REMUNERATION OF THE BOARD OF COMMISSIONERS & DIRECTORS

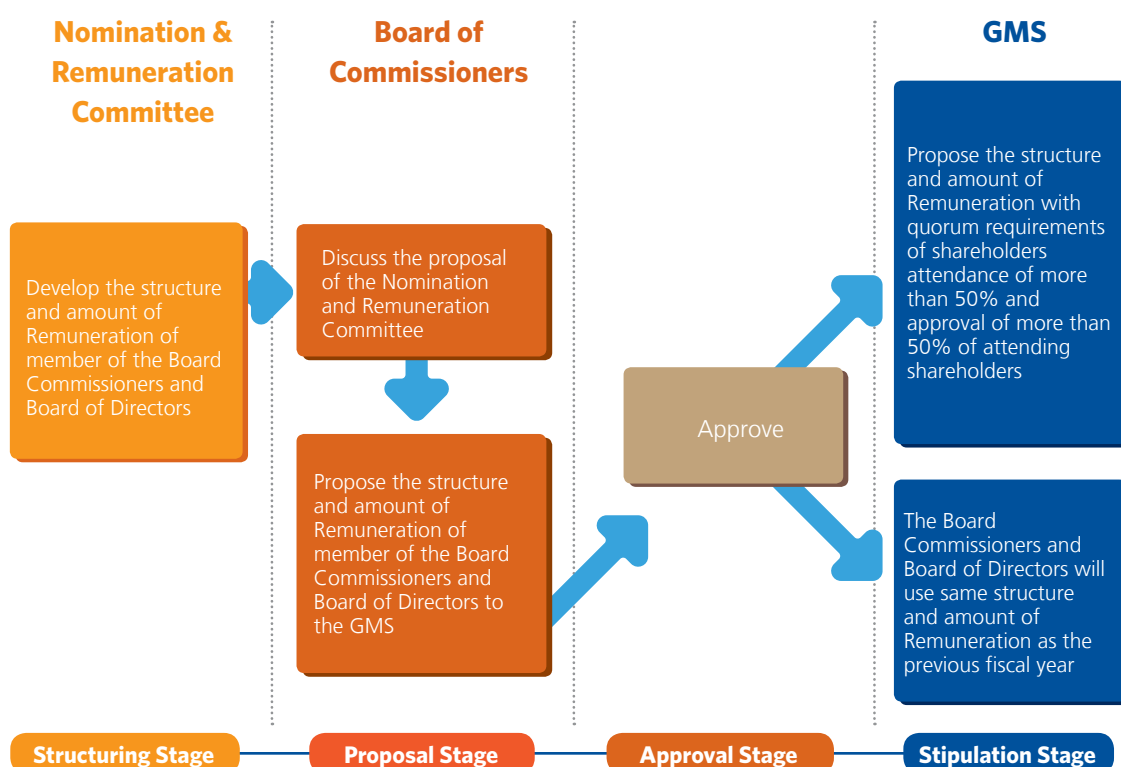
Pursuant to Article 113 of Law Number 40 Year 2007 regarding Limited Liability Company, compensation and benefits for BOC set by the AGM. Furthermore, based on Article 96 of the Act, the salaries and allowances of members of the Board of Directors determined by the GMS and GMS authority in question may be delegated to the Board of Commissioners.

Based on the Regulation of Minister of State-Owned Enterprises PER-01 / MBU / 06/2017 regarding the Second Amendment to the Regulation of Minister of State-Owned Enterprises PER-04 / MBU / 2014 on Guidelines for Determination of Directors, Board of Commissioners and Board of Trustees of State Owned Enterprises, component BOC income consists of: honoraria, allowances, facilities and bonuses.

Based and Regulation of Financial Services Authority / Otoritas Jasa Keuangan (POJK) No. 45 / POJK.03 / 2015 dated December 23, 2015 on Governance Practices in Providing Remuneration for Commercial Banks, Nomination and Remuneration Committee is obliged to carry out an evaluation of the remuneration policy that is based on performance, risk, fairness to the peer group, objectives, and strategies for term long Bank, fulfillment reserve as stipulated in the legislation and the potential of the Bank's income in the future as well as present the results of the evaluation and recommendations to the Board

Guided by the provisions mentioned above, with regard to the recommendation of the Nomination and Remuneration Committee, the Board of Commissioners in each of the Annual General Meeting a proposal regarding the determination of salary / honorarium, benefits and facilities as well as bonuses for members of the Board of Commissioners and Board of Directors to the General Meeting of Shareholders. Nomination and Remuneration Committee provides recommendations after an evaluation by considering the Company's performance, business size, and the survey results in remuneration in the banking industry.

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



Procedure Stages	Activities
Structuring	Nomination and Remuneration Committee The Nomination and Remuneration Committee evaluates the structure and amount of the remuneration of the BOC and the BOD by taking into account the Bank's long-term performance, risks, fairness with the peer group, objectives, and strategies, the fulfillment of reserves as stipulated in legislation, will come. Based on the evaluation results, the Nomination and Remuneration Committee recommended the structure and amount of the Remuneration in the BOC's meeting.
Proposal	Board of Commissioners The BOC submits proposals on the determination of honoraria, allowances and facilities and tantiems for members of the BOC and BOD to the General Meeting of Shareholders.
Determination	General Meeting of Shareholders (GMS) The GMS may approve and determine the structure and amount of the remuneration with the quorum requirement of more than 50% shareholder presence and approval by more than 50% of the present shareholders. In the event that the GMS does not approve the proposal, the BoC and BoD will use the same structure and amount of remuneration as in the previous financial year.

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

REMUNERATION GOVERNANCE POLICY PROCEDURE

1. Remuneration adjustments are associated with performance and risk.

- a. Remuneration policy on deferred variable and criteria

Based on the Joint Decree of the Board of Directors and Board of Commissioners Number 09-KOM/BRI/11/2017 and S.1023-DIR/KPS/11/2017 dated 30 November 2017, the following matters have been established:

- 1) For parties designated as MRT, part of the variable remuneration will be suspended.
- 2) The amount of suspension for Board of Directors and Board of Commissioners is 10% of Tantiem.

- b. Remuneration policy for deferred variables whose payments are delayed or canceled (Malus).

The company can postpone deferred variable remuneration payments (malus) to the MRT if conditions occur in the form of:

- 1) Proven the existence of Individual Fraud.
- 2) Restatement of the company's financial statements as the basis for determining variable remuneration.
- 3) The risk rating in the last quarter before the time of the Remuneration payment is deferred variable is 4 (Moderate to High) or worse.

2. Name of external consultant and duties related to the remuneration policy.

One of the principles of the Bank's remuneration is externally competitive, in which the Remuneration provided is at a competitive level to the banking industry. As such, the Bank cooperates with Willis Towers Watson in charge of benchmarking and/or conducting Salary Survey, in accordance with the Bank's request regarding remuneration policy.

3. Remuneration package and facilities received by the Board of Directors and Board of Commissioners covering remuneration structure and total amount.

Please view the data on Sub Chapter of the Board of Directors and Board of Commissioners Remuneration Structure.

4. Remuneration packages grouped into income levels received by the Board of Directors and Board of Commissioners within 1 year.

Please view the data on Sub Chapter of the Board of Directors and Board of Commissioners Remuneration Structure.

5. Variable remuneration includes:

- a. The schemes and reasons for the selection of variable remuneration. The compensation to Employees is provided within the framework of a fair, competitive system, and in line with the Bank's needs and capabilities. The compensation is divided into 2 (two), i.e.:

- 1) Fixed compensation, consisting of Basic Salary and Allowances; and
- 2) Variable compensation granted to Employees based on the performance achievement, as follows:

- i. Performance Allowances .
Performance Allowance is a compensation variable stipulated by the Bank at the beginning of the year. Performance Allowances aims to encourage Employees' motivation, to directly reward in achieving and exceeding individual targets, unit target, and bank targets.
- ii. Bonus.
Bonus is a compensation variable not promised by the Bank. Bonus is granted to Employees to give appreciation on the achievement of the Bank's performance.

- b. Reasons for differences in variable remuneration (Board of Directors, Board of Commissioners, and Employees).

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

- c. The Company provides greater variable compensation for Marketers. This is due to the following matters:
- Marketer is a profit maker.
 - To encourage Marketers to exceed the target set.
 - Appreciation to Marketers.

The differences in variable compensation are based on consideration of performance achievement and competence, including the achievement of unit performance and bank's performance.

6. Total Board of Directors, Board of Commissioners, and Employees received variable remuneration for 1 (one) year.

Total Board of Directors, Board of Commissioners, and Employees received variable remuneration for 1 (one) year

No	Name	Board of Directors and Board of Commissioners	Variable Remuneration type (suspended) *
1	Suprajarto	President Director	Stock
2	Priyastomo	Director	Stock
3	Kuswiyoto	Director	Stock
4	Haru Koesmahargyo	Director	Stock
5	R Sophia Alizsa Se	Director	Stock
6	Sis Apik Wijayanto	Director	Stock
7	Handayani	Director	Stock
8	Indra Utoyo	Director	Stock
9	Mohammad Irfan	Director	Stock
10	Andrinof A Chaniago	President Commissioner	Cash
11	Gatot Trihargo	Vice President Commissioner	Stock
12	Jeffry J Wurangian	Commissioner	Stock
13	Nicolaus T B Harjanto	Commissioner	Stock
14	Rofikoh Rokhim	Independent Commissioner	Cash
15	A. Fuad Rahmany	Independent Commissioner	Cash
16	Mahmud	Independent Commissioner	Cash
17	A. Sonny Keraf	Independent Commissioner	Cash
18	Tri Wintarto	SEVP BRI (employee 1 levels below the Board of Directors)	Cash
19	Gunawan Sulisty	SEVP BRI (employee 1 levels below the Board of Directors)	Cash

*) Remuneration deferred by a certain percentage for the achievement of the fiscal year 2017 performance

Remarks	Amount	Total (Rp)
Board of Directors	9 person	11.415 milion
Board of Commissioners	8 person	5.026 milion
Workers	89.944 person	5,5 trillion

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

7. Position and total parties of Material Risk Taker The following are parties set as MRT:

- Board of Directors
- Board of Commissioners
- Senior Executive Vice President (SEVP)

8. Share Option owned by the Board of Directors, Board of Commissioners and Executives:

- Share Option Policy
Data is presented in the Share Option sub chapter.
- Total shares owned by the Board of Directors, Board of Commissioners and Executives prior to Share Option facility.

Refer to sub chapter of Share Ownership of BRI Board of Directors and Board of Commissioners.

- Total Share Option granted. The Share Option quantity considers aspects of the Bank's performance, units, and individuals, and taking into account the stock options that have been allocated for share option policies.
- Total share option exercised up to the end of 2018. There was no share option exercised in 2018.
- Given Option Price
Data has been presented in the Share Option sub chapter)
- The validity period for share option execution
Data has been presented in the Share Option sub chapter.

9. Highest and lowest salary ratio

Salary Ratio	2016	2017	2018
Highest and Lowest Employee Salary	49.47	37.93	36.04
Highest and Lowest Board of Directors Salary	1.11	1.11	1.18
Highest and Lowest Board of Commissioners Salary	1.11	1.11	1.11
Highest Board of Directors Salary and Highest Employee Salary	1.84	2.10	2.56

10. Total recipients and total variable remuneration granted without conditions by the Bank to candidates of the Board of Directors, candidates of the Board of Commissioners, and/or candidated of employees during the first year of employment.

There is no variable compensation guaranteed without condition.

11. Total employees granted termination and total severance paid .

There were no employees granted termination and no total severance paid.

12. Total suspended variable remuneration consisted of cash and/or shares or shares intstruments issued by the Bank.

MRT	Suspended Variable Remuneration	
	Cash	Share
Board of Directors	Rp102.740 million	Rp11.415 million
Board of Commissioners	Rp45.238 million	Rp5.026 million
SEVP	2,36 bilion	None

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

13. Details of total remuneration granted within a year.

- a. Fixed or Variable Remuneratio.

Description	Total
Fixed compensation	10.503.547 million
Variable compensation	5.513.378 million

- b. Remuneration in cash and/or shares or shares instruments issued by the Bank.

- Monthly Salary
- Religious Holidays Allowances
- Leave Allowances
- Performance Allowances
- Bonus/Tantiem

14. Quantitative information regarding:

- a. Total deferred remuneration, either under implicit or explicit adjustment.
Not yet implemented during current year.
- b. Total remuneration reduction due to explicit adjustment in 2018.
Not yet implemented during current year.
- c. Total remuneration reduction due to implicit adjustment in 2018.
Not yet implemented during current year.

BOARD OF COMMISSIONERS REMUNERATION STRUCTURE

1. Honorarium and Tantiem The Honorarium and Tantiem of the President Commissioner shall be set at 50% of the salary of the President Director, while Honorarium and Tantiem Vice President Commissioners and members of the Board of Commissioners shall be respectively 95% and 90% of the Honorarium of the President Commissioner.
2. Benefits:

Religious Holidays Allowance (THRK)	1) THR is granted since the member was appointed by the General Meeting of Shareholders. 2) The maximum amount of THR is 1 (one) time monthly honorarium and paid-in full
Transportation Allowance	a. Transportation allowance is given each month at 20% of monthly honorarium of each member of the Board of Commissioners b. In the event that the Commissioner has been granted a vehicle facility by way of rental as stipulated in the previous decree, then it is regulated as follows: 1) The provisions of vehicle facilities shall be guided by prior decisions until their lease term expires, and subsequently follow the provisions of point a above. 2) For the Commissioner who resign from his/her position, and the rental period of the vehicle has not expired yet, they will be given the opportunity to buy a vehicle for the remaining unpaid lease, with the purchase price of the vehicle to be negotiated with the vendor. The Commissioner is given a transitional period of 30 (thirty) days to use the vehicle.
Post-Tenure Insurance	a. Commissioner is registered to Post-Tenure Insurance Program. b. Maximum premium is 25% (twenty-five percent) of honorarium per year.
Club Membership Allowance	Given 2 (two) professional Club membership.
Corporate Clothing	Given 2 (two) corporate suits and 1 (one) batik shirt each year.

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

3. Facilities

Types	Description
Healthcare	<ol style="list-style-type: none"> Medical and treatment expenses for members of the Board of Commissioner and their family are fully reimbursed by the Company. Covered family members are husband/wife and maximum of 3 (three) children who are not married and working and below 25 (twenty-five) years old. Facilities provided are: 1) outpatient and medication; 2) inpatient and medication; 3) medical check-up. Health facilities such as outpatient and medication mentioned in the letter c including eye examination and medication, as well as glasses purchasing which is fully covered by the Company with the conditions below: <ol style="list-style-type: none"> Reimbursement for frames maximum of Rp15 million in 2 (years) Lens replacement once a year. Medical check-up is provided with below conditions: <ol style="list-style-type: none"> Medical check-up is provided once a year Medical check-up is conducted domestically. In the event that the doctor gives a reference to have overseas treatment, health facility is given entirely. This facility includes transportation and accommodation for the patient and one companion.
Legal Assistance	<ol style="list-style-type: none"> The Bank provides legal assistance in the event of legal situation related to his/her position, the Bank's objectives or business activities. Legal assistance is given with procedures and conditions according to the prevailing Minister of SOEs Regulations.

4. Other Facilities. Members of the Board of Commissioners may be provided with other facilities for the execution of operational duties, such as official travel, laptop/iPad, and driver, pursuant to the Bank's internal rules stipulated in a decision of the Board of Directors.

BOC Remuneration and Facility Amount in 2018

Structure of the Board of Commissioners Remuneration and amenities BRI 2018 financial year

No	Name	Salary (Rp)	THRK (Rp)	Tantiem Fiscal Year 2017 (Rp)	Housing allowances (Rp)	Transport allowance (Rp)	Full Title Insurance Premium (Rp)	Corporate clothing (Rp)	Benefit Communication (Rp)
Board of Commissioners of BRI									
1	Andrinof A Chaniago *)	√	√	√	-	√	√	-	-
2	Gatot Trihargo	√	√	√	-	√	√	-	-
3	A. Fuad Rahmany	√	√	√	-	√	√	√	-
4	A. Sonny Keraf	√	√	√	-	√	√	√	-
5	Jeffry J. Wurangian *****)	√	√	√	-	√	√	√	-
6	Mahmud	√	√	√	-	√	√	-	-
7	Nicolaus T.b Harjanto *)	√	√	√	-	√	√	√	-
8	Rofikoh Rokhim ***)	√	√	√	-	√	√	√	-
9	Hadiyanto *****)	√	√	-	-	√	√	-	-
10	Mustafa Abubakar **)	-	-	√	-	-	-	-	-
11	Ahmad Fuad **)	-	-	√	-	-	-	-	-
12	Adhyaksa Dault *****)	-	-	√	-	-	-	-	-
13	Vincentius Sonny Loho *****)	√		√	-	√	√	√	-
Total		14,282,985,003	1,224,300,000	94,975,766,160	-	2,856,597,001	4,064,400,000	165,474,145	-

Information :

*) Appointed by the Annual General Meeting on March 15, 2017

**) Dismissed by the AGM on March 15, 2017

***) Appointed by the Annual General Meeting on October 18, 2017

*****) Dismissed by the AGM on October 18, 2017

*****)) Appointed by the Annual General Meeting on March 22, 2018

*****)) Dismissed by the AGM on March 22, 2018

*****)) Dismissed by the EGM on January 3, 2019 by a letter of resignation dated 20 September 2018

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

Board of Commissioners of BRI

Type of Remuneration and Other Facilities	Amount received in one year (2018)	
	Person	millions
Remuneration:		
Salary**	10	14,282
Routine allowance ***	10	4,246
tantiem *	12	94,975
Facilities In The Form Natura:		
transportation	13	2,856
Full Compensation Position	10	4,064
Type of Remuneration / person in one year	Person	Millions
Above Rp 2 Billion	12	38,714
Above 1 bln s / d 2 Billion **	2	5,217
Above Rp 500 millions / d 1 Billion	-	-
Below Rp 500 million	-	-

*) Including the Board of Commissioners who served during the period out of office in 2017 but after the AGM dated March 22, 2018
 **) Including BOC dismissed at the AGM on 22 March 2018 and the EGM dated January 3, 2019
 ***) Allowances consist of THR, Transportation and Corporate clothing

BOARD OF DIRECTORS REMUNERATION STRUCTURE

The remuneration structure of the Board of Directors is stipulated in Decree of the Board of Commissioners No. R.42-KOM/06/2018 dated 06 June 2018 and approval from Serie A Dwiwarna Shareholder as follows:

- 1) Salary and Tantiem. The Salary and Tantiem of the Board of Directors shall be proportionally set toward the salary and tantiem of the President Director, which are 95% fro the Vice President Director and 90% for the Board of Directors.
- 2) Allowances

Types	Amount per BOD Members	Description
Religious Holidays Allowances	Allowances At maximum one (1) time salary per month, pay in full	Given since the appointment by GMS.
Housing Allowances	Rp27,5 million,- /month including utilization cos.	Is not given to members of the BOD that occupy the official residence.
Post Tenure Insurance	Maximum premium of 25% (twenty-five percent) of annual salary.	Included since declared effective from fit and proper test by OJK
Club Membership		President Director/ Vice President Director: <ul style="list-style-type: none"> · 2 (two) Golf Club memberships. · 2 (two) Financial Club memberships. · 1 (one) Fitness Club membership (family club) · 2 (two) Profession Club memberships Directors: <ul style="list-style-type: none"> · 1 (one) Golf membership. · 1 (satu) Fitness Club membership (family club). · 2 (two) Profession Club memberships.
Corporate Clothing		2 (two) corporate suits and 1 (one) batik per year.
Communication	Reimbursed as per cost	Two (2) cellphones that can be replaces per year.

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

3. Facilities

Types	Description
Healthcare	<ol style="list-style-type: none"> Medical and treatment expenses for members of the BOD and their family are fully reimbursed by the Company. Covered family members are husband/wife and maximum of 3 (three) children who are not married and working and below 25 (twenty-five) years old. Facilities provided are: 1) outpatient and medication; 2) inpatient and medication; 3) medical check-up. Health facilities such as outpatient and medication mentioned in the letter c including eye examination and medication, as well as glasses purchasing which is fully covered by the Company with the conditions below: <ol style="list-style-type: none"> Reimbursement for frames maximum of Rp15 million in 2 (years) Lens replacement once a year. Medical check-up is provided with below conditions: <ol style="list-style-type: none"> Medical check-up is provided once a year Medical check-up is conducted domestically. In the event that the doctor gives a reference to have overseas treatment, health facility is given entirely. This facility includes transportation and accommodation for the patient and one companion.
Legal Assistance	<ol style="list-style-type: none"> The Bank provides legal assistance in the event of legal situation related to his/her position, the Bank's objectives or business activities. Legal assistance is given with procedures and conditions according to the prevailing Minister of SOEs Regulations.

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

BOD Remuneration and Facilities Amount in 2018

Structure of the Board of Directors Remuneration and amenities BRI 2018 financial year

No	Name	Salary (Rp)	THRK (Rp)	Tantiem Fiscal Year 2017 (Rp)	Housing allowances (Rp)	Transport allowance (Rp)	Full Title Insurance Premium (Rp)	Corporate clothing (Rp)	Benefit Communication (Rp)
Board of Directors of BRI									
1	Suprajarto *)	√	√	√	√	√	√	√	√
2	Indra Utoyo *)	√	√	√	√	√	√	√	√
3	Mohammad Irfan	√	√	√	√	√	√	√	√
4	Haru Koesmahargyo	√	√	√	√	√	√	√	√
5	Kuswiyoto	√	√	√	-	√	√	√	√
6	Sis Apik Wijayanto	√	√	√	√	√	√	√	√
7	Priyastomo	√	√	√	√	√	√	√	√
8	R. Sophia Alizsa ***)	√	√	√	√	√	√	√	√
9	Handayani ***)	√	√	√	√	√	√	-	√
10	Supari *****)	√	√	-	√	√	-	√	√
11	Osbal Saragi Rumahorbo *****)	√	√	-	√	√	√	√	√
12	Ahmad Solichin Lutfiyanto *****)	√	√	-	√	√	√	√	√
13	Susy Lestiowaty *****)	√	-	√	√	√	-	-	√
14	Donsuwan Simatupang *****)	√	-	√	√	√	-	√	√
15	Asmawi Syam **)	-	-	√	-	-	-	-	-
16	Sunarso *****)	-	-	√	-	-	-	-	-
17	Randi Anto *****)	-	-	√	-	-	-	-	-
18	Zulhelfi Abidin **)	-	-	√	-	-	-	-	-
Total		40,397,080,644	3,415,500,000	257,021,233,840	4,069,112,903	907,154,516	9,405,000,000	556,710,000	416,599,743

Information :

*) Appointed by the Annual General Meeting on March 15, 2017

**) Dismissed by the AGM on March 15, 2017

****) Appointed by the Annual General Meeting on October 18, 2017

*****) Dismissed by the AGM on October 18, 2017

******) Appointed by the Annual General Meeting on March 22, 2018

******) Dismissed by the AGM on March 22, 2018

******) Dismissed by the EGM on January 3, 2019 by a letter of resignation dated 20 September 2018

Directors of Bank BRI

Type of Remuneration and Other Facilities	Amount received in one year (2018)	
	Person	millions
Remuneration:		
Salary**	14	40,397
Routine allowance ***	14	9,365
tantiem *	13	257,031
Facilities In The Form Natura:		
transportation	12	907
Full Compensation Position	12	9,405
Type of Remuneration / person in one year	Person	Millions
Above Rp 2 Billion	12	38,714
Above 1 bln s / d 2 Billion **	2	5,217
Above Rp 500 million s / d 1 Billion	-	-
Below 500 million	-	-

*) Including the Board of Directors in the period out of office in 2017 but after the AGM dated March 22, 2018

**) Includes the Board of Directors terminated the AGM dated March 22, 2018

****) consists of THR allowance, housing allowance, transportation and apparel Corporate

Meetings of the Board of Commissioners and Board of Directors

BOARD OF COMMISSIONERS MEETING

BoC meeting is divided into a joint meeting of the Board of Directors and Board of Commissioners, Board of Commissioners internal meetings and board meetings with the Committees under the Board of Commissioners. A joint meeting of the Boards of Directors took place on an ongoing basis. This joint meeting of the initiative may come from the Board of Commissioners and Board of Directors. Through this joint meeting, obtained a unified view and alignment of actions between BOC as the organ in charge of monitoring and advisory, with the Board of Directors as the executor of the daily operations of the Company.

Meeting Ethics

1. Meetings of the Board of Commissioners shall be held periodically at least 1 (one) time in 1 (one) month.
2. The joint meeting of Directors shall be held periodically at least 1 (one) time in 4 (four) months; Meetings may be held at any time at the request of one (1) or more members of the BOC or at the request of the Board of Directors, stating the matters to be discussed.
3. A Conference call should be made by the Commissioner. If the Commissioner is absent or does not exist, which does not need to prove to a third party then call board meetings conducted by the Deputy Commissioner and when Deputy Commissioner does not exist or is absent or unavailable, which does not need to prove to a third party, then call meetings can be done by a member of the Board of Commissioners.
4. Calls Meeting by the Board of Commissioners, Directors (Radirkom) must be in writing and delivered or delivered personally to each member of the Board of Commissioners with a receipt that is adequate, or electronic mail (e-mail) no later than five (5) days before the meeting is held, with excluding the date of the call and the meeting date, or within a shorter period if in an emergency.
5. Calls Board Meeting (Board of Commissioner) be in writing, and delivered physically or through electronic media.
6. Conference call as mentioned above is not required for meetings that have been scheduled by decision in a meeting held earlier.
7. Guidelines for the implementation of the meeting is set as follows:
 - a. In terms of board meetings to invite the Board of Directors, the Secretary of the Board of Commissioners to coordinate with the Secretariat Division of the Company.
 - b. Meetings are held at the domicile of the Company or any other place within the territory of the Republic of Indonesia or in the Company's business activities.
 - c. The agenda and meeting schedule are the responsibility of the Secretary of the Board of Commissioners to consider input from the Board of Commissioners.
 - d. Secretary to the Board of Commissioners is responsible for helping, organizing and preparing meetings, prepare and distribute meeting agendas and materials discussion.
 - e. In terms of board meetings to invite the Board of Directors / Director, Secretary to the Board of Commissioners to coordinate with the Secretariat Division of the Company.
 - f. BOC meeting materials that invite the Board of Directors / Director, must be given to the Board no later than three (3) working days before the meeting takes place, so that the BOC has the opportunity to review the information and / or to request additional information prior to the meeting.
8. The Meeting is valid and may take binding decisions if attended or represented by more than Ω (half) the number of members of the Board of Commissioners.

Decision-making

1. Board Meeting decision should be taken based on consultation and consensus. If the decision is based on no agreement is reached, the decision should be taken by ballot by the affirmative vote of more than 1/2 (one half) of the total valid votes issued at the meeting in question.

Meetings of the Board of Commissioners and Board of Directors

2. Chairman of the meeting should bring conclusions and decisions at the end of each meeting.
3. All decisions shall be binding to all Members of the Board of Commissioners.
4. A member of the Board of Commissioners may be represented at the meeting by members of the Board of Commissioners only other based on the written authorization granted for that purpose and a member of the Board of Commissioners can only represent a member of the Board of Commissioners. In the power referred to, the Board of Commissioners who are unable to attend a Board Meeting may submit an opinion on whether she supports or does not support the things that will be discussed and this opinion will be considered valid in the meeting of the Board of Commissioners.
5. A Member of the Board of Commissioners and / or Board of Directors can not physically attend a meeting, the Members of the Board of Commissioners and / or Board of Directors may attend a meeting with the media teleconference, video conference or other electronic media in accordance with applicable regulations.

Documentation

In each meeting minutes of the meeting shall be made containing any of the matters discussed and decided things. Minutes of the meeting is valid evidence for the

Board of Commissioners and to third parties on the decisions taken at the meeting concerned. Guidelines for the manufacture of the minutes of meetings are set as follows:

1. Results of Meeting shall be stated in the Minutes of Meeting. Minutes of the Meeting must be made by a person who attended the meeting appointed by the Chairman of the Meeting and subsequently signed by all members of the Board of Commissioners both the present and the give and delivered to all members of the Board of Commissioners. Dissent (dissenting opinion) that occurs in the meeting of Board of Commissioners must be clearly stated in the minutes of the meeting and the reasons for such dissent.
2. Results of Board Meeting together with the Board of Directors shall be stated in the Minutes of Meeting.
3. Minutes of the meeting referred to in paragraphs a and b shall be documented by the Company.
4. Minutes of the Board Meeting is valid evidence for the members of the Board of Commissioners and for third parties regarding the decision taken in the meeting in question.

2018 BOC Meeting

In 2018, the BOC of BRI has convened internal meetings with the following Agenda and BOC frequency of attendance as follows :

1. Joint Meeting of the Board of Commissioners and Board of Directors

NO	MEETING DATE	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
1	24 January 2018	Discussion of financial performance Quarter IV 2017	1	1	0		1	1	1		1	1	Quorum
2	2 May 2018	Discussion of BRI Performance First Quarter 2018		1	1	1	1	1	1		1	1	Quorum
3	5 June 2018	Revised Discussion CBP 2018 and RBB BRI Year 2018-2020		1	1	1	1	1	1		1	1	Quorum

Meetings of the Board of Commissioners and Board of Directors

NO	MEETING DATE	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
4	30 July 2018	Discussion of Financial Performance of BRI Quarter 2018. The Actual implementation of RBB 2018-2020 discussion until the second quarter of 2018		1	1	1	1	1	1		1	1	Quorum
5	30 July 2018	Discussion Participation Plan at. Means Ventura Nusa Tenggara (NTT)		1	1	1	1	1	1		1	1	Quorum
6	21 August 2018	Follow-up discussion of the audit results in the fiscal year 2017 management letter		1	1	0	1	1	1		1	1	Quorum
7	23 October 2018	Discussion of Financial Performance Quarter III 2018, RBB Realization discussion BRI Year 2018-2020 up to Tw III 2018		1	1	1	1	1	1	1		1	Quorum
8	21 November 2018	Discussion of Bank Business Plan (RBB) Year 2019-2021 and CBP BRI 2019		1	1	1	1	1	1	1		0	Quorum
TOTAL MEETING			1	8	8	7	8	8	8	2	6	8	
TOTAL ATTENDANCE			1	8	7	6	8	8	8	2	6	7	
% TOTAL ATTENDANCE			100%	100%	88%	86%	100%	100%	100%	100%	100%	88%	

2. Meetings of the Board of Commissioners and Director of Field

NO	DAY & DATE OF MEETING	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
1	Thursday, 4 January 2018	Discussion approval for the capital increase BRISyariah	1	1	0		1	1	0		1	1	Quorum
2	Tuesday, 30 January 2018	Financial Performance and Investment Pension Fund in 2017	0	1	1		1	1	1		1	1	Quorum
3	Tuesday, 30 January 2018	Credit consultation with the commissioner * 7debtor: PT. Development Toba Sejahtera, PT Indopay, PT Adikarya Gemilang, PT Tribakti Sarimas, PT Pupuk Sriwijaya, PT Cibitung Tanjung Priok Port Tollways, PT Kereta Api Indonesia	1	1	1		1	1	1		1	1	Quorum

Meetings of the Board of Commissioners and Board of Directors

NO	DAY & DATE OF MEETING	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
4	Tuesday, 6 February 2018	Increased equity participation through mechanisms BRISyariah Bank Capitalization Earnings	1	1	1		1	1	1		1	0	Quorum
5	Tuesday, 27 February 2018	BRI Partnership Strategic Plan for Life	1	1	1	1	1	0	1		1	1	Quorum
6	Tuesday, 6 March 2018	Portfolio Guideline 2018	1	1	1	1	1	1	1		1	1	Quorum
7	Friday, 16 March 2018	Approval of BRI Agro Capital Increase	1	1	0	1	1	0	1		1	1	Quorum
8	Friday, 16 March 2018	Progress report repair IT, Handling Cyber Attack BRI and BRI E-Channel Readiness Facing Cyber Crime	0	1	1	1	1	0	1		0	1	Quorum
9	Tuesday, 3 April 2018	1. Evaluation of duties and responsibilities of the credit policy committee (Implementation POJK 42 / POJK.03 / 2017) 2. Review the general policy of credit		1	0	1	1	1	1		1	1	Quorum
10	Tuesday, 15 May 2018	Approval of the proposed organization BRI		1	1	1	1	1	1		0	1	Quorum
11	Tuesday, 15 May 2018	Progress Repair IT Issues, Networks & Services, and Consumer Banking BRI		1	1	1	1	1	1		1	1	Quorum
12	Tuesday, 26 June 2018	Approval Threshold Statutes		1	1	0	1	1	1		1	1	Quorum
13	Tuesday, 10 July 2018	Discussion on Restructuring and Resolution of Non Performing Loans BRI		1	0	1	1	1	1		1	1	Quorum
14	Tuesday, 17 July 2018	1. Discussion of BRI Pension Fund Performance in First Half 2018 2. Discussion POJK Impact of Application No.16 / POJK.05 / 2016 on Guidelines for Pension Fund Governance		1	1	1	1	1	1		1	1	Quorum
15	Tuesday, 17 July 2018	Discussion on the Equity Participation Plan Venture Capital Company (PT. Sarana Ventura East Nusa Tenggara)		1	1	1	1	1	1		1	1	Quorum
16	Tuesday, 24 July 2018	Four Debtor Corporate Credit Consultation (PT. Pindo Deli Pulp & Paper Mills, PT Pabrik Kertas Tjiwi Kimia, PT. Indah Kiat Pulp & Paper Tbk, PT. Trimegah Securities)		0	1	1	1	1	1		1	1	Quorum
17	Friday, 27 July 2018	Discussion of the Organizational Development Plan Manage Environmental Development		1	1	0	1	0	1		1	0	Quorum
18	Friday, 10 August 2018	Credit consulting		1	1	1	0	0	1		0	0	Quorum

Meetings of the Board of Commissioners and Board of Directors

NO	DAY & DATE OF MEETING	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
19	Friday, 10 August 2018	1. Discussion of Plan Investment in PT. Means Ventura Nusa Tenggara (NTT) 2. Discussion Engagement Plan BRI securities company		1	0	1	1	0	1		1	1	Quorum
20	Tuesday, 14 August 2018	Approval of planned equity investment in PT Danareksa		1	1	1	1	1	1		1	1	Quorum
21	Tuesday, 21 August 2018	BRI HR Management-related readiness Integrated Talent Management System SOE		1	1	0	0	1	1		0	1	Quorum
22	Tuesday, 4 September 2018	Equity Participation Plan PT Mutual Fund Investment Management		1	0	1	1	1	1		0	0	Quorum
23	Wednesday, 12 September 2018	Exposure BRI Corporate Action Plan		1	1	1	1	1	1		1	0	Quorum
24	Tuesday, 25 September 2018	Integrated risk profile in 2018 and the first half of intra-group transactions first half of 2018		1	1	1	0	1	1	1		1	Quorum
25	Tuesday, 25 September 2018	Proposed capital investment in finance BRI		1	1	1	0	1	1	1		0	Quorum
26	Tuesday, 2 October 2018	Discussion on Integrated Talent Management System (ITMS) and Hal BRI related Strategic Management of Human Capital BRI		1	1	1	1	1	1	1		1	Quorum
27	Friday, 26 October 2018	Session 1 & 2 - Strategy Initiative RBB BRI Year 2019-2021 (working meeting Commissioners of BRI 2018)		1	1	0	1	1	1	1		1	Quorum
28	Friday, 26 October 2018	Session Sharing Network & Services Director (working meeting Commissioners of BRI 2018)		1	1	1	1	1	1	1		1	Quorum
29	Tuesday, 30 October 2018	Discussion on Strategic Partnership Plan BRI Life		1	0	1	1	1	1	1		1	Quorum
30	Monday, 5 November 2018	Approval of Fixed Asset Performance SE Cooperation		1	1	0	1	1	1	0		0	Quorum
31	Tuesday, 13 November 2018	Implementation and Review Policy BRI Recovery Plan		1	1	1	1	1	1	1		1	Quorum
TOTAL MEETING			8	31	31	27	31	31	31	8	23	31	
TOTAL ATTENDANCE			6	30	24	22	27	25	30	7	18	24	
% TOTAL ATTENDANCE			75%	97%	77%	81%	87%	81%	97%	88%	78%	77%	

Meetings of the Board of Commissioners and Board of Directors

3. Internal Meeting of the Board of Commissioners

NO	DAY & DATE OF MEETING	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
1	Tuesday, 9 January 2018	Market update and economic outlook for 2018	1	1	1		1	1	1		1	1	Quorum
2	Friday, 9 February 2018	1. Discussion of the Implementation report of PKBL 2017 2. PKBL Plan 2019 3. Direction for budget plan PKBL 2018	1	0	1	1	1	1	0		1	1	Quorum
3	Monday, 12 February 2018	Working meeting Commissioners of BRI 2018	1	1	1	1	1	1	1		1	1	Quorum
4	Tuesday, 13 February 2018	Working meeting Commissioners of BRI 2018	1	1	1	1	1	1	1		1	1	Quorum
5	Tuesday, 24 April 2018	Exposure Performance, Business Models & Business Strategy BRI Life Finance		1	1	0	1	0	1		1	1	Quorum
6	Tuesday, 15 May 2018	The financial performance of the Pension Fund in April 2018, the audit DPLK Closing Meeting		1	1	1	1	1	1		0	0	Quorum
7	Tuesday, 24 July 2018	Approval for the Acquisition of NTT venture, Update discussions with the FSA/OJK Non Bank Financial Services (IKNB) related to BRI Pension Fund Governance, Education or Training for Members of the Committee.		1	0	1	1	1	1		1	1	Quorum
8	Tuesday, 7 August 2018	Discussion Participation Plan at Means Ventura Nusa Tenggara (NTT) & Arrangements Committee under the Board of Commissioners of BRI		1	1	1	1	0	1		1	1	Quorum
9	Tuesday, 18 September 2018	Sharing session by EY HR Transformation		0	1	1	1	1	1		0	1	Quorum

Meetings of the Board of Commissioners and Board of Directors

NO	DAY & DATE OF MEETING	AGENDA	SL	AAC	GT	RR	AFR	ASK	MHD	HD	JJW	NTB	Description
10	Tuesday, 18 September 2018	1. Approval of Equity in PT Danareksa Investment Management; 2. Discussion Board in the National Workshop on the theme BRI strategy and Evaluation of target achievement in 2018		1	1	1	1	1	1			1	Quorum
11	Tuesday, 2 October 2018	Capital Increase Agreement Decision BRI Finance		1	1	1	1	1	1	1		1	Quorum
12	Thursday, 25 October 2018	Rules of Conduct Review Committee (BOC BRI working meeting in 2018)		1	1	1	1	1	1	1		0	Quorum
13	Thursday, 25 October 2018	Rules of Conduct Review Board of Commissioners and the Committee (BOC BRI working meeting in 2018)		1	1	1	1	1	1	1		1	Quorum
14	Thursday, 25 October 2018	Realization KA & KNR RKA RKA 2018 & 2019 (working meeting Commissioners of BRI 2018)		1	0	1	1	1	1	1		1	Quorum
15	Thursday, 25 October 2018	Briefing from the Deputy Financial Services, Survey Services and Consultants (working meeting Commissioners of BRI 2018)		1	1	1	1	1	1	1		1	Quorum
16	Wednesday, 21 November 2018	Approval of the BOC on Participation Founder In Order BRI Pension Fund Regulatory Changes		1	1	0	1	0	1	0		0	Quorum
TOTAL MEETING			4	16	16	15	16	16	16	6	9	16	
TOTAL ATTENDANCE			4	14	14	13	16	13	16	5	7	13	
% TOTAL ATTENDANCE			100%	88%	88%	87%	100%	81%	100%	83%	78%	81%	

Meetings of the Board of Commissioners and Board of Directors

Types of decisions that require the approval of the Board of Commissioners in 2018

BOC carry out surveillance and monitoring functions of the implementation of the Board of Directors policy. During 2018, the Board has approved the following matters:

Date	Reference Number	Subject
19-Jan-18	B.11-KOM/01/2018	Principal Approval of the cooperation plan leasing of partial buildings partially BRI building proclamation
19-Jan-18	B.12-KOM/01/2018	Completion of the remaining funds BL BRI Cares program activities
20-Feb-18	B.19-KOM/02/2018	Document the action plan (Recovery Plan) PT. BRI (Persero) Tbk
08-May-18	B.77-KOM/05/2018	Approval of the annual audit plan (PAT) SKAI 2018
18-May-18	B.86-KOM/05/2018	Approval of the proposed changes to the organization BRI
05-Sep-18	B.145-KOM/09/2018	The application for approval policy changes and procedures for application of AML and CTF program
06-Sep-18	B.146-KOM/09/2018	Threshold proposal for the actions of directors must obtain the approval of the Board of Commissioners of BRI and Shareholders Series A Dwiwarna
08-Sep-18	B.164.a-KOM/09/2018	Credit approval policy
15-Oct-18	B.198-KOM/10/2018	KAP procurement audit services
07-Nov-18	B.218-KOM/11/2018	Proposed granting authority to the directors to decide upon the write-off of fixed assets
15-Nov-18	B.227-KOM/2018	KAP permit implementation of audit services for financial reports and investment reports DPLK BRI 2018
21-Nov-18	B.229-KOM/11/2018	Approval of the inclusion of the founders in order to change pension regulations BRI
27-Nov-18	B.239-KOM/11/2018	Approval of the Action Plan (Recovery Plan) PT BRI (Persero) Tbk
06-Dec-18	B.254-KOM/12/2018	Submission of proposals threshold back on the actions of directors must obtain the approval of the Board and the shareholders of Series A Dwiwarna
08-Jan-18	SR.02-KOM/01/2018	Approval candidate Commissioners and Directors PT. BRISyariah
05-Apr-18	SR.08-KOM/04/2018	Request approval of candidates for members of Commissioners and Directors of BRI Agroniaga
17-Apr-18	SR.09-KOM/04/2018	Request approval of candidates for members of Commissioners and Directors of PT Bahana Artha Ventura
17-Apr-18	SR.10-KOM/04/2018	Determination Director of PT Bahana Artha Ventura
22-May-18	SR.13-KOM/05/2018	Approval of the appointment of Commissioners and Directors of BRI Multifinance Indonesia (BRI Finance)
07-Jun-18	SR.14-KOM/06/2018	Approval of the appointment of Commissioners and Directors of BRI Life
24-Jul-18	SR.16-KOM/07/2018	Approval of the appointment of Commissioners and Directors PT BRI Multifinance Indonesia (BRI Finance)
08-Jan-18	R.02-KOM/01/2018	Approval of additional capital of PT Bank BRISyariah
09-Jan-18	R.03-KOM/01/2018	Provision of funds to related parties late. PT. BRINS
15-Jan-18	R.07-KOM/01/2018	Replacement Head of the secretariat of Companies BRI
19-Feb-18	R.16-KOM/02/2018	HPS approval procurement Public Accounting Firm in 2018
20-Feb-18	R.17-KOM/02/2018	Approval of additional capital PT. Bank BRISyariah
22-Feb-18	R.19-KOM/02/2018	Procurement review approval HPS 2018 Public Accounting Firm
06-Mar-18	R.29-KOM/03/2018	Proposed KAP conducting a general audit of the consolidated financial statements and the financial statements of fiscal year 2018 BRI Partnership
16-Mar-18	R.30-KOM/03/2018	Procurement of consulting services related to the preparation of the remuneration policy of the Board of Commissioners & Directors

Meetings of the Board of Commissioners and Board of Directors

Date	Reference Number	Subject
20-Mar-18	R.33-KOM/03/2018	Audit Committee's recommendation on the appointment of the firm in 2018
23-Apr-18	R.39-KOM/04/2018	Approval of the initial public offering of shares in 2018 Th BRISyariah
08-May-18	R.41-KOM/05/2018	Approval of additional capital and BRI Agro 2018 and LTI plans MESOP program BRI Agro
06-Jun-18	R.43-KOM/06/2018	Approval of RBB Revised 2018-2020 and CBP 2018
03-Jul-18	R.48-KOM/07/2018	Provision of funds to related parties Mr. Ahmad Fuad Rahmany
26-Sep-18	R.67-KOM/09/2018	Approval of planned equity investment in PT Sarana Nusa southeast east ventura
27-Sep-18	R.68-KOM/09/2018	Approval equity investment in PT Danareksa
27-Sep-18	R.69-KOM/09/2018	Approval equity investment in PT Danareksa Investment Management
21-Nov-18	R.75-KOM/11/2018	Approval of guidelines for cooperation utilization of fixed assets BRI
21-Nov-18	R.76-KOM/11/2018	Approval RBB years 2019- 2021 and CBP 2019
27-Nov-18	R.78-KOM/11/2018	Approval of the document Action Plan for Sustainable Finance (RKAB) BRI years 2019-2023

Recommendation of the Board of Commissioners in 2018

In addition to exercising the supervisory function and the monitoring of the implementation of the policy of the Board of Directors, the Board also gave various recommendations and proposals to management based on regular reports to the Board of Commissioners and management based on events or policies implemented by the management. During 2018, the Board has provided recommendations on the following matters:

Date	Reference Number	Subject
16-Jan-18	B.06-KOM/01/2018	Developments Bank Assurance products and / or products of banks with third parties
19-Jan-18	B.10-KOM/01/2018	Fraud incident significantly negative impact and / or potential public concern fourth quarter of 2017
19-Jan-18	B.13-KOM/01/2018	The financial penalty by the regulator quarter IV / 2017
31-Jan-18	B.17-KOM/01/2018	Tutorial budget plans partnerships and community development programs in 2018
02-Mar-18	B.29-KOM/03/2018	The results of a review of the draft update of the internal audit charter
09-Mar-18	B.35-KOM/03/2018	Imposition of sanctions Error report SID / SILK and failed settlement by a bank treasury activation Indonesia
15-Mar-18	B.41-KOM/03/2018	The risk profile report fourth quarter 2017, report on the implementation of compliance, anti-money laundering and prevention of terrorist financing (AML & CTF) the second half of 2017, reports of bank soundness th second half of 2017, reports the implementation of anti-fraud strategy th second half of 2017
08-May-18	B.75-KOM/05/2018	Loan portfolio Guidelines 2018
08-May-18	B.81-KOM/05/2018	Report on the implementation of integrated internal audit assignments second half of 2017
15-May-18	B.84-KOM/05/2018	Findings from the board of commissioners working visit BRI period th quarter 2018
28-May-18	B.90-KOM/05/2018	The Board of Commissioners monitoring reports on the performance of the first quarter 2018 BRI
04-Jun-18	B.94-KOM/06/2018	The risk profile report first quarter 2018 th
21-Jun-18	B.98-KOM/06/2018	review the integrated risk profile of the second half of 2017
26-Jun-18	B.101-KOM/06/2018	Evaluation of the implementation of governance DPLK BRI
17-Jul-18	B.113-KOM/07/2018	Fraud incident significantly negative impact and / or potential public concern Quarter II / 2018
07-Aug-18	B.129-KOM/08/2018	Rate implementation of integrated governance of the first half of 2018
16-Aug-18	B.132-Kom/08/2018	Evaluation of the implementation of governance DPLK BRI

Meetings of the Board of Commissioners and Board of Directors

Date	Reference Number	Subject
29-Aug-18	B.142-KOM/08/2018	Follow-up audit management letter on general audit the financial statements 2017
20-Sep-18	B.165-KOM/09/2018	The risk profile report first half (the second quarter) 2018, Report on the implementation of the compliance function, an anti-money laundering (AML) and terrorist prevention (CTF) the first half of 2108, the report of the bank first half of 2018, and a report on the implementation strategy of anti-fraud the first half of 2018
12-Nov-18	B.219-KOM/11/2018	review integrated risk profile of the first half of 2018
27-Feb-18	SR.04-KOM/01/2018	The performance evaluation of directors of PT BRI Persero Tbk
29-Mar-18	SR.07-KOM/03/2018	Matrix control of the proposed placement company representatives in the subsidiaries or joint SOE
08-May-18	SR.12-KOM/05/2018	KNR recommendations on the proposed income
09-Jan-18	R.04-KOM/01/2018	Implementation of GCG Self Assessment second half of 2017
15-Jan-18	R.08-KOM/01/2018	Rate implementation of integrated governance of the second half of 2017
06-Feb-18	R.11-KOM/02/2018	Pension Fund investment performance evaluation reports BRI second half of 2017
06-Feb-18	R.12-KOM/02/2018	Credit consulting
13-Feb-18	R.13-KOM/02/2018	Financial performance and investment DPLK BRI 2017
13-Feb-18	R.14-KOM/02/2018	Letter of compliance reports BRI second semester / 2017 to the FSA
27-Feb-18	R.22-KOM/02/2018	Principal underlying report audit results in the second half of 2017
27-Feb-18	R.25-KOM/02/2018	Monitoring reports on the performance of BRI's commissioners th second half of 2017
27-Feb-18	R.26-KOM/02/2018	Monitoring reports on the performance of BRI's commissioners fourth quarter of 2017
08-Jun-18	R.44-KOM/06/2018	Evaluation Report on the results of the first quarter 2018 Audit
08-Jun-18	R.45-KOM/06/2018	BRI audit committee evaluation report on the implementation of the provision of audit services on the historical financial information financial year 2017 and KAP PSS (EY)
26-Jun-18	R.46-KOM/06/2018	BRI's Audit Committee Evaluation Reports on the implementation of the provision of services audit of historical financial information DPLK thun BRI 2018 book & Firm NSS
26-Jun-18	R.47-KOM/06/2018	Evaluation of audited financial performance and investment DPLK BRI Year 2017
30-Jul-18	R.50-KOM/07/2018	Investment performance evaluation reports DPLK BRI First Half 2018
30-Jul-18	R.52-KOM/07/2018	Restructuring of loans and non-performing loans and corporate medium-sized business segment
30-Jul-18	R.53-KOM/07/2018	Audit Report (LHA) operational audit credit collateral insurance application online (A3KOL)
21-Aug-18	R.59-KOM/08/2018	Revision of the remuneration policy of PT BRI (Persero) Tbk
23-Aug-18	R.60-KOM/08/2018	Credit consulting
23-Aug-18	R.61-KOM/08/2018	Evaluation report on the results of the audit up to the second quarter of 2018
24-Aug-18	R.62-KOM/08/2018	Monitoring reports on the performance of the Board of Commissioners of PT BRI the second quarter of 2018
24-Aug-18	R.63-KOM/08/2018	Monitoring reports on the performance of the Board of Commissioners of PT BRI semester I 2018
27-Nov-18	R.77-KOM/11/2018	Monitoring reports on the performance of the Board of Commissioners of PT. BRI (Persero) Tbk third quarter of 2018
04-Dec-18	R.79-KOM/11/2108	Submission of proposed candidates for the head of Internal Audit BRI

Meetings of the Board of Commissioners and Board of Directors

Plan Board Meeting 2019

In order to support its supervisory and advisory function, the beginning of each year through the Work Plan and Budget Committee and the Board of Commissioners (KNR, KPMR, KA and KTKT) set the agenda of regular meetings will be held in the current year.

Regular Meeting Agenda established the Board of Commissioners in 2019 are as follows:

No.	Meeting Agenda 2019	Time
1	Procurement of Independent Auditors (KAP)	Week IV January 2019
2	RBB Realization supervision Semester II 2018	Week I February 2019
3	The adequacy of the internal control evaluation	Week III February, May, August and November 2019
4	review and Evaluation of Risk Profile	Week I February, May, August and November 2019
5	review Reports Rating Bank	Minggu II March and August 2019
6	Performance evaluation of the Board of Directors and Board of Commissioners	Week II February 2019
7	Discussion Process Nomination and Remuneration	Week III February 2019
8	Discussion on end Financial Statements 2018	Week II February 2019
9	Discussion on Financial Statements First Quarter 2019	Week III April 2019
10	Monitoring Follow-up Audit	Week IV June 2019
11	Discussion on Financial Statements Quarter 2019	Week III July 2019
12	RBB Realization supervision Semester 2019	Minggu I August 2019
13	Discussion on Financial Statements Third Quarter 2019	Week III October 2019
14	review on Implementation of Remuneration Labor and Employment Policy	Week IV October 2019
15	Business Plan 2020-2022	Week II April 2019
16	Work Plan and Budget 2019 and the Partnership Program and Community Development Program 2019	Week II November 2019

Meetings of the Board of Commissioners and Board of Directors

BOARD OF DIRECTORS MEETING

Board of Directors Meeting Policy

The Policy of the Board of Directors Meeting is stipulated in the Articles of Association of BRI Article 13 as follows:

Ethics	<ol style="list-style-type: none"> 1. Board of Directors shall hold regular Board of Directors' Meeting at least once a month. 2. Board of Directors shall hold regular Board of Directors' Meeting with the Board of Commissioners at least once in 4 (four) months. 3. The Board of Directors shall schedule a meeting for the following year before the end of the fiscal year with agendas adjusted to the Management Calendar. The scheduling shall be determined by the Board of Directors' Meeting. 4. At the scheduled meeting, the materials of the meeting shall be submitted to the participants no later than 5 (five) days prior to the meeting. In addition to the scheduled meetings, the meeting material shall be submitted no later than the meeting. 5. In addition to the scheduled Board of Directors' Meeting, the Board of Directors Meeting may be held at any time if: <ol style="list-style-type: none"> a. it is deemed necessary by 1 (one) or more members of the Board of Directors or b. upon written request of 1 (one) or more members of the Board of Commissioners. 6. Board of Directors' Meetings shall be deemed valid if held at the place of domicile of the Company or at the place of its principal business activities within the territory of the Republic of Indonesia. Board of Directors' Meetings held elsewhere other than those referred to in point (6) shall only be deemed valid and capable of making decisions if exercised within the territory of the Republic of Indonesia and attended by all members of the Board of Directors or their authorized representative.
Meeting Invitation	<ol style="list-style-type: none"> 1. The invitation of the Board of Directors' Meeting shall be conducted by a member of the Board of Directors entitled to represent the Company. 2. Notification of the Board of Directors' Meeting shall be made in writing and delivered or submitted directly to each member of the Board of Directors with adequate receipt, or by registered mail or courier service or by telex, facsimile, or e-mail. 3. The invitation of the Meeting shall be submitted at least 5 (five) days before the meeting, regardless of the date of the notification and the date of the meeting, or for a shorter period if urgent 4. Such notifications are not required for scheduled meetings based on prior Board of Directors' resolutions or when all members of the Board of Directors are present at the meeting. 5. Written invitation for the meeting must include the event, date, time, and place of the meeting. 6. The President Director chaired the Directors' Meetings. 7. If the President Director is absent or unable to attend, in a matter that does not need to be proven to a third party, the meeting shall be chaired by the Vice President Director. In the event that the Vice President Director is unable to attend or absent, in a matter that does not need to be proven to a third party, the Board of Directors' Meeting shall be chaired by an appointed member of the Board of Directors who attended the meeting.

Meetings of the Board of Commissioners and Board of Directors

Decision Making	<ol style="list-style-type: none">1. Board of Directors' Meetings are valid and entitle to take binding decisions when attended or represented by more than ½ of the total members of the Board of Directors.2. In case there is more than one proposal, the meeting conducted re-election to ensure that one of the proposals obtain vote of more than ½ (one half) of the total number of votes issued.3. Decisions in the Board of Directors' Meeting are done through deliberation. In the event that consensus cannot be reached, the decision can be voting and the result will be decided by 1/2 (one half) of majority votes in the meeting.4. The voting related to a person shall be conducted by a closed ballot without a signature, while voting on other matters shall be oral, unless the Chairman of the Meeting determines otherwise without any objection based on the majority of votes present;5. Board of Directors shall also make a valid and binding decision without holding Board of Directors' Meeting, provided that all member of Board of Directors have been notified in writing and have approved the proposal submitted in writing, and signed the agreement.6. Any member of the Board of Directors who personally, in any way, directly or indirectly, has an interest in a proposed transaction, proposed contract, or contract in which the Bank is a party, shall be expressed in the nature of its importance in a meeting and shall not be entitled to participate in voting on matters relating to such transaction or contract.
-----------------	--

Meetings of the Board of Commissioners and Board of Directors

Voting Rights	<ol style="list-style-type: none"> 1. Each member of the Board of Directors shall be entitled to issue 1 (one) vote and 1 (one) additional vote for the Members of the Board of Directors whom he legally represented in the meeting; 2. A blank vote (abstain) is considered as a vote to approve the proposal submitted in the meeting. Unauthorized votes are considered absent and not counted in determining the number of votes cast in the meeting. 3. The voting related to a person shall be conducted by a closed ballot without a signature, while voting on other matters shall be oral, unless the Chairman of the Meeting determines otherwise without any objection based on the majority of votes present; 4. A member of the Board of Directors may be represented in the Directors' Meeting only by another member of the Board of Directors, by virtue of a power of attorney. A member of the Board of Directors may only represent another member of the Board of Directors. 5. Any member of the Board of Directors who is unable to attend a Board of Directors' Meeting may submit his or her opinion in writing and signed, then submitted to the President Director, or to other members of the Board of Directors who will chair the Board of Directors' Meeting on whether he/she supports or does not support the matters to be discussed. This opinion shall deem to be valid vote issued in the Board of Directors' Meeting.
---------------	--

Meetings of the Board of Commissioners and Board of Directors

Frequency and Attendance during 2018 Board of Directors Meeting

January s / d March 20, 2018 (Board of Directors s / d March 22, 2018 or before the AGM 2018)

Meeting attendance was attended by the majority of members of the Board of Directors at the Meeting of the Board of Directors / Radisi (at least 1 time in 1 month) has complied with the details of the data as the data below:

No.	Date	Agenda	Suprajarto	Mohammad Irfan	Haru Koesmahargyo
1	16 January 2018	1. Project Progress BRISLOT and MYBRI Update	1	1	1
		2. Networks & Service Enhancement and Application for Approval of Use of Budget Update			
		3. Brand Plan 2018			
		4. Discussion of the wage increase			
2	30 January 2018	1. Application for Approval of Terms of Providing Assistance To Workers Affected by Disaster BRI	1	1	1
		2. Approval Conditions Home Base For BRI employees			
		3. Progress Digital Banking BRI			
		4. Plan General Meeting of Shareholders of subsidiaries BRI			
3	6 February 2018	1. BRIVolution & Request Decision Initiative Branch In Box Update	1	1	1
4	13 February 2018	1. Credit Card & Debit Card BRI Report	1	1	1
5	26 February 2018	1. Transaction Handling Credit Card and Debit Card Update	1		1
6	27 February 2018	1. Decision on Branch Box	1	1	1
		2. Development of Subsidiary Pension Fund			
7	13 March 2018	1. Handling Credit Card Transactions and Debit Cards Update		1	1
8	14 March 2018	1. Transaction Handling Credit Card and Debit Card Update	1	1	
9	20 March 2018	1. Procurement BRIBOX Team Network & Services Enhancement (NSE)	1	1	1
		2. Decision on Equity BRI			
		3. Determination of BRI Organizational Structure Change			
Recap Attendance Each of Directors			8	8	8
% Attendance Each of Directors			89%	89%	89%

Frequency and Attendance during 2018 Board of Directors Meeting

March 23 s / d December 31, 2018 (Board of Directors March 22, 2018 s / d December 2018 or after the AGM 2018)

Meeting attendance was attended by the majority of members of the Board of Directors at the Meeting of the Board of Directors / Radisi (at least 1 time in 1 month) has complied with the details of the data as the data below:

AGM 2018

No.	Date	Agenda	Suprajarto	Mohammad Irfan	Haru Koesmahargyo	Kuswiyoto
1	23 March 2018	1. Changes in Organizational Structure Parent BRI Post AGM 2018	1	1	1	
		2. Distribution of the Patronage of Directors / SEVP Post-AGM 2018				
		3. Determination of the Director Substitute Post-AGM 2018				

Meetings of the Board of Commissioners and Board of Directors

1 time in 1 month)

Directors The Present								% Presence	Total Directors Present
Kuswiyoto	Sis Apik Wijayanto	Priyastomo	Indra Utoyo	R. Sophia Alizza	Handayani	Susy Liestyowati	Donsuwan Simatupang		
	1	1	1	1	1	1	1	82%	9
1	1	1	1	1	1	1	1	100%	11
1	1		1	1			1	73%	8
1		1	1	1	1	1		82%	9
1	1	1	1		1	1		73%	8
1	1	1		1			1	73%	8
1	1	1	1	1	1	1	1	91%	10
1	1		1		1	1	1	73%	8
1	1	1	1	1	1	1	1	91%	10
8	8	7	8	7	7	7	7		
89%	89%	78%	89%	78%	78%	78%	78%		

Directors The Present								% Presence	Total Directors Present
Sis Apik Wijayanto	Priyastomo	Indra Utoyo	R. Sophia Alizza	Handayani	Supari	Osbal Saragi Rumahorbo	Ahmad Solichin Lutfiyanto		
1	1	1	1	1	1	1	1	92%	11

Meetings of the Board of Commissioners and Board of Directors

Frequency and Attendance during 2018 Board of Directors Meeting

March 23 s / d December 31, 2018 (Board of Directors March 22, 2018 s / d December 2018 or after the AGM 2018)

Meeting attendance was attended by the majority of members of the Board of Directors at the Meeting of the Board of Directors / Radisi (at least 1 time in 1 month) has complied with the details of the data as the data below:

AGM 2018

No.	Date	Agenda	Suprajarto	Mohammad Irfan	Haru Koesmahargyo	Kuswiyoto
2	27 March 2018	1. Reports First Quarter 2018 Financial Results	1	1	1	1
		2. Follow-up plans for BRI Tower Medan				
		3. The issuance of USD Global Bond				
3	5-Apr-18	1. Subsidiary Organization Management Unit (SMU)	1		1	1
		2. Strategies to Accelerate Chip Migration-Ber Card (NSICCS)				
4	17-Apr-18	1. Procurement Videotron LED BRI Building 2	1	1	1	1
		2. Risk Profile BRI Reports First Quarter 2018				
		3. Investment Company e-KYC				
5	24-Apr-18	1. NPL and NPL Coverage March 2018 in the framework of Limited Review	1	1	1	1
6	25-Apr-18	Permit Implementation and Procurement Budget Gedung BRI 2 LED Videotron	1	1	1	1
7	30-Apr-18	1. Presentation Related to Offer Services Videotron BRI 2 Building Lease	1	1	1	1
		2. Presentation of Financial Performance First Quarter 2018				
8	8 May 2018	1. Issuance of Global Bonds 2018	1	1		1
9	9 May 2018	1. Financing Facility Housing For Specific Agencies		1	1	1
10	16 May 2018	1. Revision CBP 2018	1	1	1	1
		2. Migration Chip Credit / Debit Card				
		3. Report Skimming & Social Engineering Countermeasures				
		4. Post Service Idul Fitri holiday				
		5. Agenda Sector Remuneration				
11	22 May 2018	1. Revision CBP 2018	1	1	1	1
		2. Preparation of Higher Education Establishment BRI				
		3. Revitalization BRI Museum Purwokerto				
12	26 May 2018	Follow-up RBB BRI	1	1	1	1
13	30 May 2018	1. Approval Threshold Discussion of the BoC and Shareholders Series A Dwiwama	1	1	1	1
14	1 June 2018	1. The line bank facilities	1	1	1	1
		2. Corporate Action Plan				

Meetings of the Board of Commissioners and Board of Directors

Directors The Present									% Presence	Total Directors Present
Sis Apik Wijayanto	Priyastomo	Indra Utoyo	R. Sophia Aliza	Handayani	Supari	Osbal Saragi Rumahorbo	Ahmad Solichin Lutfiyanto			
1	1		1	1			1		75%	9
1		1	1	1	1	1	1		83%	10
1	1	1	1	1	1	1	1		100%	12
1	1		1		1	1	1		83%	10
1		1	1	1	1	1	1		92%	11
1	1	1	1	1	1	1	1		100%	12
	1	1	1	1	1				67%	8
1	1	1	1	1	1				75%	9
1	1	1	1	1	1	1	1		100%	12
1	1	1	1	1	1	1	1		100%	12
1	1	1	1		1	1			83%	10
	1	1	1	1	1	1	1		92%	11
	1	1	1	1	1	1	1		92%	11

Meetings of the Board of Commissioners and Board of Directors

Frequency and Attendance during 2018 Board of Directors Meeting

March 23 s / d December 31, 2018 (Board of Directors March 22, 2018 s / d December 2018 or after the AGM 2018)

Meeting attendance was attended by the majority of members of the Board of Directors at the Meeting of the Board of Directors / Radisi (at least 1 time in 1 month) has complied with the details of the data as the data below:

AGM 2018

No.	Date	Agenda	Suprajarto	Mohammad Irfan	Haru Koesmahargyo	Kuswiyoto
15	22-23 juni 2018	1. Client Service Team	1	1	1	1
		2. Talent Management System				
		3. Addition Prognosis June 2018				
		4. Channel Update BRI				
		5. Update Retail and Intermediate Enterprises Directorate				
		6. Channel Update BRI				
		7. Plan BRISAT				
		8. Discussion of Fee Based Income				
16	4 July 2018	1. Update Progress BRI As a Platform	1		1	
17	10 July 2018	1. Follow-up Plan of Action Current	1	1	1	1
18	7 August 2018	Issues Corporate Networks & Services Directorate	1	1	1	1
19	13 August 2018	1. Corporate Action Plan	1	1	1	1
20	28 August 2018	1. Corporate Action Plan Project Update		1		1
21	4-Sep-18	2. Update BRISat		1	1	1
		3. Follow-up Earthquake Lombok				
		Update BRISyariah performance				
22	18-Sep-18	Development plans several investments	1	1	1	1
23	25-Sep-18	Implementation Plan Co-Work Festival 2018	1	1	1	1
		Material Rakernas Bank BRI on 20 ñ 21 September 2018				
		Proposed Changes Credit Committee of Directors of BRI				
24	02 October 2018	Investment Opportunity for Leadership CASA BRI	1	1	1	1
		The formation of the Task Force Team				
		1. Project Action Plan corporation				
25	04 October 2018	2. SOE Program Millenials	1	1	1	1
		Update disastrous condition Palu				
		1. Request Decision ñ Transaction Structure Plan Project Companies				
26	09 October 2018	2. Request the Shareholders' Agreement ruling ñ Project	1	1	1	1
		1. Proposed CBP Prognosis 2018 and 2019				

Meetings of the Board of Commissioners and Board of Directors

Directors The Present								% Presence	Total Directors Present
Sis Apik Wijayanto	Priyastomo	Indra Utoyo	R. Sophia Alizsa	Handayani	Supari	Osbal Saragi Rumahorbo	Ahmad Solichin Lutfiyanto		
	1	1	1	1	1	1	1	92%	11
1	1	1		1	1	1	1	83%	9
1	1	1	1	1	1	1	1	92%	11
1	1		1	1	1	1	1	100%	12
		1	1		1	1	1	75%	9
1	1	1	1	1	1	1	1	83%	10
	1	1	1	1	1	1	1	83%	10
1	1	1		1	1	1	1	92%	11
1	1	1	1	1	1	1	1	100%	12
1	1	1	1	1	1	1	1	100%	12
1		1	1	1			1	75%	9
1	1	1		1	1	1	1	92%	11

Meetings of the Board of Commissioners and Board of Directors

Frequency and Attendance during 2018 Board of Directors Meeting

March 23 s / d December 31, 2018 (Board of Directors March 22, 2018 s / d December 2018 or after the AGM 2018)

Meeting attendance was attended by the majority of members of the Board of Directors at the Meeting of the Board of Directors / Radisi (at least 1 time in 1 month) has complied with the details of the data as the data below:

AGM 2018

No.	Date	Agenda	Suprajarto	Mohammad Irfan	Haru Koesmahargyo	Kuswiyoto
27	16 October 2018	2. Update the BRI Ventures 1. Project Update Corporate Action	1	1	1	1
28	23 October 2018	2 Update BRI Syariah performance 1. Increase Monthly Pension Benefits for Retired BRI	1	1	1	1
29	30 October 2018	2. Discussion of Financial Results Third Quarter 2018 and Concern Analyst / Investor 1. Submission of Draft Work Plan and Budget 2019	1	1	1	
30	6-Nov-18	2. Project Update Corporate Action plan 1. Submission of Draft Work Plan and Budget 2019	1	1	1	
31	13-Nov-18	2. Exposure in the Framework Activity Executive Observations On CGPI Year 2017 3. Update BRI Corporate University 1. Approval of RBB in 2019 ñ 2021 CBP 2019	1	1	1	1
32	15-Nov-18	2. Organization Regional Office 3. Sponsorship Branding BRI Performance Monitoring Companies	1	1	1	1
33	21-Nov-18	Synergies Bank BRI	1	1		1
34	22-Nov-18	1. Platform Ecosystem IT	1	1		1
35	27-Nov-18	2. Approval of the anniversary event BRI to ñ 123 1. Business Plan Subsidiary	1	1	1	1
36	04 December 2018	2. Update BRI's Run 2018 1. Business Plan Subsidiary	1	1	1	1
37	11 December 2018	1. Business Plan Subsidiary	1	1	1	1
38	18 December 2018	2. Review of Remuneration 3. Update BRI Family Festival - BRI circuit 123 Anniversary 4. Follow-up Review of Earthquake in Palu Area 1. Business Plan Subsidiary	1	1	1	1

Meetings of the Board of Commissioners and Board of Directors

Directors The Present									% Presence	Total Directors Present
Sis Apik Wijayanto	Priyastomo	Indra Utoyo	R. Sophia Alizsa	Handayani	Supari	Osbal Saragi Rumahorbo	Ahmad Solichin Lutfiyanto			
1	1	1	1	1	1	1	1	1	100%	12
1	1	1	1	1	1	1	1	1	100%	12
1	1	1	1	1	1	1	1	1	92%	11
1	1		1	1	1	1	1	1	83%	10
1	1	1	1	1	1	1	1	1	100%	12
1	1	1	1	1	1	1	1	1	100%	12
1	1	1	1		1	1	1	1	83%	10
1	1	1			1	1	1	1	75%	9
1	1	1	1	1	1	1	1	1	100%	12
1	1	1	1	1	1	1	1	1	100%	12
1	1	1	1	1	1	1	1	1	100%	12
1		1	1	1	1	1	1	1	92%	11

Meetings of the Board of Commissioners and Board of Directors

Frequency and Attendance during 2018 Board of Directors Meeting

March 23 s / d December 31, 2018 (Board of Directors March 22, 2018 s / d December 2018 or after the AGM 2018)

Meeting attendance was attended by the majority of members of the Board of Directors at the Meeting of the Board of Directors / Radisi (at least 1 time in 1 month) has complied with the details of the data as the data below:

AGM 2018

No.	Date	Agenda	Suprajarto	Mohammad Irfan	Haru Koesmahargyo	Kuswiyoto
39	21 December 2018	2. Update the IT Transformation 3. Collection and Recovery System Prognosis Financial Results December 2018	1		1	
40	27 December 2018	Prognosis Financial Results December 2018		1		1
41	28 December 2018	Prognosis Financial Results December 2018		1		1
42	30 December 2018	Prognosis Financial Results December 2018		1		1
43	31 December 2018	Prognosis Financial Results December 2018		1		1
Recap Attendance Each of Directors			44	48	43	46
% Attendance Each of Directors			85%	92%	83%	88%
TOTAL NUMBER OF MEETING THEIR RESPECTIVE DIRECTORS			52	52	52	52

Board of Director's Consultation Meeting with the Board of Commissioners

As stated in the BRI Articles of Association, the Board of Commissioners has the duty to supervise the Company management by the Board of Directors and to provide advice to the Board of Directors. In its oversight duties, the Board of Commissioners shall be entitled to request an explanation of the Company to the Board of Directors, including operational activities in the provision of credit and other required explanation to the Board of Commissioners.

1. The granting of new credit and/or additional/supplementary credit with a total risk exposure of more than 1 (one) trillion rupiah or equivalent in foreign currency, and/or if according to consideration of BRI Credit Committee or Board of Directors, there are matters that need to be consulted to the Commissioner.
2. The determination of the amount of exposure above is based on the amount of individual debtor exposure.
3. The granting of credit other than item 1 mentioned above does not need to be consulted with the Commissioner. However, every 3 months, the Board of Directors must submit a credit report to the Commissioner.

Meetings of the Board of Commissioners and Board of Directors

Directors The Present								% Presence	Total Directors Present
Sis Apik Wijayanto	Priyastomo	Indra Utoyo	R. Sophia Alizsa	Handayani	Supari	Osbal Saragi Rumahorbo	Ahmad Solichin Lutfiyanto		
1		1	1		1	1	1	67%	8
1	1	1	1	1	1	1	1	83%	10
1	1	1	1	1	1		1	75%	9
1	1	1	1	1	1		1	75%	9
1	1	1	1	1	1			67%	8
45	44	47	46	44	41	36	39		
87%	85%	90%	88%	85%	95%	84%	91%	43	52
52	52	52	52	52	43	43	43		

Meeting of the Board of Directors 2019

In order to support the performance and planning activities beginning of each year by the Board of Directors Meeting, the Board of Directors has developed a routine agenda to be implemented in current year.

Regular Meeting Agenda Directors determined Directors in 2019 are as follows:

No.	Meeting Agenda 2019	Time
1	Reporting and Performance Evaluation of the financial year 2018	Week II January 2019
2	Evaluation of Performance First Quarter 2019	Week I April 2019
3	Performance Evaluation Quarter 2019	Week I July 2019
4	Performance Evaluation of the third quarter of 2019	Week II October 2019
5	Evaluation of Performance Fourth Quarter 2019	Week II January 2020
6	Revised plan of evaluation and Business Plan 2020-2022	Week II June 2019
7	Work Plan and Budget 2019	Week IV June 2019
8	Operational activities and decisions of companies that require approval by the Board of Directors Meeting	Minimal performed 1 month in 2019

Information of Main and Controlling Shareholders

The Main and Controlling Shareholders of BRI is the Government of the Republic of Indonesia through an ownership of 56.75%, Series A Dwiwarna share.

Disclosure on Affiliates Relationship

1. All Members of BRI Board of Directors have no affiliation relationship with any member of the Board of Directors either in financial, family or management relationship.
2. All members of BRI Board of Directors have no affiliation relationship with members of the Board of Commissioners, whether in financial relations, family relationships or management relationships.
3. All members of BRI Board of Commissioners have no affiliation relationship with other members of the Board of Commissioners, whether in financial relationship, family relationship, or management relationship.
4. All members of BRI Board of Commissioners have no financial relationship or family relationship with the Controlling Shareholder.
5. All members of the Committee who are not members of BRI Board of Commissioners have no financial or family relationship with the Controlling Shareholders, Members of the Board of Commissioners or Board of Directors of BRI.

Board of Commissioners Supporting Organ

SECRETARY OF THE BOARD OF COMMISSIONERS

The Board of Commissioners Secretariat is led by the Secretary of the Board of Commissioners assisted by the Secretariat Staff of the Board of Commissioners. The Secretary of the Board of Commissioners is appointed and dismissed by the Board of Commissioners on the recommendation of the Series A Dwiwarna Shareholders and at the expense of the Company whose duty is to assist

in the implementation of the duties and responsibilities of the Board of Commissioners.

Legal Basis

- a. Minister of BUMN State Regulation No: Per-12 / MBU / 2012 on Supporting Organs of the Board of Commissioners / Supervisory Board of State-Owned Enterprise.
- b. Company's articles of association



Born in Klaten on 11 January 1982. Obtained Master of Sains degree from the University of Indonesia, Bachelor degree in Accounting from University of Indonesia, and Diploma III degree from State Accounting Academy. Serves as Secretary of the Board of Commissioners of BRI since 1 July 2017 up to now based on the Decree of the Board of Commissioners of BRI Nokep.: 06-KOM/BRI/06/2017 dated 13 June 2017. He previously served as Secretary of the Board of Commissioners of PT Bank Negara Indonesia (Persero) Tbk (August 2015-May 2017) and Secretary of the Board of Commissioners of PT Krakatau Steel (Persero) Tbk (September 2013-August 2015).

He concurrently serves as Division Head of Performance Planning and Management at SOE Ministry (since July 2017). Previously served as Sub Division Head of SOE Restructuring (April 2014 - June 2017) and Sub Division Head of Strategic Industry and Manufacturing Business (December 2011 - April 2014).

Duties and Responsibilities

Duties and Responsibilities Based on the Guidelines and Code of Conduct, the Secretariat of the Board of Commissioners has the duties and responsibilities as follows:

1. Coordinating the execution of duties of Staff, Commissioner Secretary, and Executor of the Board of Commissioners.
2. Coordinating the Board of Commissioners meetings, i.e.:
 - a. Compiling and/or receiving/obtaining feedback from the Board of Commissioners and/or Committees on the meeting's agenda, and finalizing the meeting's agenda based on priority and urgency issues.
 - b. Preparing, coordinating, and obtaining meeting material from sources related to the issues to be discussed for submission to the Board of Commissioners or to the Committees if the problems are in need of Committee's inputs and analysis.
 - c. Proposing the time and place of the meeting and distributing the meeting invitation to the parties who need to attend.
 - d. Preparing minutes of meetings and archiving them.
3. Coordinating the administrative, secretarial, and protocol duties of the Board of Commissioners, i.e.:
 - a. Selecting letters or other documents addressed to the Board of Commissioners, prioritizing letter and/or document based on the urgency of the matter and following-up on the interest of each said letter and/or document;
 - b. Writing a special note from letters and/or documents addressed to the Board of Commissioners, especially those with a high degree of importance/complexity.
 - c. Following-up the disposition of the Board of Commissioners on the above letter and/or document;

Board of Commissioners Supporting Organ

- d. Preparing for other correspondences with the Company's management, external parties, and other parties, especially on matters that have obtained the Board of Commissioners' decisions and not covered by the Committee's duties;
- e. Documenting the Board of Commissioners archives and ensuring update and systematic filing central government to facilitate document search and follow-up;
- f. Scheduling and coordinating events and activities of the Board of Commissioners, including participation in training/workshops/ seminars programs, working visits, official travel, etc.;
- g. Ensuring the availability of facilities and logistics to support the Board of Commissioners events as mentioned above, and to support the activities and other operational needs of the Board of Commissioners such as stationery, health reimbursement, etc.; and
- h. Preparing the speeches/presentations of the Board of Commissioners as required, in relation to matters not related to the Committee's duties.
4. Reporting to the Company on the share ownership of members of the Board of Commissioners and/or their families in the Company and other companies.
5. Providing a report on the supervisory duties that have been carried out during the previous financial year to the General Meeting of Shareholders.
6. Preparing a report on the Self-Assessment GCG implementation of the Board of Commissioners and the Committee each Semester, in coordination with the Compliance division.
7. Coordinating the achievement of the duties of the Committees and organs reporting directly to the Board of Commissioners.
8. Coordinating with the Committees of the Board of Commissioners in preparing reports on the supervision results on the implementation of the Company's Business Plan every semester to the Financial Services Authority in accordance with the prevailing laws and regulations.
9. Coordinating and following-up on requests and/ or collection of data/information from and/or to the Company's management and external parties not covered by the Committee's duties, including information on rules and regulations relevant to the duties and responsibilities of the Board of Commissioners, among others:
 - a. Establishing the data/information required by the Board of Commissioners based on input from the Committee, incoming letters, and issues requiring handling/follow-up; and
 - b. Coordinating the collection of data/information from and/or to the Bank's management and related external parties.
10. Coordinating the drafting of the Annual Work Plan and Budget of the Board of Commissioners, which is an integral part of the Annual Work Plan and Budget of the Company prepared by the Board of Directors, i.e:
 - a. Obtaining feedback from the Board of Commissioners/ Committee on Annual activity plan;
 - b. Prioritizing the planned activities to support the implementation of duties and responsibilities of the Board of Commissioners more optimally and effectively;
 - c. Coordinating the budget preparation of each of the above-mentioned activities to obtain approval from the Board of Commissioners;
 - d. Following-up on the approved budget with the Company's Secretariat Division to be finalized and consolidated with the Company's Annual budget.
11. Coordinating the suggestions and opinions preparations on the agenda and material of the General Meeting of Shareholders at:
 - a. Coordinating the agenda and material with relevant parties; and
 - b. Preparing the material under the Board of Commissioners responsibility, and providing opinions on the material comprehensively.

Board of Commissioners Supporting Organ

Report of the Secretary to the Board of Commissioners in 2018

1. Work visit

The Secretariat of the Board of Commissioners together with the Risk Management Supervisory Committee (KPMR), the Audit Committee (AC) and the Nomination & Remuneration (KNR) accompany Board of Commissioners for a working visit to the Work Units of the Company.

During 2018 the Secretariat of the Board of Commissioners has helped BOC perform as many as 27 visits to the Regional Office Work along Supervision Work Unit, Division Head Office and Overseas Employment Unit.

2. Approval and Supervision of the Company Business Plan

Secretary of the Board of Commissioners together with Committee of the Board of Commissioners (KA, KPMR, KTKT, KNR) assist the Board in evaluating and approving the work plan of the Company which is a guideline for the whole range of the Company in conducting its business activities during the year 2018. In addition, the Board of Commissioners Actual supervision of Bank Business Plan which will be submitted to Bank Indonesia no later than two months after the reporting period.

During 2018 the Secretariat of the Board of Commissioners has assisted the Board in carrying out its duties to give approval, recommendation and Credit Consultancy. Recorded during the 2018 Board of Commissioners has given approval as much as 40 times, 46 times and Recommendations Credit Consultancy 3 times.

3. Annual Report of the Board of Commissioners

Secretary of the Board of Commissioners together with Committee of the Board of Commissioners (KA, KPMR, KTKT, KNR) has compiled BOC Activity Report for 2018 which will be included in the Company's Annual Report. The Annual Report will be submitted to the Board of Commissioners to seek approval next AGM 2019.

4. Working Meeting of the Board of Commissioners

In order to review the realization RKA Dekom Year 2017 as well as prepare a Work Plan and Budget Dekom 2018, the Secretariat of the Board of Commissioners together with Committee of the Board of Commissioners (KA, KPMR, KTKT, KNR) has held a meeting of the Board of Commissioners in Jakarta on February 12 to 13 2018.

Competency Development Program

In order to develop competence, Secretary to the Board of Commissioners following the Education, Seminar and Conference to support its work. During 2018 the Secretary of Board of Commissioners has conducted education as follows:

Date	Place	Organizer	Title
9-10 July 2018	Jakarta	Management Development International –Tack International	Problem Solving & Decision Making

Audit Committee

The Audit Committee members are appointed and responsible to the Board of Commissioners to assist the implementation of the functions of the Board of Commissioners in carrying out their duties.

Legal Base

The establishment of the Company's Audit Committee is based on:

1. Regulation of the Financial Services Authority No. 55/POJK.04/2015 dated 23 December 2015 about the Establishment and Work Guidelines of the Audit Committee.
2. Regulation of the Financial Services Authority Number 13/POJK.03/2017 dated 27 March 2017 about the Use of Public Accountant Services and Public Accounting Firms in Financial Service Activities;
3. Financial Services Authority Circular Number 36/SEOJK.03/2017 dated 11 July 2017 about the Procedures for Using Public Accountant Services and Public Accounting Firms in Financial Service Activities;
4. Regulation of the Financial Services Authority Number 56/POJK.04/2015 dated 23 December 2015 about the Establishment and Guidelines for Preparation of the Internal Audit Unit Charter;
5. Financial Services Authority Regulation No.33/POJK.04/2014 dated 8 December 2014 about the Directors and Commissioners of Issuers or Public Companies.
6. Bank Indonesia Circular No. 15/15/DPNP dated 29 April 2013 concerning Implementation of Good Corporate Governance for Commercial Banks.
7. Bank Indonesia Regulation No. 8/4/PBI/2006 dated 30 January 2006 about the Implementation of Good Corporate Governance for Commercial Banks as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006.
8. Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999 about the Assignment of Compliance Director and Implementation of Commercial Bank Internal Audit Function Implementation Standards (SPFAIB).
9. Minister of BUMN Regulation Number PER-12/MBU/2012 dated 24 August 2012 about the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Business Entities.
10. Minister of BUMN Regulation Number PER-01/MBU/2011 dated 1 August 2011 concerning Implementation of Good Corporate Governance in BUMN as amended by Minister of BUMN Regulation Number PER-09/MBU/2012 July 6, 2012 concerning amendments to Minister of BUMN Regulation Number PER-01/MBU/2011 about the Implementation of Good Corporate Governance in BUMN.
11. Articles of Association of PT. Bank Rakyat Indonesia (Persero), Tbk. with the last change.
12. Joint Decree of the Board of Commissioners and Directors of PT. Bank Rakyat Indonesia (Persero) Tbk dated 16 December 2013 Number: 06-KOM/BRI/12/2013 or S.05-DIR/DKP/12/2013 concerning the Code of Conduct of PT. Bank Rakyat Indonesia (Persero) Tbk.

The Charter of Audit Committee

The BRI Audit Committee has a guide book and order Audit Committee (Audit Charter) that sets out the duties, authorities, obligations, responsibilities, division of labor, work hours, work ethics, meetings, organizational structure, and implementation of the duties of the Audit Committee. This Charter must be known and binding on each member of the Audit Committee. The Audit Committee Guidelines are ratified by the Board of Commissioners through a Board of Commissioners Decree No. 11-KOM/11/2018 concerning the Audit Committee Charter and Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Dismissal

Audit Committee members from Independent Parties are selected by the Board of Commissioners through a recruitment and selection mechanism. The Audit Committee members are appointed and dismissed by the Board of Commissioners and be appointed through a Decree of the Board of Directors.

Audit Committee Membership and Structures

Committee Structures

1. The Audit Committee is coordinated under the BOC and is structurally responsible to the BOC
2. The Audit Committee is chaired by the Independent Commissioner.

Audit Committee

Committee Membership

1. A member of the Audit Committee shall consist of at least 3 (three) members:
 - a. an Independent Commissioner;
 - b. an Independent Party having expertise in accounting and finance; and
 - c. an Independent Party with expertise in law or banking.
2. Members of the Board of Directors are prohibited from become members of the Audit Committee.
3. Members of the Audit Committee from Independent Party are elected by the BOC through recruitment and selection mechanisms.
4. Members of the Audit Committee are appointed and terminated by the BOC and stipulated through the Decree of the BOD.
5. The Company shall submit the information to the Financial Services Authority on the appointment and termination of members of the Audit Committee at least 2 (two) working days following the appointment and termination and shall be published in the Stock Exchange Website and/or the Company Website.

As of 31 December 2018, membership of Audit Committee are as follows:

Name	Title	Profession	Terms of Office
A. Fuad Rahmany	Chairman	Independent Commissioner	June 2015 – present
A. Sonny Keraf	Member	Independent Commissioner	June 2015 – present
Rofikoh Rokhim	Member	Independent Commissioner	October 2017 – present
Pamuji Gesang Raharjo	Member	Independent Party	February 2016 – present
I Gde Yadnya Kusuma	Member	Independent Party	February 2016 – present
Sunuaji Noor Widiyanto	Member	Independent Party	December 2016 – present

Committee Profile

A. Fuad Rahmany	Chairman of Audit Committee /Independent Commissioner Period: June 2015 – present Profile is available at section Profile of BOC
A. Sonny Keraf	Member of Audit Committee /Independent Commissioner Period: June 2015 – present Profile is available at section Profile of BOC
Rofikoh Rokhim	Member of Audit Committee /Independent Commissioner Period: October 2017 – present Profile is available at section Profile of BOC
I Gde Yadnya Kusuma	Member of Audit Committee /Independent Party Period: February 2016 – present Born in Singaraja Bali, 19 May 1954. Serves as member of the Audit Committee of PT BRI (Persero) Tbk since July 2010. Previously has a career in Bank Indonesia served in several posts and at the Financial Transaction Reporting and Analysis Center (PPATK) as Research and Analyst Director. Obtained Bachelor degree in Economics from Swadaya Economics Science Academy, Jakarta (1993) and Master degree in Economics from University of Indonesia, Jakarta (2006).

Audit Committee

Pamuji Gesang Raharjo

Member of Audit Committee /Independent Party
Period: February 2016 – present

Born in Jakarta, 10 April 1968. Serves as member of the Audit Committee of PT BRI (Persero) Tbk since 1 February 2016. Previously served as member of the Risk Management Monitoring Committee of PT BRI (Persero) Tbk. Has a career in several posts with PT BNI (Persero) Tbk, PT Bank Internasional Indonesia Tbk; PT Bank Danahutama; PT Pegadaian (Persero); and served as Executive Director of Risk Management Center Indonesia (RMCI). Obtained Bachelor Degree in Economics from University of Prof. Dr. Moestopo (Beragama) Jakarta (1996), Master degree in Management, risk management specialist from Master Management Program, Economics Faculty, University of Indonesia (2003), and obtained Doctoral degree from Institute of Agriculture Bogor (IPB) in 2014. Has Risk Management Certification Level 4 from Risk Management Certification Agency (BSMR) and obtained Certified of Financial Consultant (CFC) from Institute of Financial Consultant, Canada (2013).

Sunuaji noor Widiyanto

Member of Audit Committee /Independent Party
Period: December 2016 – present

Born in Yogyakarta, 1 January 1960, Serves as member of the Audit Committee of PT BRI (Persero) Tbk since 1 December 2016. Previously has a career with PT BRI (Persero) Tbk, served as Inspector in Inspection Office of BRI Yogyakarta (2014-2016) and previously served as Division Head of Procurement of BRI Head Office (2012-2014). He also had served as Chairman of BRI National Worker Union for 2 (two) periods (2006-2012). Obtained Bachelor degree in Economics from University of Islam Indonesia, Yogyakarta (1996) and obtained Qualified Internal Auditor (QIA) certification from Internal Audit Educational Foundation (YPIA) in 2015.

Terms of Office

The terms of office of the Audit Committee members shall be the same with the terms of office of the BOC as stipulated in the Articles of Association and may be reelected for only one (1) subsequent period.

Qualifications and Experience

- As member of the Audit Committee professional organization, has the knowledge on auditing concept and has the background and knowledge on financial reporting or audit for at least 10 years (at least one member).
- Has adequate knowledge on banking industry including banking rules and regulations as well as prevailing laws and regulations.
- Has adequate knowledge on Good Corporate Governance (GCG) principles.
- Has adequate knowledge on risk concept and control in business activities as well as internal control

Independency of Committee Members

All members of the Audit Committee do not have an affirmation with the Directors, Commissioners or controlling shareholders of BRI as evidenced by the signing of an independent statement by the Audit Committee Members. The Audit Committee members are also not shareholders, Commissioners, Directors or employees of companies that have affiliations or business with BRI.

Before taking office, members of the Audit Committee did not have the authority to design, lead or control BRI and were not former leaders or employees of the Public Accountant Office who checked BRI's books.

Audit Committee

No	Independencies Criterias	A. Fuad Rahmany	A. Sonny Keraf	Rofikoh Rokhim	Pamuji Gesang Rahardjo	Sunuaji Noor Widiyanto	I Gde Yadnya Kusuma
1.	Does not have relationships with shareholders with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	✓	✓	✓	✓	✓	✓
2.	Does not have any financial relationships with shareholders with members of the Board of Commissioners, Directors and / or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	✓	✓	✓	✓	✓	✓
3.	Does not have any management relationships with shareholders with members of the Board of Commissioners, Directors and / or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	✓	✓	✓	✓	✓	✓
4.	Does not have any family relationships with shareholders with members of the Board of Commissioners, Directors and / or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	✓	✓	✓	✓	✓	✓

Duties and Responsibilities

The Audit Committee independently conducts its duties and responsibilities to assist the Board of Commissioners in oversight duty in regards to the following:

1. Financial Statements
 - a. Reviewing the financial information that will be released by the Company to the public and/or authorities including financial reports, projections and other reports related to the Company's financial information.
 - b. Conducting reviews with the Management, Internal Audit Unit and Public Accountant, KAP or Audit Team from KAP on the audit results including the difficulties faced.
- c. Provide independent opinion in the event of disagreements between management and the Public Accountant, KAP or Audit Team from KAP for the services they provide.
- d. Reviewing annual reports to ensure the adequacy, consistency and accuracy of information.
2. Internal Control Monitoring

Reviewing, and discussing with the Management, Internal Auditor, and Public Accountant or Audit Team of Public Accountant Firm on the adequacy and effectiveness of internal control over financial statements including material weaknesses, both in design and operation, which may impair the Bank's ability to record, process, summarize, and report financial information.

Audit Committee

3. Internal Audit Unit (IAU)
 - a. Monitoring the effectiveness of IAU's work.
 - b. Providing opinions and advice to the Board of Commissioners for consideration in approving the appointment and dismissal of the Chairman of the Internal Audit Unit.
 - c. Reviewing the Company's Report to the Financial Services Authority on the Internal Audit function implementation.
 - d. Reviewing each IAU Report submitted to the Board of Commissioners c.q. Audit Committee, including any reports on irregularities submitted to the Board of Directors.
 - e. Reviewing the execution of the Audit by IAU, and overseeing the follow-up by the Board of Directors on the findings of the Internal Auditor.
4. Independent Auditor
 - a. Providing recommendation on the appointment of a Public Accountant and/or Firm that will provide audit services to the annual financial information, to the Board of Commissioners to be submitted to the GMS, taking into account the independence, scope of the assignment, and services fee.
 - b. Providing recommendation to the Board of Commissioners, to be proposed to the GMS, in the case of the Public Accountant and/or Public Accountant Firm decided by the GMS as referred to in point 1) cannot meet the audit services on annual financial information during the Professional Assignment Period, the appointment of a replacement of Public Accountant and/or Public Accountant Firm may be conducted by the Board of Commissioners with due regard to the Audit Committee's recommendation.
 - c. In the event that the Audit Committee cannot recommend Public Accountant and/or Public Accountant Firm that will provide audit services to annual financial information to the Board of Commissioners prior to the GMS as referred to in point 1), the Audit Committee shall recommend delegation of authority to appoint Public Accountant and/or Public Accountant Firm to the Board of Commissioners, with explanation about:
 - The reason for the delegation of authority; and
 - Criteria or limitations to the appointed Public Accountant/ Public Accountant Firm.
 - d. In preparing the recommendations as referred to in point 1), the Audit Committee shall consider:
 - 1) Independence of Public Accountant, Public Accountant Firm, and person in Public Accountant Firm;
 - 2) The scope of the audit;
 - 3) Audit services fee;
 - 4) Expertise and experience of Public Accountant, Public Accountant Firm, and Audit Team of the Public Accountant Firm;
 - 5) The methodology, techniques, and audit facilities used by the Firm;
 - 6) Benefits of fresh eye perspectives that will be obtained through the replacement of Public Accountant, Public Accountant Firm, and Audit Team of the Public Accountant Firm;
 - 7) Potential risks for the use of same audit services (Public Accountant Firm) continuously for a sufficient period of time; and/or
 - 8) Evaluation result on the implementation of audit services for annual financial information by Public Accountant and Public Accountant Firm in the previous period, if any.
 - e. Submit the recommendations of the Audit Committee in the appointment of Public Accountant and/or Public Accountant Firm to the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk. and/or DPLK Executive Board to be used as appendix of Public Accountant and/or Public Accountant Firm Appointment Report to the Financial Services Authority.
 - f. Propose to terminate a Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team, if in performing their duties, the Auditor does not meet the applicable standards and regulations.
 - g. Review candidates for Public Accountant, or Audit Team of Public Accountant Firm for consolidated subsidiaries. Public Accountant Firm for consolidated subsidiaries are designated and assigned by the subsidiary concerned, in accordance with the provisions in the articles of association, but shall be consulted with the Audit Committee to assess the independence aspect of the prospective Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team and audit supervision carried out by the Audit Committee.

Audit Committee

- h. Pre-approval of non-insurance services to be assigned to Public Accountant Firm.
- i. Evaluate the implementation of audit services for annual financial information by Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team, at least through:
 - 1) Compliance with audit conducted by Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team with applicable audit standards;
 - 2) Adequacy of fieldwork time;
 - 3) Assessment of the scope of services provided and the adequacy of the quotation;
 - 4) Recommendations for improvements provided by the Public Accountant and/or Public Accountant Firm; and
 - 5) Others.
- j. Submit the Audit Committee's Evaluation Report as referred to in number 9) to the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk. and/or BRI DPLK Board, in accordance with Attachment 2.
- 5. Compliance
 - a. Monitoring the effectiveness of policies and implementation of fraudulent financial reporting risks that have been prepared and implemented by the Board of Directors.
 - b. Reviewing adherence to laws and regulations related to the activities of the Bank.
- 6. Complaint Reviewing complaints both related to the Bank's accounting and reporting process, as well as other complaints.
- 7. Others
 - a. Reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the Bank.
 - b. Maintaining confidentiality of documents, data, and information of the Bank.
 - c. Carrying out the assignment as requested by the Commissioner.
- c. Involve independent parties outside the members of the Audit Committee as required to assist in the execution of their duties (if necessary); and
- d. To exercise other authorities granted by the BOC.

KPI and Achievement in 2018

Audit performance indicators or criteria are measured from the achievement of work programs/work plan and budget (RKA) that have been prepared at the beginning of each year, and the attendance of the Audit Committee members in each meeting. The work program of the Audit Committee not IKTT is prepared to support the Key Success Factors of the Board of Commissioners' duties in ensuring the adequacy of internal controls, including the adequacy of the financial reporting process.

Generally, all KPI of Audit Committee has been achieved by the implementation of all Work Plan and Budget (RKA) of Audit Committee in 2018, which are in line with the target. The attendance level of Audit Committee's members also fulfilled the quorum requirement in every decision made.

THE IMPLEMENTATIONS OF THE 2018 AUDIT COMMITTEE ACTIVITIES

I. Audit Committee with SKAI BRI

1. Annual Audit Planning (PAT) of BRI SKAI in 2018.
 - a. The Audit Committee has reviewed and examined the draft Annual Audit Planning (PAT) of the 2018 BRI SKAI submitted by SKAI BRI byletter no. B.3-SKA/PSA/04/2018 dated 23 April 2018 concerning Application for Approval of Annual Audit Planning (PAT) in 2018;
 - b. In preparation for the forming of the] SKAI BRI Annual Audit Planning in 2018, the Audit Committee has conducted technical discussions with the Internal Audit Unit in the Audit Committee Meeting held on Friday, 19 December 2017 as outlined in the Minutes of Meeting Audit Committee No. 18-KA/12/2017 dated 19 December 2017 and

Authorities

- a. Access the Bank's documents, data and information concerning employees, funds, assets, and corporate resources;
- b. Communicate directly with employees, including the BOD and parties performing internal audit, risk management, and accountant functions related to the Audit Committee's duties and responsibilities;

Audit Committee

- based on the meeting it was agreed that SKAI would submit in writing the Annual Audit Planning Draft (PAT) of the 2018 SKAI to the BRI Board of Commissioners;
- c. However, the new SKAI BRI resubmitted the draft of 2018 PAT SKAI to the Board of Commissioners through SKAI letter no. B.3-SKA/PSA/04/2018 dated April 23, 2018 concerning Application for Approval of Annual Audit Planning (PAT) in 2018.
 - d. The Audit Committee has reviewed and examined the draft of Annual Audit Planning (PAT) of the SKAI BRI in 2018 submitted by that SKAI, and the Audit Committee has made a Service Note No. B.29-KA/04/2018 dated 26 April 2018 concerning Evaluation of Annual Audit Planning (PAT) BRI SKAI in 2018 to the Board of Commissioners; and
 - e. The Board of Commissioners of BRI has given approval for the Annual Audit Planning (PAT) of SKAI BRI in 2018 through letter no. B.77-KOM/05/2018 dated 8 May 2018.
2. Audit Report (LHA)
Periodically, the Audit Committee has reviewed the Audit Result Report (LHA) submitted by the SKAI. The LHA SKAI review process is intended to evaluate and ensure that the Annual Audit Planning prepared by the SKAI and approved by the Board of Commissioners, has been carried out properly by the SKAI, including to ensure the quality of the audit conducted by the SKAI.

During the period of 2018, the Audit Committee conducted a review and evaluation of the SKAI Audit Results Report (LHA) as follows:

No.	LHA Period	No. & Letter Date SKAI	Day/Meeting Date KA	Output	
				Official Memo KA.	BOC Letter
1.	Tw. IV/2017	R. 08-SKAI/ ALA/02/2018 dated 08.02.2018	Tuesday, 20.02.2017 Minutes of Meetings KA No. 06-KA/ 02/2018	R. 01-KA/02/2018 dated 22.02.2018	R.23-KOM/02/2018 dated 27.02.2018
2.	Semester II/ 2017	R.124/DIR/ SKA/02/2018 dated 22.02.2018	Review based on the review result report period Tw.III&Tw.IV in 2017	R.05-KA/02/2018 dated 27.02.2018	R.22-KOM/02/2018 dated 27.02.2018
3.	Tw.I/2018	R. 20-SKAI/ ALA/05/2018 dated 09.05.2018	Tuesday, 22.05.2018 Minutes of Meetings KA No. 11-KA/ 05/2018	R.11-KA/05/2018 dated 23.05.2018	R.44-KOM/06/2018 dated 08.06.2018
4.	Tw.II (Semester I)/ 2018	R.35-SKAI/ ALA/05/2018 dated 06.08.2018	Tuesday, 07.08.2017 Minutes of Meetings KA No. 13-KA/08/2018	R.15-KA/08/2018 dated 14.08.2018	R.61-KOM/08/2018 dated 23.08.2018
5.	Tw.III/2018	R. 80.e-SKAI/ ALA/11/2018 dated 09.11.2018	Wednesday, 21.11.2018	R.18-KA/12/2018 dated 04.12.2018	R.82-KOM/12/2018 dated 11.12.2018

Audit Committee

3. Audit Committee Review of Quarterly Financial Statements of the Company.

The Audit Committee has reviewed the Company's Published Financial Reports, whether audited by KAP (audited) or unaudited (unaudited). During the period of 2018, the Audit Committee has conducted studies and discussions with KAP PSS (EY) on the Company's Financial Reports based on the results of general audits and limited review, as follows:

No	Position of Publication Financial Report	Conducted Audit Committee Meeting
1.	31 December 2017 (audited)	Thursday, 18 January 2018 Minutes of Meetings KA No. 02-KA/01/2018 dated 18.01.2018
2.	31 March 2018 (limited review)	Monday, 30 April 2018 Minutes of Meetings KA No. 10-KA/04/2018 dated 30.04.2018

For the Companies' unaudited Publication Financial Statements and based on the results of the Board of Commissioners and Directors' meetings held on 15 March 2016, SKAI has been assigned to coordinate with the Audit Committee to review the unaudited quarterly Financial Report of the Companies before being presented by the Board of Directors to the Board of Commissioners and/or published. Furthermore, the Audit Committee discusses the results of the review of the results of the SKAI's review of the Financial Statements in the Audit Committee Meeting together with the SKAI. The results of the review can be in the form of the Audit Committee's opinion on the Draft of the Company's Financial Statements and responses to the Board of Directors for improvements or repairs needed before being published as outlined in the Audit Committee Note to the Board of Commissioners.

During the period of 2018, the Audit Committee reviewed the results of the review of the SKAI on the Company's Unaudited Financial Report. as follows:

No.	Period of Publications of Financial Reports	Output
1.	Semester I year 2017 (unaudited)	- Minutes of Meetings KA No. 12-KA/07/2018 dated 27.07.2018 - Official Memo KA No.B.46-KA/07/2018 dated 30 July 2018
2.	Triwulan III year 2018 (unaudited)	- Minutes of Meetings KA No. 16-KA/10/2018 dated 23.10.2018 - Official Memo KA No.B.61-KA/10/2018 dated 09.10.2018

4. Review of the Whistle Blower System Report (WBS)

The Audit Committee has reviewed the Whistle Blower System Report (WBS) and written complaints or reports received by the Board of Commissioners and the Audit Committee. The review of the Whistle Blower System Report (WBS) was conducted simultaneously with the evaluation and discussion of quarterly Audit Results Reports (LHA) submitted by the SKAI in the Audit Committee Meeting.

Cumulatively, during the period from January to December 2018 total complaints/reports received through the BRI Whistle Blower System (WBS) were 124 reports. All of the complaints / reports

have been followed up by the SKAI, both through investigation and research and follow-up by the relevant work units according to their authorities, with details as follows:

- 50 reports could be stated as "completed"
- 74 reports are still "in progress" of researches and followed up by the relevant work units.

For complaints and other written reports received by the Board of Commissioners and or the Audit Committee, after review by the Audit Committee, a written clarification is given to SKAI for follow up corresponding with the applicable rules and regulations, including complaints. Haji Mustafa Natsir Nai, Debtor BRI Takalar and Indonesian

Audit Committee

National Consumer Protection Institution related to the Criminal Act Report. I Gusti Made Ines Rasyka. On the other hand, during the period of 2018 there were no complaints or reporting relating to the accounting process and financial reporting of the Company.

5. Appointment of Head of SKAI
Pointing to OJK Regulation No. 56/POJK.04/2015 dated 23 December 2015 concerning the Establishment and Guidelines for Preparation of the Internal Audit Unit Charter which requires that the Head of the Internal Audit Unit be appointed and dismissed by the President Director with the approval of the Board of Commissioners and in connection with the current Head of SKAI BRI, namely Mr. Tri Wintarto who will retire starting January 1, 2019, the Audit Committee has initiated the Audit Committee Service Note No. R.17-KA/11/2018 dated 28 November 2018 and letter of the Board of Commissioners No. R.79-KOM/11/2018 dated 4 December 2018 so that the President Director of BRI can prepare and deliver at least three candidates to replace the Head of the SKAI to the Board of Commissioners, by fulfilling the requirements set out in Chapter II Article 6 POJK No. 56/POJK.04/2015 dated 23 December 2018, namely, among others:
 - a. To have integrity and behaviors those are professional, independent, honest and objective in carrying out their duties;
 - b. To have knowledge and experience regarding technical audit and other scientific disciplines relevant to their field of duties;
 - c. To have knowledge of the laws and regulations in the Capital Market sector and other relevant laws and regulations;
 - d. To have the abilities to interact and communicate both verbally and in writing effectively;
 - e. To comply with professional standards issued by internal audit associations;
 - f. To comply with the internal audit code of ethics;
 - g. Maintain the confidentiality of company informations and/or data related to the implementation of the duties and responsibilities of internal audits unless required by statutory regulations or court decisions or decisions;
 - h. Understand the principles of good corporate governance and risk management; and
 - i. Willing to increase knowledge, expertise, and professionalism skills continuously.
6. In order to deliver the "tone of the top" to all levels of auditors, Audit Committee members from members of the Board of Commissioners accompanied by Audit Committee members from independent parties also participated in the In-House Training (IHT) program held by Regional Internal Audit (AIW) at the end of 2018, namely:
 - a. Mr. A. Fuad Rahmany and Mr. Sunuaji Noor Widiyanto at 3 December 2018 in IHT AIW Bandung
 - b. Mr. A. Sonny Keraf and Mr. Pamuji Gesang Raharjo in IHT Bandar Lampung that was held on Wednesday, 5 December 2018
 - c. Mrs. Rofikoh Rokhim and Mr. Sahat Pardede (Expert Staff of the Board of Commissioners) at IHT AIW Jakarta 3 that was held on Friday, 14 December 2018.
 7. Customer Satisfaction Survey (CSS) SKAI BRI
SKAI BRI Audit Committee has filled out a questionnaire related to the Customer Satisfaction Survey (CSS) submitted by SKAI through letter No. B.3-SKAI/PSA/01/2018 dated 10 January 2018, and subsequently through the Audit Committee Letter No. B.12-KA/01/2018 dated 31 January 2018 about the Completion of the Customer Satisfaction Survey (CSS) of SKAI BRI, the Audit Committee has submitted input/suggestions for the improvements in the future for the performance of the Internal Audit Unit, namely:
 - a. To follow up on the results of the study and opportunities for improvement in corresponding with the deadlines set based on the Study Report on Internal Audit Activities conducted by PT. Deloitte Konsultan Indonesia for International Standards for the Professional Practice of Internal Auditing (ISPPA) as submitted to the Audit Committee through Service Note No. SKAI. B.155-SKA/ PKA/12/2017 dated 8 December 2017;

Audit Committee

- b. To perfecting the BRISMA application, specifically adding codification so that the results of evaluation and review of the SKAI on the factors of weaknesses in internal control can better to reflect the root cause and provide added value to the SKAI to provide the recommendation for correct follow-up improvements to BRI Management (auditee);
- c. To accelerate the process of improving the PDE (Pusat Data Electronic) application as a tool and source of information that is more up to date and valid for the ranks of the SKAI as an early detection tool and/or supporting the implementation of audits;
- d. To improve more open communication with the Audit Committee, among others, immediately report significant and strategic audit findings that have the potential to cause harm to the Company and disrupt BRI's business activities and achievement of the RKAP;
- e. SKAI Audit Report submitted to the Board of Commissioners/Audit Committee to be more comprehensive, objective, and on time, including information on audit problems/findings that have not been agreed upon and/or acted upon by Management/Directors;
- f. Increasing the intensity of the forum for communication (ForKom) between the ranks of the Inspection Office (Kanins) Selindo and the Audit Committee as a forum sharing session in order to improve audit quality and the role as "Strategic Business Partner" and
- g. To review the implementation of the roles and responsibilities of "2nd line of Defense" by the Risk Management Unit and the Compliance Unit in the Company's internal control system, so that the function of "2nd line of defense" is no longer implemented by the SKAI.

Next, by letter No. B.12-SKA/PSA/12/2018 dated 7 December 2018, SKAI has sent back the Customer Satisfaction Survey (CSS) in 2018 and has been filled in and completed by the Audit Committee by letter No. B.65-KA./12/2018 dated 14 December 2018, with inputs/suggestions for improving SKAI as follows:

- a. SKAI and Audit Intern Wilayah (AIW) must continue to develop and improve capabilities, knowledge, and competencies, so that they can realize the SKAI's vision of being a "Trusted Advisor" that can provide added value to BRI and the management (auditee). Improvements of the ability, knowledge and competency can be done through education and training as well as the auditor certification program for the entire range of auditors, both those in SKAI and AIW;
- b. SKAI and AIW still need to increase the depth of the analysis of the root causes of various audit findings and the results of identification of weaknesses in internal control, so that SKAI and AIW can provide advice/recommendations for appropriate improvements (unbiased) and applicable to BRI Management (Auditee). SKAI and AIW need to improve monitoring of the follow-up improvements made by the audited work units;
- c. The implementation of Joint Monitoring (Monber) still needs to be further enhanced as a form of preventive efforts by SKAI and AIW to prevent fraud and/or procedural irregularities/violations that can create potential risk of loss, both financial and non-financial for BRI;
- d. SKAI and AIW must be independent in conducting audits and express their views and thoughts objectively and have no conflict of interest in corresponding with the professional code of ethics and generally accepted audit standards. The ranks of SKAI and AIW have to be the role models for the management;

Audit Committee

- e. Continuously improve the applications of BRISMA, PDE, and other audit tools in an effort to improve efficiency and effectiveness in carrying out the duties and responsibilities of the Internal Audit Unit; and
 - f. SKAI is being asked to proactively monitor and evaluate the efficiency and effectiveness of the system/information technology improvement /development that is being carried out by BRI Management. This monitoring covers aspects of availability system, reliability, confidentiality, integrity and security, including fulfilling applicable regulations and provisions related to risk management of information technology and IT Governance. The results of the IT evaluation and audit are to be communicated and discussed periodically with the IT Director, so the corrective and safety steps could be taken immediately.
8. Others
- a. The Audit Committee has provided opinions and input regarding the updating of the SKAI Internal Audit Charter in the discussion of the Draft Internal Audit Charter at the Board of Commissioners Meeting on Tuesday, 31 January 2018 (Minutes of Meeting Audit Committee No. 04-KA / 01/2018) related to requests for opinions and input on updating the draft Internal Audit Charter submitted by the SKAI through a letter from the Head of SKAI No. B.8-SKA / PSA/0/2018 dated 11 January 2018. Furthermore, the Audit Committee again reviewed the revised BRI Internal Audit Charter submitted by SKAI through letter No. 15-SKA/PSA/02/2018 dated 20 February 2018 about the Requests for Submission Update Drafts of the Internal Audit Charter and to provide approval for the updating of the BRI Internal Audit Charter through the Audit Committee No. memorandum. B.20-KA/02/2018 dated 28 February 2018 and letter of the Board of Commissioners No. B.29-KOM / 03/2018 dated 2 March 2018.
 - b. The Audit Committee has also conducted a review of the Audit Results Report of the online credit collateral insurance application (ASKOL) in 2018 submitted by SKAI No. R.34-SAI/TSI/05/2018 and R.35-SAI/TSI/05/2018 dated 25 May 2018, and subsequently through the KA memorandum No. R-14-KA/07/2018 dated 26 July 2018 and letter of the Board of Commissioners No. R.53-KOM/07/2018 dated 30 July 2018. The Audit Committee has asked the BRI Directors to immediately follow up and to improve in corresponding with the results of the audit.

II. Audit Committee with Public Accountants and Public Accountant Offices

Referring to the Financial Services Authority Regulation (POJK) No. 13/POJK.03/2017 dated 23 March 2017 concerning Use of Public Accountant Services in Financial Services Activities and OJK Circular No. 36/SEOJK.03/2017 July 11, 2017 concerning Procedures for Using Public Accountant Services in Financial Services Activities, the role of the Audit Committee in the process of appointing a Public Accountant (AP) and/or Public Accountant Office (KAP) that will provide audit services to information historical finance to the Company is to provide recommendations to the Board of Commissioners regarding the proposed appointment of AP and/or KAP.

Audit Committee's recommendations to the Board of Commissioners by considering:

1. Independence of AP, KAP and Insiders of KAP
2. The scope of the audit
3. The reward of Audit Services
4. Expertise and experience of the AP, KAP, and Audit Team from KAP
5. Methodology, techniques, and audit facilities used by KAP;
6. Potential risks for the use of audit services by the same KAP consecutively for a long period of time; and/or
7. Results of evaluation of the implementation of audit services for annual historical financial information by the AP and / or KAP in the previous period, if any.

Audit Committee

During the period of 2018, the Audit Committee has carried out several activities related to the appointment and implementation of general audits by the AP and/or KAP, which include:

1. General Audit of the Consolidated Financial Statements and Financial Statements of the Partnership and Community Development Program (PKBL) of PT. Bank Rakyat Indonesia (Persero), Tbk. 2017 financial year includes activities as follows:
 - a. Conducted a meeting with KAP PSS (EY) on Tuesday, 9 January 2018 with the agenda of discussing the development of the implementation of the audit of BRI's Consolidated Financial Statements per 31 December 2017, which was set forth in the minutes of Meeting KA No. 01-KA/01/2018.
 - b. Conducted the closing meeting on Thursday, January 18, 2018 with the agenda of the presentation and discussion of the general audit report on the Consolidated Financial Statements of PT. BRI (Persero), Tbk and the 2017 financial year PKBL Financial Report conducted by KAP PSS (EY).
 - c. Followed-up to the "Management Letter" as a result of KAP PSS (EY) consolidated financial statements of PT. BRI (Persero), Tbk. 2017 financial year through the Audit Committee Service Note No. B.49-KA/08/2018 dated 28 August 2018 about the Management Letter on General Audit of Financial Statements for the Fiscal Year 2017.
 - d. The BRI Audit Committee has evaluated the implementation of audit services for the historical financial information for the 2017 financial year by Purwantono, Sungkoro & Surja (KAP PSS/EY), and the Audit Committee's evaluation results have been submitted through the Audit Committee Service Note No. R.12-KA/05/2018 dated 31 May 2018 and Letter of the Board of Commissioners No. R.45-KOM / 06/2017 dated 8 June 2017 to the Directors to be submitted to the OJK as stipulated in the SE OJK's regulations that mentioned above.
2. 1. General audit of the Consolidated Financial Statements and Financial Statements of the Partnership and Community Development Program

(PKBL) of PT. Bank Rakyat Indonesia (Persero), Tbk. fiscal year 2018, which includes activities including:

- a. Establishment of the Technical Team, Self Estimated HPS Team, and Public Accountant Office Audit Service Procurement Team in the Context of General Audit of the Consolidated Financial Statements and PKBL Financial Statements of PT. BRI (Persero), Tbk. fiscal year 2018 through the Audit Committee Service Note No. B.10-KA/01/2018 dated 25 January 2018 and Decree of the Board of Commissioners No. 01-KOM/BRI/01/2018 dated 25 January 2018.
- b. To provide the approval for implementation of public accounting firm services in the context of general audits of the Consolidated Financial Statements and BRI PKBL Financial Statements for 2018.
- c. To be present at the Aanwijzing (giving explanation) meeting on Tuesday, 6 February 2018, the evaluation of technical and financial proposal evaluation conducted on Wednesday, 14 February 2018, and a price clarification and negotiation meeting that was held on 20, 21 and 23 February 2018.
- d. To provide written recommendations to the Board of Commissioners through the Audit Committee Service Note No. R.09-KA/03/2018 dated 20 March 2018 about the Recommendation of the Audit Committee on the Appointment of a Public Accountant and/or Office of a Public Accountant Who Will Conduct a General Audit of Consolidated Financial Statements and BRI PKBL Financial Statements for fiscal year 2018. Subsequently through letter No. R.33-KOM / 03/2018 dated March 20, 2018 regarding the proposal of the KAP that audits the consolidated financial statements and financial statements of the BRI PKBL for fiscal year 2018, the Board of Commissioners requests that the BRI Directors follow up on the proposals of Purwantono, Sungkoro & Surja (EY) KAPs at the Rapat Umum Pemegang Saham (RUPS) of the Company in 2018, including following up on the results of the GMS decisions in corresponding with the laws and regulations and the applicable policies and regulations.

Audit Committee

- e. Related to the implementation of a general audit of the consolidated financial statements and financial statements of the BRI PKBL for fiscal year 2018, on Tuesday 14 August 2018 an Audit Committee Meeting with KAP PSS (EY) was held with the agenda of discussion in the context of kick-off meeting of the general audit Consolidation and BRI PKBL Financial Report 2018 (Minutes of Meeting Audit Committee No. 14-KA / 08/2018).
- f. In order to fulfill the obligations of the Audit Committee in evaluating the implementation of audit services for annual historical financial information by Public Accountants and/or

Public Accounting Firms as stipulated in the Circular Letter of OJK No. 36/ SEOJK.03/ 2017 dated 11 July 2017 about Procedures for Using Accountant Services and Public Accounting Firms in Financial Service Activities, the Audit Committee has been present directly (field visit) in the implementation of the "exit meeting" as the results of the KAP PSS (EY) general audit carried out in four batches in several BRI Branches and Regional Internal Audit Offices (AIW), which are the audit samples, as follows:

Batch 1 – Thursday, dated 13 September 2018

No	BRI Office Branches	Member of Expert KA/Staff Presents
1	Kanca BRI Jkt. Veteran	Sahat Pardede (Expert Staff of the Board of Commissioners)
2	Kanca BRI Jkt. Sudirman	Sunuaji Noor Widiyanto (Member of Audit Committee)
3	Kanca BRI Jkt. Psr. Minggu	I Gde Yadhya Kusuma (Member of Audit Committee)
4	Kanca BRI Jkt. Kemayoran	Pamuji Gesang Raharjo (Member of Audit Committee)

Batch 2 – Friday, dated 28 September 2018

No	BRI Office Branches	Member of Expert KA/Staff Presents
1	Kanca BRI Jakarta Kota	Sahat Pardede (Expert Staff of the Board of Commissioners)
2	Kanca BRI Balikpapan	Sunuaji Noor Widiyanto (Member of Audit Committee)
3	Kanca BRI Denpasar Renon	I Gde Yadhya Kusuma (Member of Audit Committee)
4	Kanca BRI Jkt. Kemayoran	Pamuji Gesang Raharjo (Member of Audit Committee)

Batch 3 – Friday, dated 17 October 2018

No	Kantor Cabang BRI	Member of Expert KA/Staff Presents
1	Kanca BRI BRI Medan Hijau	Sahat Pardede (Expert Staff of the Board of Commissioners)
2	Kanca BRI Merauke	Sunuaji Noor Widiyanto (Member of Audit Committee)
3	Kanca BRI Bengkulu	I Gde Yadhya Kusuma (Member of Audit Committee)
4	Kanca BRI Bandung Dewi Sartika	Pamuji Gesang Raharjo (Member of Audit Committee)

Batch 4 – Audit Intern Wilayah (AIW)

No	Area Intern Audit Offices	Member of Expert KA/Staff Presents
1	AIW Denpasar	Sunuaji Noor Widiyanto (Member of Audit Committee)
2	AIW Semarang	I Gde Yadhya Kusuma (Member of Audit Committee)
3	AIW Surabaya	Pamuji Gesang Raharjo (Member of Audit Committee)
4	AIW DKI I	Sahat Pardede (Expert Staff of the Board of Commissioners)

Audit Committee

- g. The general audit of the consolidated financial statements and financial reports of the PKBL BRI fiscal year 2018 carried out by KAP PSS (EY), the Audit Committee Activity Report is still ongoing and planned to be completed on 23 January 2018.
3. Limited Review of the Consolidated Financial Statements Period 31 March 2018
 - a. Through the Audit Committee Service Note No. R-06/ KA/02/2018 dated February 28, 2018 and letter of the Board of Commissioners No. R.29-KOM/03/2018 dated 8 March 2018 referring to the Proposed Public Accountant Office to Conduct a General Audit of Consolidated Financial Statements and PKBL BRI Financial Statements for year 2018, the results of RUPS BRI in 2018 has approved the appointment of KAP PSS (EY) audit of Consolidated Financial Statements and BRI PKBL Financial Statements for financial year 2017 or other periods and limited review of interim consolidated financial statements as of March 31, 2018.
 - b. The Audit Committee has invited KAP PSS (EY) in the Audit Committee meeting on Tuesday, 17 April 2018 related to progress reports on the implementation of the limited reviews of BRI's consolidated financial statements per

31 March 2018. The results of discussion on the meetings have been stated in Minutes of Meetings of Audit Committee No. 09-KA.04/2018 dated 17 April 2018.

To conduct an Audit Committee Meeting with KAP PSS (EY) on Monday, 30 April 2018 with the agenda of closing limited review of BRI's consolidated financial statements per March 31, 2018. The results of the discussion have been stated in the Minutes of Meeting of Audit Committee No. 10-KA/04/2018 dated 30 April 2018.

III. Audit Committee with OJK, Bank Indonesia PPATK and BPK RI

The Audit Committee monitors the follow-up of the results of the examinations conducted by the Otoritas Jasa Keuangan (OJK), Bank Indonesia, PPATK and BPK RI. The monitoring can be done by reviewing the audit reports/examination that been received by the Audit Committee or conducting discussions with the SKAI simultaneously in the Audit Committee Meeting related to the quarterly Laporan Pokok Pokok Hasil Audit (LHA) SKAI and/or requesting the SKAI to carry out monitoring towards the conduct of audits/inspections conducted by OJK/Bank Indonesia/PPATK and BPK RI.

During the period of 2018, the Audit Committee has reviewed and monitored the implementation of audits conducted by OJK /Bank Indonesia/PPATK/BPK RI, which included:

No.	No. Letter OJK/Bank Indonesia/PPATK/BPK RI	Subject Matter/Objects of Inspections
1.	Letter OJK No. 19/1261/DSSK/Srt/Rhs dated 13 December 2017	Results of Examination of Implementation of Layanan Keuangan Digital (LKD) in the Social Aid Program
2.	Letter OJK No. SR.133/PB.31/2017 dated 22 December 2017	Report of Examination Results Position 31 March 2017
3.	Letter OJK No. SR-2/PB31/2018 dated 17 January 2018	Special Examination of Operational Risk Information Technology Activities
4.	Letter OJK No. SR-13/PB.31/2018 dated 7 February 2018	Special Examination of Market Risk and Liquidity on Treasury Activities
5.	Letter BPK No. 50/S/XX/02/2018 dated 2 February 2018	Resume Monitoring of Implementation of Follow-Up Recommendations on BPK RI Audit Results to BRI
6.	Letter OJK No. S.20/PB313/2018 dated 13 February 2018	Report of BRI Supervision Off Site and On Site for BRI New York Agency Tw. IV of 2016 up to Tw.III in 2017.

Audit Committee

No.	No. Letter OJK/Bank Indonesia/ PPATK/BPK RI	Subject Matter/Objects of Inspections
7.	Letter Bank Indonesia No. 20/495/DSSK/Srt/Rhs dated 20 March 2018	Fraud Case In The System of Payments within Sister Companies (Bank)
8.	Letter OJK No. S-61/PB.313/2018 dated 22 May 2018	Board of Commissioners Supervision report on the Performance of the BRI Semester II / 2017 Business Plan Implementation
9.	Letter Bank Indonesia No. 20/836/DSS/srt/B dated 31 May 2018	Plan of Publishing Co Branding Products Debit Card and BRIZZI Sister Companies (Bank)
10.	Letter OJK No. s-70/PB.313/2018 dated 13 July 2018	Finalization of the Complaints of Customer Mr. Agussalim
11.	Letter Bank Indonesia No. 20/1245/DSSK/Srt/B dated 2 August 2018	Improvement of Payment Feature Trough Application MyQR BRI
12.	Letter Bank Indonesia No. 20/1158/DSSK/Srt/B dated 18 July 2018	Follow-up The Payment System Check Results for Sister Companies (Bank)
13.	Letter Bank Indonesia No. 20/1193/DSSK/Srt/Rhs dated 24 July 2018	Follow-up Examination Results of Implementation of Loan to Value (LTV) position 31 December 2017
14.	Letter Bank Indonesia No. 20/1312/DSSK/Srt/Rhs dated 16 August 2018	Examination of LTV Property Credit Policy Implementation
19.	Letter Bank Indonesia No. 20/1497/DSSK/Srt/Rhs dated 20 September 2018	Thematic Skimming Check Results for Sister Companies (Bank)
15.	Letter OJK No. S.107/PB.313/2018 dated 17 October 2018	Marketing Plans for Mutual Fun Products Danareksa Mawar
16.	Letter OJK No. S.112/PB.313/2018 dated 25 October 2018	KAP Appointment Report in the Context of an Audit of 2018 Annual Historical Financial Information and Audit Committee Evaluation Results.
17.	Letter OJK No. SR.123/PB.31/2018 dated 30 October 2018	Increased Implementation Effectiveness of the Commissioner of PT. BRI (Persero), Tbk.
18.	Letter OJK No. SR.122/PB.31/2018 dated 30 October 2018	Report on Examination of PT. BRI (Persero), Tbk Position January 31, 2018.

On the other hand, the Audit Committee has also monitored and reviewed the imposition of fines/obligation to pay by regulators on a regular basis based on OJK, Bank Indonesia and/or other supervisory authorities received by the Audit Committee. The results of the monitoring are then submitted to the Board of Commissioners, including providing opinions and recommendations for improvements needed to the Board of Directors through a letter of the Board of Commissioners so that the imposition of sanctions for the obligation to pay is minimal or not repeated.

The Audit Committee has submitted the results of monitoring the imposition of fines/obligations to pay by the regulator through the Audit Committee No. memorandum. B.04-KA/01/2018 dated 17 January 2018 and Letter of the Board of Commissioners No. B.13-KOM/01/2018 dated 19 January 2018 about the Imposition of Sanctions Obligations to pay by regulators for the period October to December 2017 (Quarter IV / 2017).

Audit Committee

The Audit Committee has reviewed a number of letter from Bank Indonesia relating to the imposition of sanctions for the obligation to pay during the period of 2018, namely as follows:

No.	No & Letter Date OJK/BI	Type of Sanctions	Value of Sanctions (Rp.)
1.	Letter BI No. 20/715/DSSK/Srt/Rhs dated 2 May 2018	Late submission of Head Office's Report	1.000.000
2.	Letter BI No. 20/945/DPKL/GPLB-PLBP/Srt/B dated 9 July 2018	False input of non-bank passwords (13 items) in the Laporan Harian Bank Umum (LHBU)	650.000
3.	Letter BI No. 20/1312/DSSK/Srt/Rhs dated 16 August 2018	LBU Reporting Errors from the results of Bank Indonesia's inspection of the implementation of the Loan to Value (LTV) property credit policy.	13.600.000

IV. Audit Committee with Managements

1. Follow-Up and Compliance with BRI Directors' Commitments on Audit Results

This activity is a follow-up from monitoring which conducted by the Audit Committee on the implementation of commitments and plans for follow-up improvements made by the Board of Directors on the results of audits conducted by both BRI and OJK SKAI, Bank Indonesia, BPK RI and KAP as stated in writing and SKAI is presented in an Laporan Hasil Audit (LHA) quarterly.

For the SKAI's audit results based on the Quarterly Laporan Pokok Pokok Hasil Audit (LHA) which requires special attention and immediately followed up by the Board of Directors, the Audit Committee provides written recommendations to the President Director through a letter of the Board of Commissioners which is also sent to the Internal Audit Unit.

Furthermore, for the results of the SKAI audit specifically submitted to the Audit Committee and the audit / audit reports carried out by the OJK, Bank Indonesia, the BPK RI and KAP were followed up by asking for clarification and further clarification to the BRI Directors. During the period of 2018, there were several audit findings requested for clarification and further clarification to the Board of Directors, such as:

No.	Subject	No. & Date of Official Memo KA & Letter of the Board Commissioners
1.	OJK Examination	- R.04-KA/02/2018 dated 27.02.2018 - R.24-KOM/02/2018 dated 27.02.2018
2.	OJK Examination To BRI New York Agency	- R.04-KA/02/2018 dated 27.02.2018 - R.24-KOM/02/2018 dated 27.02.2018
3.	LHA operational audit on-line credit collateral insurance application (A3KOL) in 2018.	- R.14-KA/07/2018 tanggal 26.07.2018 - R.53-KOM/07/2018 dated 30.07.2018

2. Review of Reports of Fraud Events that Are Estimated to Have Significant Impacts

The Audit Committee also reviews the Fraud Events Reports that have a significant impact on the Company submitted by the Compliance Director to the OJK. Furthermore, the Audit Committee recommends the improvements that need to be made by the Board of Directors. During the 2017 period, the Audit Committee has reviewed the Fraud Events Report estimated to have a significant impact as follows:

No.	Period of Fraud Reports That Is Estimated to Have a Significant Impact	No. & Date of Official Memo KA & Letter of the Board Commissioners
1.	September to December 2017	- B.05-KA/01/2018 dated 17.01.2018 - B.10-KOM/01/2018 dated 19.01.2018
2.	January to March 2017	- B.23-KA/04/2018 dated 04.04.2018

Audit Committee

V. Audit Committee with DPLK BRI

1. BRI DPLK Investment Performance Evaluation
Referring to Article 24 paragraph 4 of the Regulation of the Financial Services Authority (POJK) No. 3/POJK.05/2015 dated 31 March 2015 concerning Pension Fund Investment, the Board of Commissioners as the supervisor of DPLK BRI is required to submit Semester DPLK Investment Performance Evaluation Report to OJK no later than 3 (three) months after the end of the semester.

Based on the POJK, the Audit Committee has periodically reviewed the development of BRI DPLK investment performance based on the BRI DPLK investment performance reports received. The results of the Audit Committee's review and evaluation are then reported to the Board of Commissioners, including the opinions and recommendations of the Audit Committee on BRI DPLK investment performance reports, which are subsequently set forth in the Board of Commissioners' letter to the BRI DPLK Management and submitted to OJK.

During the period of 2018, the Audit Committee reviewed and evaluated the investment performance of the BRI DPLK as follows:

No.	Period of Reports	No. & Date of Official Memo KA & Letter of the Board Commissioners
1.	Evaluation of BRI DPLK Performance and Investment Report 2017 (audited)	- B.15-KA/02/2018 dated 06.02.2018 - R.11-KOM/02/2018 dated 06.02.2018
2.	Evaluation of Performance Report and DPLK Investment in Semester I 2018	- B.37-KA/06/2018 dated 26.06.2018 - R.47-KOM/06/2018 dated 26.06.2018

2. General Audit of Financial Reports and BRI DPLK Investment Performance Reports
In relation to the implementation of the general audit of the Financial Statements and the BRI DPLK Investment Performance Report 2017 for the financial year, the activities that conducted by the Audit Committee including:
 - a. Financial Statements and Investment Reoirt of DPLK BRI Fiscal Year 2017
 - Kick-off Meeting on the implementation of general audits of Financial Statements and BRI DPLK Investment Reports on Wednesday, 10 January 2018.
 - Conducted discussions with the Noor Salim, Nursehan & Sinarahardja (NNS) KAP Audit Team regarding progress reports on the implementation of the general audit of the 2017 financial year of DPLK BRI's Financial Report in the Board of Commissioners meeting held on Tuesday 30 January 2018.
 - Conducted a Closing Meeting with the KAP Noor Salim, Nursehan & Sinarahardja (NNS) Audit Team at the

- Board of Commissioners Meeting as the BRI DPLK Supervisory Board on Tuesday, 15 May 2018.
- Compile and submit a report on the evaluation results of the audit committee of PT. BRI (Persero) Tbk for the implementation of audit services for the historical financial information of DPLK BRI's 2017 financial year by Noor Salim KAP, Nursehan & Sinarahardja (KAP NNS) to OJK through the Audit Committee Service Note No. R.13-KA/06/2018 dated June 26, 2018 and letter of the Board of Commissioners No. R.46-KOM/06/2018 dated 26 June 2018.
- b. Financial Report and DPLK BRI Investment Report for 2018
 - Coordinated with BRI's Goods and Services Procurement Division to conduct the procurement process of KAP which will conduct a general audit of the Financial Statements and Reports on BRI DPLK Investment for Fiscal Year 2018 through the Audit Committee Service Note No. B.60-KA

Audit Committee

/ 10/2018 dated 9 October 2018 and letter of the Board of Commissioners No. B.198-KOM / 10/2018 dated 15 October 2018 concerning Procurement of KAP Audit Services for Financial Statements and BRI DPLK Investment Reports in 2018.

- To provide the recommendations for approval of the proposed KAP Audit Services for Financial Statements and Investment Reports
- To provide the recommendations on the appointment of KAP Mirawati Sensi Idris (MSI) who will carry out the provision of general audit services for the Financial Statements and Reports on DPLK BRI Investment for Fiscal Year 2018.

VI. Internal Activities and Other Activities of Audit Committee

1. Reviewing the letter of the Minister of BUMN No.S-755/MBU/12/2018 dated 29 December 2017 about the Mechanism of Depositing to the State Treasury for the Remaining Funds for the Community Care and then through the Audit Committee Service Note No. B.09-KA /01/2018 dated 18 January 2018 and letter of the Board of Commissioners No. B.12-KOM/01/2018 dated January 19, 2018 conveyed this to the Directors of BRI.
2. Appoint letter No. BRI Compliance Director B.03-DIR/DKP/AML/12/2017 dated 5 December 2017 about the Application for Permit for the Use of EY Consultant Services in the Application of Anti-Money Laundering and Prevention of Terrorist Funding Programs (AML & CTF), and by letter No. B.69-KA / 12/2017 dated 12 December 2017 The audit committee asked the Compliance Director to submit an explanation of the procedures that will be carried out by EY in providing consulting services for the implementation of AML & CFT and the Independence Statement stating KAP Purwantono, Sungkoro & Surja (EY) remains in an independent position as an Independent Auditor for auditing financial statements for 2017. Furthermore, through letter No. B.04-DIR/DKP /AML/12/2017 dated December 29, 2017, BRI Compliance Director re-submitted the Application

for Permit for the Use of EY Consultant Services in the Penerapan Program Anti Pencucian Uang and Pencegahan Pendanaan Teroris (AML & CTF). On this matter, the Audit Committee has requested clarification from KAP PSS (EY) regarding the scope of the service work and the independence of KAP PSS which currently has the potential to become a Public Accountant (AP) and or Public Accountant Office that will carry out a general audit of PT. BRI (Persero), Tbk and Subsidiaries for the position of December 31, 2018 and the provision of limited review services of the interim consolidated financial statements of PT. BRI (Persero) Tbk per 31 March 2018.

3. The Audit Committee also reviews and provides recommendations for approval requests submitted by the Board of Directors to the Board of Commissioners, namely related to the principle application request for the same work plan to borrow and use part of the Proclamation Building between BRI and PT. Mitra BUMDes Nusantara based on the letter of the Directors of BRI No. B.01-DIR / MAT/01/2018 dated 2 January 2018. Furthermore, the results of the aforementioned review shall be set forth in the Audit Committee Service Note No. B.06-KA/ 01/2018 dated 18 January 2018 and letter of the Board of Commissioners No. B.11-KOM / 01/2018 dated 19 January 2018.
4. In order to carry out the duties and responsibilities of the Audit Committee related to the review of complaints relating to the financial accounting and reporting process, the Audit Committee has discussed with the Compliance Division, SKP, and other related work units at the Audit Committee meeting on Tuesday 27 March 2018, so that the Company develops a web-based channel that allows WBS reports related to the accounting and financial reporting process to be directly received and followed up by the Audit Committee without going through the SKAI (Minutes of Meeting of Audit Committee No. 07-KA / 03/2018).

Furthermore, the Audit Committee invited again the Compliance Division, SKP and other related work units in the Audit Committee Meeting held on Wednesday 12 September 2018 regarding the follow-up to the development of the WBS reporting system related to the accounting

Audit Committee

and financial reporting process. The results of discussion of the meeting have been stated in the Minutes of Meeting of Audit Committee No. 15-KA/09/2018. However, the development of the WBS Report related to the financial accounting and reporting process has not been completed and still continues to this day.

5. To participate in business trip of members of the Board of Commissioners to several BRI Regional Offices, BRI Branches, BRI KCP, BRI Units, and other BRI work units, including specifically attending in-house training (IHT) held by several Audit Intern Wilayah Office (AIW), namely AIW Bandar Lampung, and Jakarta 3. In IHT AIW above, the Audit Committee socializes the roles, functions and responsibilities of the Board of Commissioners, especially the Audit Committee and submits and discusses matters relating to control internal and implementation of governance, both in general and specifically in the BRI environment. This is part of the delivery of the 'tone of the top' from the Board of Commissioners' Institutions, especially the Audit Committee to all levels within the BRI, especially the work units visited.
6. The Audit Committee together with the Secretariat of the Board of Commissioners and other Committees conduct coordination and other discussions in accordance with other assignments given by the Board of Commissioners.

2. Meetings shall be held at the place of domicile of the Company or other places established by the Committee.
3. Any summon of a Meeting may be made in writing signed by the Chairman of the Audit Committee or one of the members of the Audit Committee from the BOC, or by an verbal or other communication medium.
4. The meeting shall include the agenda of the meeting, date, time, and meeting venue and shall be set forth in a well-documented minutes of meeting.
5. A meeting may only be held if it is attended by at least 51% (fiftyone percent) of the total members including an Independent Commissioner and an Independent Party.
6. Each Committee meeting is chaired by the Chairman of the Audit Committee and in the event that the Chairman of the Audit Committee is absent, the meeting is chaired by a member of the Audit Committee from the BOC.
7. The decision of the meeting shall be based on consensus deliberation. If deliberation of consensus is not reached, then the decision is made by majority vote.
8. Differences of opinion or dissenting opinion that occurs in the Audit Committee meeting shall be clearly stated in the minutes of the meeting and the reasons for the d dissenting opinion.
9. The minutes of the Audit Committee meetings shall be made by a person present at the meeting and appointed by the meeting leader. The minutes of the meeting shall be signed by all members of the Audit Committee present at the meeting.
10. The minutes of the meeting of the Audit Committee are valid evidence of the decisions taken in the meeting.
11. The Audit Committee may also take a lawful decision without having a Meeting provided that all members of the Audit Committee have been notified in writing and all members of the Audit Committee agree on the proposal submitted in writing and sign the agreement. The decisions taken in this way have the same power as the decisions taken legitimately in the meeting.

Education and Training of Committee Members In 2018

Please refer to the section of the Board of Commissioners workshop and trainings in 2018.

Committee Meetings

In accordance with POJK No. 55/POJK.04/2015 and the Charter of the Committee, the BRI Audit Committee holds regular meetings at least 1 (one) time in 3 (three) months.

Meeting Policy

The Audit Committee Meeting Policy is as follows:

1. The meeting shall be held at least one (1) time in one (1) month.

Audit Committee

2018 Meeting Implementation

In 2018, the Audit Committee has convened 16 Meetings, with the following details:

Name	Title	Total Meeting	Total Attendance	%
A. Fuad Rahmany	Chairman	16	16	100%
A. Sonny Keraf	Member	16	13	81%
Rofikoh Rokhim	Member	16	13	81%
Pamuji Gesang Raharjo	Member	16	14	88%
I Gde Yadnya Kusuma	Member	16	15	94%
Sunuaji Noor Widiyanto	Member	16	14	88%

Meeting Agenda

No	Meeting Materials	Time	Number of Attendees	Description
1	Discussion with PSS-EY KAP Development of Audit Implementation of PT. BRI (Persero) Tbk and Subsidiaries per 31 December 2017	9 January 2018	6	Quorum
2	Closing Meeting on Audit of BRI Financial Statements in 2017	18 January 2018	7	Quorum
3	Establishment of KAP TEAM for audits of financial reports and PKBL in 2018	23 January 2018	7	Quorum
4	Updating the BRI internal audit charter	23 January 2018	7	Quorum
5	Audit Report Progress DPLK Financial Report in 2017	30 January 2018	7	Quorum
6	Discussion of the Quarter IV audit report in 2017	20 February 2018	7	Quorum
7	Discussion of the implementation plan progress report of PSAK 71	10 April 2018	6	Quorum
8	Progress Report Limited Review Financial Report of TW I 2018 with KAP EY	17 April 2018	5	Quorum
9	Closing Limited Review of BRI Financial Statements Tw. I in 2018	30 April 2018	6	Quorum
10	Discussion of the audit report for the first quarter of 2018	22 May 2018	7	Quorum
11	Discussion of review first semester BRI Financial Report in 2018	27 July 2018	6	Quorum
12	Discussion of the main points of the results of second quarter SKAI audit in 2018	7 August 2018	6	Quorum
13	Kick off Audit Meeting for Financial Statements in 2018 with EY	14 August 2018	7	Quorum
14	Discussion and Follow-Up Plans for Fraud Events at BRI Pluit Branch Office, BRI Samarinda II Branch Office, Surabaya Manukan BRI Branch Office, and other BRI Work Units	15 October 2018	6	Quorum
15	Discussion of Financial Report Tw III 2018	23 October 2018	7	Quorum
16	Discussion of Audit Report TW III in 2018	21 November 2018	4	Quorum

Audit Committee

Meeting Follow Up

All meeting results and activities by the Audit Committee are documented in the minutes of meetings and being followed up in the form of letters to the BOC and relevant parties.

2018 Audit Committee Remuneration

Remuneration for committee members who come from members of the BOC is accumulated with honorarium given to the BOC and no special honorarium for each member of the Committee.

In particular to Member of the Committee from Independent Parties (Non-Commissioners), the amount of honorarium is stipulated by the Board of Commissioners with a maximum of 20% of the salary of the President Director and not given any income other than the honorarium. This is in accordance with the provisions of Minister of State-Owned Enterprises Regulation No. PER-12.MBU/2012 dated August 12, 2012 on the supporting organ of the Board of Commissioners.

AUDIT COMMITTEE PERFORMANCE ASSESSMENT IN 2018

No	Assesment Perspective	Assesment Aspects	Indicator	Target	Outputs/Target achievements	Weights	Values
1	Learning & Growth Perspective	Organizational Committees	The compositions of Committee members are in corresponding with the provisions	The composition of the KA members in corresponding with the regulations of POJK KBUMN and regulators	Corresponding with SK Dekom No: 07-Kom/10/2018 dated 30 October 2018 about the determination of the chairman and members of KA BRI. the composition of KA members were appropriate with POJK and the regulations of Ministry of BUMN.	5	5
			The charter of the committee has been updated according to the provisions	The review of KA Charter in 2019	The Audit Charter n 2019 has been updated and reset through SK Dekom Nokep: 11-KOM/11/2018 dated 01 November 2018 about the order code Audit Committee BRI	5	5
		Committee members competencies	Committee member have the competencies according to the provisions	Members of KA has passed the OJK fit & proper tests and/or followed the training within 2019	The KA members that has passed OJK fit & proper test and the independent parties that has the abilities in corresponding to the needs of KA	5	5
			The terms of office of Committee Members according to the provisions	SK of the committee's members that has updated according to the provision and length of services according with the provision of POJK and KBUMN	According of SK Dekom No: 07-KOM/10/2018 dated 30 October 2018 about The Determination of the chairman and members of KA BRI, the length of services of the chairman and the members of KA will not exceed the provisions.	5	5
2	Internal Process Perspective	Plannings	Ratification of the committees' work plans on time	RKAP KA in 2019 has authorized dated 28 December 2019	RKAP KA in 2019 has authorized at 28 December 2018	5	5

Audit Committee

No	Assesment Perspective	Assesment Aspects	Indicator	Target	Outputs/Target achievements	Weights	Values
		Implementation	The committee meeting has held according of provision and arranged plans	Once in a month (12 times)	During 2018, were held 16 times KA meetings	5	5
			Evaluation and agreements of Directors on Perencanaan Audit Tahunan (PAT)	once in a year	Written recommendation in the form of opinion and suggestion through Official Notes No. B.29-KA/04/2018 dated 26 April 2018 About Evaluation To Yearly Audit Planning SKAI BRI in 2018	5	5
			Giving the related recommendation the appointment proposal of Public Accountants and Accountants Public Office	once in a year	1. Written recommendation to Board of Commissioners through Official Memo of Audit Committee No. R.09-KA/03/2018 Dated 20 Maret 2018 refering the Audit Committee Recommendation on The Appointment of Public Accountant and/or Public Accountant Office Which Will Conduct the General Audit On Consolidationa Financial Report and Financial Report PKBL BRI fiscal year 2018. 2. Evaluation results of Audit Committee on KAP/and Public Accountant has delivered through Official Memo Audit Committee No. R.12-KA/05/2018 dated 31 Mei 2018	5	5
			To conduct the other appointment according the Dekom's guidelines	According to the tasks and guidelines of Dekom	The duties has conducted according to the provisions.	5	5
	Supervision		Reviewed the report of result of the conduct of internal audit and to follow up the finding results conducted according with the provisions	Every quarterly	Written recommendation in the form of opinion and suggestion that delivered to the Board of Commissioners through office memo: 1. Nota Dinas KA No. 02-KA/01/2018 dated 18 Januari 2018. 2. Nota Dinas KA No. 10-KA/04/2018 dated 30 April 2018 3. Nota Dinas KA No. B.46-KA/07/2018 dated 30 Juli 2018 4. Nota Dinas KA No. B.61-KA/10/2018 dated 09 Oktober 2018	10	10
			Review of the financial reports that conducted according with the provisions and timely		Review and discussion between Audit Committee, Boards of Commisioneers and SKAI has poured in minutes of meetings as follows: 1. Minutes of Meetings KA No.: B.02-KA/01/2018 dated 18 january 2019 2. Minutes of Meetings KA No.: 12 - KA/07/2018 16-KA/10/2018 dated 17 April 2018 3. Minutes of Meetings KA No.: 10 - KA/04/2018 dated 27 July 2018 4. Minutes of Meetings KA No.: 16-KA/10/2018 dated 23 October 2018	10	10

Audit Committee

No	Assesment Perspective	Assesment Aspects	Indicator	Target	Outputs/Target achievements	Weights	Values
			Review on the management of Wistleblower System	Once a year	Cumulatively, during 2018 the total complaints/reports received through the BRI Whistle Blower System (WBS) were 124 reports. All complaints/reports have been followed up by IAU at the same time with review by BRI Internal Audit, both through investigation and research and follow-up by the relevant work units according to their authorities, with the following details: a. 50 reports with the "completed" status. b. 74 reports are still "Under Process" of research and follow up by the relevant work units.	5	5
			Review of audit implementation in Financial Reports and DPLK BRI	Once a year	Written recommendations through opinions and suggestions are submitted to the Board of Commissioners through the Official Memo: 1. Official Memo of Audite Committee - B.15-KA/02/2018 dated 6 February 2018. 2. Official Memo of Audite Committee - B.37-KA/06/2018 dated 26 June 2018.	10	10
			Review of management letter and follow up of audit findings done by external parties	Once a year	1. The review of Management Letter has delivered through Official Memo Audit Committee No. B.49-KA/08/2018 dated 28 August 2018 referring to Management Letter on General Audit Financial Report fiscal year 2017. 2. During period 2018, Audit Committee has delivered 18 reviews and supervision on the supervision that conducted by OJK/ Bank Indonesia/ PPATK/ BPK RI	5	5

Audit Committee

No	Assesment Perspective	Assesment Aspects	Indicator	Target	Outputs/Target achievements	Weights	Values
			Review on the fraud Report which estimated has the significant impacts	once a year	Recommendation and suggestion has delivered through Official memo No: B.05-KA/01/2018 dated 17 January 2018 and No: B.23-KA/04/2018 dated 04 April 2018.	5	5
3	Compliance Perspective	The implementation of corporate activities according to GCG	The public accountants' reasonable opinion without exceptions	Reasonable without Exceptions	The opinion result of KAP examination on BRI Financial Reasonable Without Exceptions	10	10
Total						100	100

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed by the Board of Commissioners with the tasks of reviewing remuneration policies and providing advice and recommendations on procedures for selecting candidates and/or replacing members of the Board of Commissioners and Directors and independent third parties in committees under the Board of Commissioners.

Legal Base

1. Law of the Republic of Indonesia No. 7 of 1992 referring to Banking as amended by the Law of the Republic of Indonesia No. 10 of 1998.
2. Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies.
3. Law of the Republic of Indonesia No. 19 of 2003 concerning State-Owned Enterprises.
4. Government Regulation of the Republic of Indonesia No. 45 of 2005 concerning the Establishment, Management, Supervision and Dissolution of State-Owned Entities.
5. Financial Services Authority Regulation No. 55/POJK.03/2016 about the Implementation of Governance for Commercial Banks.
6. Financial Services Authority Circular No. 13/ SEOJK.03 /2017 about Implementation of Governance for Commercial Banks.
7. Regulation of the Financial Services Authority No. 33/ POJK.04/2014 dated 08 December 2014 concerning Directors and Commissioners of Issuers or Public Companies.
8. Regulation of the Financial Services Authority No. 34/ POJK.04/ 2014 dated December

8, 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.

9. Financial Services Authority Regulation No. 45/POJK.03/2015 concerning Implementation of Governance in Giving Remuneration for Commercial Banks.
10. Circular of the Financial Services Authority No. 40/ SEOJK.03/ 2016 concerning Implementation of Governance in Giving Remuneration for Commercial Banks
11. Minister of BUMN Regulation No. PER-01/MBU/2011 dated 1 August 2011 concerning the Implementation of Good Corporate Governance in BUMN as amended by SOE Minister Regulation Number PER-09/ MBU/2012 dated 6 July 2012 concerning changes to the SOE Minister Regulation Number PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in BUMN.
12. Regulation of BUMN Minister No. PER-12 / MBU / 2012 dated August 24, 2012 concerning Supporting Organs of the Board of Commissioners / Supervisory Board of State-Owned Enterprises.
13. PT Bank Rakyat Indonesia (Persero) Tbk's Articles of Association with the latest amendments.
14. Joint Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated December 16, 2013 No. 06-KOM/ BRI /12/2013 or S.05-DIR/ DKP/12/2013 concerning the Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk which is a Amendment to the

Attachment of the Joint Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated March 08, 2010 No. 01-KOM/ BRI/03/2010 or Nokep S.14-DIR/DKP/03/2010 concerning Good Corporate Governance (GCG) Policy of PT Bank Rakyat Indonesia (Persero) Tbk.

Charter of the Committee

The work guidelines of the Nomination and Remuneration Committee of the Company regulate the purpose of formation, membership, authority, duties and responsibilities, position, work ethics and meeting ethics. The guide is a guideline for the implementation of duties and responsibilities for the Nomination and Remuneration Committee in order to support the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners relating to the field of HR management. The Nomination and Remuneration Committee Work Guide has been reviewed and approved by the Board of Commissioners through a Decree of the Board of Commissioners No: B.13-KOM/1/2018 dated 01 November 2018 referring Board of Commissioners Guidelines and Work Rules and Supporting Organs of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Dismissal

The Nomination and Remuneration Committee is a Committee that formed by the Board of Commissioners in order to support the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners, specifically related to the Nomination Policy and Remuneration Policy.

Nomination and Remuneration Committee

Structure and Membership

1. Committee is under the coordination of the Board of Commissioners and structurally responsible to the Board of Commissioners;
2. Committee is led by the Independent Commissioner;

NRC Structure

The structure and membership of the Nomination and Remuneration Committee of the Company are in accordance with the provisions of POJK 34/POJK.04/2014 and POJK Number 45/POJK.03/2015 on the Implementation of Governance in the Provision of Remuneration for Commercial Banks, as follows:

1. The members of the Committee shall be at least 3 (three) members, which consist of an Independent Commissioner, a Commissioner, and an Executive of one level below the BOD that in charge of HR policy (ex officio).
2. In the event that members of the Committee are stipulated of over 3 (three) members, then the Independent Commissioner shall at least 2 (two) members.
3. The BOC can appoint Independent Party as the Committee member, with the following criteria:
 - a) Mandatory to meet the following requirements:
 - i. Has no Affiliations with the Company, members of the BOD, members of the BOC, or the Company's Controlling Shareholder;
 - ii. Has experience in Nomination and/or Remuneration; and
 - iii. Does not have concurrent position as member of other committee in the Company.
 - b) Appointed by the BOC through recruitment and selection mechanisms.
 - c) The maximum terms of office is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable contract employees' regulations in the Company, with the possibility of termination by the Board of Commissioners prior to the term of the contract expires.
4. Members of the Board of Directors shall not be assigned as members of the committee.
5. Members of the Committee are appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.
6. Members of the Committee are appointed for certain period and can be reappointed.

7. The term of office of members is not exceeding the tenure of the Board of Commissioners as stipulated in the articles of association.
8. Replacement of members that are not included in the Board of Commissioners is carried out at the latest 60 (sixty) days since such Committee member cannot conduct its functions.

Committee Membership

1. The Committee members shall at least consist of:
 - a. An Independent Commissioner;
 - b. An Independent Party having expertise in finance; and
 - c. An Independent Party with expertise in risk management.
2. The Independent parties assessed of having financial expertise shall meet the following criteria:
 - a. Have knowledge in economics, finance and/ or banking; and
 - b. Have work experience of at least 5 (five) years in economic, finance and/ or banking.
3. The Independent parties assessed of having expertise in risk management shall meet the criteria:
 - a. Have knowledge in risk management;
 - b. Have at least 2 (two) years working experience in risk management in finance and/ or banking.
4. The Independent Parties shall meet the following requirements:
 - a. Does not receive any compensation from the Company and its subsidiaries, or affiliates, except wages, salaries and other facilities received in connection with the duties performed as members of the Risk Management Oversight Committee;
 - b. Has no family or financial relationship with the Board of Directors and Board of Commissioners;
 - c. Do not have concurrent positions in the Company and other affiliates;
 - d. Has no duties, responsibilities, and authorities that create a conflict of interest;
 - e. Should not be concurrently a member of the Board of Commissioners, Secretary of the Board of Commissioners, Staff of the Secretary of the Board of Commissioners and members of the Committee on SOEs or other companies; and

Nomination and Remuneration Committee

- f. Not contrary to other provisions and legislation.
5. Former members of the Board of Directors or Executive Officers of the Company or parties with relationships with the Company that may affect their ability to act independently may not become Independent Party as a member of the Committee, before undergoing a six-month period of cooling off. The terms of the waiting period (cooling off) to become an Independent Party shall not apply to former members of the Board of Directors or Executive Officers whose duties only perform supervisory functions for at least 6 (six) months.
6. Appointment of members of the Committee from the Independent Party, shall follow the following rules:
 - a. Selected by the Board of Commissioners through recruitment and selection mechanisms;
 - b. The maximum terms of office is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable contract employees' regulations in the Company, with the possibility of termination by the Board of Commissioners prior to the term of the contract expires.
 7. Members of the Board of Directors are prohibited from becoming members of the Committee.
 8. Members of the Committee shall be appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.

The Membership Composition up to 1 January 2018 to 22 March 2018 is as follows:

Name	Position	Profession
Andrinof A. Chaniago	Chairman	Independent Commissioner
Gatot Trihargo	Member	Vice President Commissioner
A. Fuad Rahmany	Member	Independent Commissioner
A. Sonny Keraf	Member	Independent Commissioner
Mahmud	Member	Independent Commissioner
Vincentius Sonny Loho	Member	Commissioner
Jeffry J. Wurangian	Member	Commissioner
Nicolaus Teguh Budi Harjanto	Member	Commissioner
Rofikoh Rokhim*	Member	Independent Commissioner
A. Solichin Lutfiyanto	Member	Ex-officio – Head of Policy Division and Human Resources Department

*) Effective 1 February 2018

The membership ranks of March 22, 2018 to December 31, 2018 are as follows:

No	Name	Position	Profession
1	Andrinof A. Chaniago	Chairman	President Commissioner/ Independent
2	Gatot Trihargo	Member	Vice President Commissioner
3	A. Fuad Rahmany	Member	Independent Commissioner
4	A. Sonny Keraf	Member	Independent Commissioner
5	Mahmud	Member	Independent Commissioner
6	Rofikoh Rokhim	Member	Independent Commissioner
7	Jeffry J. Wurangian *	Member	Commissioner
8	Nicolaus Teguh Budi Harjanto	Member	Commissioner
9	Hadiyanto**	Member	Commissioner
10	Busrul Iman**	Member	Ex-officio – Head of Policy Division and Human Resources Department

* Effective until 20 September 2018

** Effective from 1 October 2018

*** Effective from 1 July 2018

Nomination and Remuneration Committee

Committee Profile

The profiles of the Committee Members of Nominee and Remuneration per 31 December 2018 as follows:

Andrinof A. Chaniago Chairman of Committee Nomination and Remuneration/Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Gator Trihargo Member of Committee Nomination and Remuneration/ Deputy of Chief Commissioner	Profile can be seen on Boards of Commissioner Profiles
A. Fuad Rahmany Member of Committee Nomination and Remuneration/Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
A. Sonny Keraf Member of Committee Nomination and Remuneration/ Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Mahmud Member of Committee Nomination and Remuneration/Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Vincentius Sonny Loho Member of Committee Nomination and Remuneration/Commisary	Profile can be seen on Boards of Commissioner Profiles
Jeffry J. Wurangian Member of Committee Nomination and Remuneration/Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Nicolaus Teguh Budi Harjanto Member of Committee Nomination and Remuneration/ Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Rofikoh Rokhim Member of Committee Nomination and Remuneration/ Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Hadiyanto Member of Committee Nomination and Remuneration/ Independent Commisary	Profile can be seen on Boards of Commissioner Profiles
Busrul Iman Member of KNR Committee (1 July 2017 – presents)	Born in Surabaya 1 February 1965. Graduated with Bachelor Degree of Economy and Accountancy from Sekolah Tinggi Ilmu Ekonomi Jakarta and MM Degree of Strategic Management from Universitas Diponegoro. He once held various positions in PT Bank Rakyat Indonesia (Persero) Tbk, among others Deputy Regional of Palembang (2012-2014), Deputy Regional of Palembang (2014-2015), Head of the Troubled Credit Restructuring Division (2015 – 2017), Head of Regional Malang (2017 – 2018) and recently serving as Head of the Human Capital Policy and Development Division (2018 – presents).

Nomination and Remuneration Committee

Education and Experience Qualification

1. Have high integrity, objectivity, mentality, ethics and professional responsibilities.
2. Able to act independently, which is able to carry out duties professionally without conflict of interest and influence/pressures from any other parties that are in compliance with the prevailing laws and regulations and Good Corporate Governance principles.
3. Have adequate banking knowledge including prevailing rules and laws.
4. Understanding of comprehensive human resource management concept, especially experienced in HR management that includes succession planning, career development, performance assessment and experience in managing remuneration system for the BOC, BOD and the Company's employees.
5. Have the knowledge on manpower regulation and other rules related to employment.
6. Have sufficient time to carry out his/her duties.
7. Able to effectively communicate.

Independency

To ensure the quality of duties implementation, several NRC members have economics and finance background, meanwhile other members have the experience in human resources. Whereas to ensure the independency of duties implementation and in providing counsel or recommendation to the BOD, all Members of the NRC have no affiliation with the Directors, other Commissioners or the Company controlling shareholders. All members of the NRC are not shareholders, Commissioners, Directors or employees of affiliated or business-owned Perseroan with BRI.

Duties of Responsibilities of Authorities and Prohibitions

Nomination function

- a. Prepare and provide recommendations regarding the system and procedures for selecting and / or replacing members of the Board of Commissioners and Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
- b. To provide the recommendations to the Board of Commissioners regarding:
 - i. composition of members of the Board of Directors and/or members of the Board of Commissioners;

- ii. policies and criteria needed in the Nomination process and;
- iii. Performance evaluation policy for members of the Board of Directors and / or members of the Board of Commissioners;
- c. Assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
- d. Provide recommendations to the Board of Commissioners regarding capacity expanding programs for members of the Board of Directors and/or members of the Board of Commissioners; and
- e. Provide recommendations or propose candidates who fulfill the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the RUPS.
- f. To provide the recommendations to the Board of Commissioners regarding Prospective Representatives of the Company which will be made the Management of the Subsidiary Company proposed by the Board of Directors.
- g. Provide recommendations to the Board of Commissioners regarding Independent Parties who will become members of the Committee under the Board of Commissioners.

Remuneration function

- a. Provide recommendations to the Board of Commissioners regarding the structure, policies, and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
- b. Provide recommendations to the Board of Commissioners regarding evaluation of remuneration policies for members of the Board of Directors and/or members of the Board of Commissioners to be submitted to the General Meeting of Shareholders;
- c. Provide recommendations to the Board of Commissioners regarding the evaluation of remuneration policies for Executive Officers and employees as a whole to be submitted to the Board of Directors.
- d. Assist the Board of Commissioners in assessing performance with the suitability of Remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.

Nomination and Remuneration Committee

Authorities

The BOC provides authority to the Committee under the scope of responsibility of the Committee to request relevant information related to the nomination and remuneration functions as well as manpower policy and other function in the human resource management from internal parties.

Prohibition

1. Take personal advantage either directly or indirectly from the Company's activities other than legitimate income.
2. Receiving additional income other than income as a member of the BOC for members of the Board of Commissioners who are the Chairman or a member of the Committee.

2018 KPI and Achievement

The Nomination and Remuneration Committee (NRC) performance indicator or criteria is measured from the achievement of work programs/work plans and budgets (RKA) that have been prepared at the beginning of each year and the attendance of NRC members in each meeting. The NRC work program is designed to support the key success factors of the Board of Commissioners in executing the nomination process of the Company's management and its subsidiaries, evaluation of workers' remuneration and employment policies, remuneration of the Board of Directors and Board of Commissioners, as well as the overall management of human resources.

Generally, all KPI of the NRC has been achieved by the implementation of all NRC Working Plan and Budget (RKA) 2018, in accordance with the set target and attendance level of NRC members, which fulfilled the requirement. Thus, all NRC meeting can be executed with quorum in every decision.

Committee Activities 2018

Focus of the Nomination and Remuneration Committee Work Program

The realization of the 2017 Nomination and Remuneration Committee Work Program (KNR) is as follows:

1. Nomination by BRI Directors

In accordance with the Otoritas jasa Keuangan Regulation, POJK Number 5.5/POJK.03/ 2016 dated 7 December 2017 concerning Implementation of Good Corporate Governance for Commercial Banks, each proposal to appoint and/or replace members of the Board of Commissioners and/or Directors by the Board of Commissioners to RUPS must pay attention to recommendation of the KNR. The Nomination process that occurs during 2018 is as follows:

- a. Nominated at the Annual RUPS in 2018.
The Nomination and Remuneration Committee has carried out the process of nominating candidates for Directors and Commissioners from the Internal Board of Commissioners to be proposed to the Board of Commissioners for further submission to the Dwi A Series A Shareholders to be disconnected at the Company's Annual RUPS in 2018.

The implementation of the Directors Nomination Process activities and the KNR Recommendations are as follows:

No	Material	Timely Target in RKA	Realization	Output
1	Board of Directors Nomination Proposa	Third Week March 2018	21 March 2018	Proposals for candidates for the President Director and prospective members of the BRI Board of Directors are submitted through the Service Note KNR No. : R.07-KNR / 03/2018 March 21 2018
2	Changes in Management of BRI at the 2019 EGMS	Forth Week March 2018	28 December 2018	<ol style="list-style-type: none"> a. Proposed Top Talent Update by PT. BRI (Persero) Tbk b. Proposed Changes in PT. BRI (Persero) Tbk. submitted through Service Notes KNR R.17-KNR / 12/2018 dated 28 December 2018

Nomination and Remuneration Committee

b. Nomination at the RUPSLB Year 2019.

The Nomination and Remuneration Committee has nominated the Board of Directors to nominating to the Board of Commissioners for further submission to the Dwi A Series A Shareholders to be stipulated at the RUPSLB on January 3, 2019 in accordance with the Ministry of BUMN letter No.SR-742/ MBU/11/20208 November 5, 2018, one of the agendas is a change in the Company's Management.

No	Material	Timely Target in RKA	Realization	Output
1	The change of BRI Management in RUPSLB 2019	The fourth week of March 2018	28 December 2018	1. Proposed Top Talent Update by PT. BRI (Persero) Tbk 2. Proposed Changes in PT. BRI (Persero) Tbk. submitted through Official Memo KNR R.17-KNR/12/2018 dated 28 December 2018

2. Nomination of Candidates for Commissioners and Directors in Subsidiaries or Company Representatives placed in subsidiaries or Related Parties.

Based on the clause in BRI's Articles of Association, one of the actions of the Board of Directors that requires the approval of the Board of Commissioners and the Dwi A Series Shareholders is to propose the Company's Representative to become a member of the Board of Directors or Board of Commissioners in a subsidiary that provides significant contributions to the company and/or strategic value. Noting this, during the 2018 Nomination and Remuneration Committee the Board of Commissioners carried out the Nomination process for the prospective deputy representatives proposed by the Board of Directors to be placed in subsidiaries and related Parties as follows:

No	Material	Time Realization	Output
1	Nominee of Prospective Commissioners and Directors of PT BRIsyariah	04 January 2018	Proposals for Prospective Commissioners and Directors of PT BRIsyariah are submitted in the Official memo of the KNR
2	Nomination for Approval of Prospective Commissioners and Directors of PT. BRI Life	19 February 2018	The proposal for the Prospective Commissioners and Directors of PT. BRI Life is submitted in the Official Memo of the KNR
3	Nomination of the Prospective Commissioners and Directors of BRI Life	29 March 2018	The proposal for the Prospective Commissioners and Directors of PT. BRI Life is submitted in the Official Memo of the KNR
4	Nomination of Candidates for Board of Commissioners and Directors of BRI Agroniaga	29 March 2018	The proposal for the Prospective Commissioners and Directors of BRI Agroniaga is submitted in the Official Memo of the KNR
5	Nomination of Prospective the Chief Director of PT Bahana Artha Ventura	17 April 2018	Proposed recommendation for the Prospective President Director of PT Bahana Artha Ventura delivered in the Service Note of the KNR
6	Nominations for Changes in BRI Life's Commissioner and Directors' Proposal	20 April 2018	Proposed Changes in BRI Proposal for Prospective Commissioners and Directors are submitted in the Service Note of the KNR
7	Nomination for Appointment of Indonesian Multifinance BRI Commissioners and Directors (BRI Finance)	22 May 2018	Proposal for Appointment of Indonesian Multifinance BRI Commissioners and Directors (BRI Finance) is submitted in the Service Note of the KNR

Nomination and Remuneration Committee

No	Material	Time Realization	Output
8	Nomination of Prospective the Chief Committee of PT Bank Rakyat Indonesia Agro Niaga (BRI Agro)	09 October 2018	Proposal for Prospective President Commissioner of PT Bank Rakyat Indonesia Agro Niaga (BRI Agro) is submitted in the Service Note of the KNR
9	Nomination of the Prospective Candidate for Management of PT. BRIsyariah Tbk	21 December 2018	Proposal for Candidates for Management of PT. BRIsyariah Tbk was submitted in the Service Note of the KNR
10	Nomination of Prospective Candidates for Management of PT BRI Agroniaga Tbk	28 December 2018	Nomination of Candidates for Management of PT BRI Agroniaga Tbk submitted in the Service Note of the KNR

3. Directors Performance Evaluation

In corresponding with the clause of the Minister of BUMN Regulation Number PER-03/MBU/02/2015 referring about Requirements, Procedures for Appointment, and Dismissal of Members of the Board of Directors of State-Owned Enterprises and the Articles of Association of PT Bank Rakyat Indonesia (Persero) Tbk. The Nomination and Remuneration Committee should evaluate the performance of the Board of Directors in accordance with the Directors' KPI. The objectives of the Board of Directors' evaluation include evaluating the performance of the Directors and reviewing the competencies of each of the Directors.

The implementation of the evaluation of the performance of the Company's Directors is as follows:

Material	Timely Target	Time Realization	Output
Evaluation of Directors' Performance per Field	Week II March 2017	02 March 2017	Written letter of the KNR/Board of Commissioners through a letter of the Board of Commissioners SR.04-KOM/01/2018 Evaluation of the Directors of PT BRI (Persero) Tbk

4. Preparation of the Remuneration Policies/ Clause of the Board of Directors and the Board of Commissioners

In order to ensure the governance of the clause of remuneration to encourage prudent risk taking by Bank Officials in accordance with the Financial Services Authority (OJK) Regulation No. 45/ POJK.03/2015 dated 23 December 2015 about the Implementation of Governance in the Provision of Remuneration for Commercial Banks, banks must have a remuneration governance policy.

Based on these provisions, the KNR has compiled a policy on BRI's Remuneration Governance Policy which has been established through a decree with the Directors and Commissioners of the Joint Decree of the Board of Directors and Board of Commissioners of PT. Bank Rakyat Indonesia (Persero) Tbk. Number: 09-KOM / BRI / 11/2017 and Number 1023-DIR / KPS / 11/2017 Letter dated 30 November 2017 about the Governance Remuneration Policies of PT. Bank Rakyat Indonesia (Persero) Tbk.

In the framework of implementing the remuneration policies for the Board of Directors and the Board of Commissioners and encouraging prudent risk taking, as a manifestation of improved governance, part of the variable remuneration is deferred for a certain period of time, in 2018 the NRC has drawn up Provisions for Suspended Remuneration PT. Bank Rakyat Indonesia (Persero) Tbk.

Nomination and Remuneration Committee

Material	Timely Target in RKA	Time Realization	Output
The provisions for the Implementation of Variable Remuneration Provisioned by PT. Bank Rakyat Indonesia (Persero) Tbk.	Week II september 2018	12 September 2018	Letter from Board of Commissioners No: 04-KOM / 09/2018 dated 12 September 2018 about Provisions for the Implementation of Variable Remuneration which is Deferred by PT. Bank Rakyat Indonesia (Persero) Tbk.

5. Review of the Remuneration Structure of the Board of Directors and the Board of Commissioners

Based on the results of the 2018 RUPST decision, the RUPST authorized the Board of Commissioners to determine the structure and amount of remuneration for the Board of Directors and the Board of Commissioners to the Board of Commissioners after obtaining approval from Series A Dwiwarna shareholders.

Based on the decision, the KNR submitted a Review and proposed remuneration of the Board of Directors and the Board of Commissioners to the Board of Commissioners which included proposals for honorarium / salaries of the Board of Commissioners and Directors, allowances and facilities for 2018, proposed bonuses for the performance of 2017 Fiscal Year to be subsequently submitted to Shareholders Series A Dwiwarna.

The implementation of the Review and the proposed remuneration of the Directors and Board of Commissioners are as follows:

Material	Timely Target in RKA	Time Realization	Output
Review of the Remuneration of the Board of Directors and the Board of Commissioners	Week I June 2018	05 April 2017	Written proposal of the Board of Commissioners to the Series A Dwiwarna Shareholders through a Letter of the Board of Commissioners Number: R.06-KNR / 05/2018 dated 08 May 2018 concerning Recommendation of the NRC on the proposed earnings of Directors and Board of Commissioners in 2018 and bonuses for 2017 performance.

In formulating the remuneration proposal of the KNR assisted by Willis Towers Watson's Independent Consultant, the Review was conducted by survey based on benchmarks with world-class companies in the country or Southeast Asia region in accordance with Permen No.06/MBU/2017 which among others had business scale criteria considered equal, has a similar core business or the same complexity of business, and can be known the performance indicators and can be known the costs of the Board of Directors and Board of Commissioners in the company.

6. Review of the Implementation of Labor Policy

KNR presented recommendations regarding the results of the Review on the Implementation of Labor Policy to the Board of Commissioners. The recommendations are material for the Board of Commissioners in order to provide opinions and suggestions to the Board of Directors to ensure that the Company always establishes employment policies in accordance with the Company's vision and mission. The review was conducted by evaluating the implementation of Human Capital Architecture, Human Capital Policy and reports and the presentation of the Director of Human Capital and the BRI Employee remuneration system.

Nomination and Remuneration Committee

The implementation and realization of the Review on the implementation of Workers' remuneration and Employment Policy are as follows:

Material	Timely Target in RKA	Time Realization	Output
Review of Employment Policies	First Week November 2018	18 December 2018	Written recommendations about opinions and suggestions of the Board of Commissioners to the Board of Directors are conveyed in a Letter of the Board of Commissioners to the Board of Directors Number: R.85-KOM/12/2018 dated 18 December 2018 concerning Recommendations on Manpower Policy and Remuneration of BRI Employees.

The Matters that became the concerns of the NKR and the Board of Commissioners related to BRI's Human Capital Policies and management include the following:

- To develop innovative programs to reach the best talents and encourage BRI to be the first choice for the best talent to work.
- Develop an integrated Talent Management System (ITMS) in an integrated manner both at BRI and with Subsidiaries as well as assess employee career paths to strengthen long-term performance relationships and career advancements.
- Management's strategies and plans in managing HR face the era of digital banking and fintech.
- Redesign performance assessments to ensure a fair and transparent process.
- Re-align the remuneration mechanism to reward employees and work distribution that is fair.
- Review the structure of employee remuneration, specifically the amount of remuneration received each month, so that it is more attractive for the best talent to join BRI.
- Remuneration for workers at every level of position is comparable with industry, which encourages worker productivity.
- To accelerate the fulfilling of ranks structural positions, management is expected to relax by giving trust to good and affirmative young talents for the employees in the rural area to be able to fulfill the position.
- To develop strategies and design training in conglomeration with subsidiaries that support workers' knowledge and capabilities in a coglomeration.

Report on the Implementation of Committee Activities 2018

During 2018, the Nomination and Remuneration Committee has carried out various tasks and activities, included:

- Prepared plans and programs for the Nomination and Remuneration Committee for 2018 which is a description of the Nomination and Remuneration Committee Charter.
- Together with the Audit Committee, Risk Management Oversight Committee, Secretary of the Board of Commissioners, and Staff Secretary of the Board of Commissioners prepared the Board of Commissioners' plans and work programs in 2018
- The Nomination and Remuneration Committee proposes candidates who qualified as members of the Board of Directors and members of the Board of Commissioners to be submitted at the RUPS. The proposal has gone through the nomination process including the preparation of policies, criteria, and qualifications needed in the framework of the process of prospective Directors and Commissioners in accordance with the Company's Strategic Plan.
- Reviewed and studied about the Remuneration of Directors and Commissioners according to the Company's performance, size business, and the results of the banking industry remuneration survey.
- Conducted the Nomination process and provide recommendations for prospective Company Managers and Subsidiaries.
- Provided recommendations to the Board of Commissioners regarding the length of service period of Committee members from outside the Commissioner.
- Provided input and recommendations to the Board of Commissioners on employment policies.
- Together with the Audit Committee, the Risk Management Oversight Committee, and the

Nomination and Remuneration Committee

Secretariat of the Board of Commissioners to conducted reviews in order to approve the Board of Commissioners on the proposal and revision of the Rencana Bisnis Bank (RBB) and the Rencana Kerja dan Anggaran Perseroan (RKAP).

9. Together with the Audit Committee, Risk Management Oversight Committee, the Secretariat of the Board of Commissioners reviews the Company's monthly performance developments and provides suggestions and opinions to the Board of Commissioners to be clarified to the Board of Directors in forums of the Board of Commissioners and Directors.
10. Conducted the business trip/visit to work units.
11. Conducted other duties requested by the Board of Commissioners.

Education and Training

The training of members of committee during 2018 is available on the BOC Workshops/Trainings 2018 list section.

Committee Meeting

Meeting Policy

The Policy for Meeting Committee Arrangements as contained in the Committee Charter are as follows:

1. The meeting shall be held at least once every four (4) months or may be held at any time when deemed necessary.
2. The meeting may only be held when attended by at least 51% (fifty-one percent) of the number of members, including the Chairman of the Committee and Executive Officers in charge of human resources or employee representation.
3. The meeting shall be held at the place of domicile of the Company or other place as specified by the Committee
4. The Chairman of the Committee shall make the meeting invitations. The invitations of the Committee Meeting shall be made in writing and submitted or submitted directly to each member of the Committee with adequate receipt, or by e-mail no later than 5 (five) days prior to the meeting, excluding the date of the call and the date of the meeting, or in a shorter time if urgent.

5. The above-mentioned invitation is not required for scheduled meetings based on the decision of the previous meeting.
6. Meeting invitations should include the meeting agenda, date, time, and meeting place.
7. The meeting is led by the chairman of the Committee.
8. The decisions of Committee meetings shall be based on consensus deliberations. If deliberation is not reached, the decision shall be made by majority vote, provided that each member of the Committee shall only be entitled to grant 1 (one) vote.
9. If the agreed and disagreed votes are equal, then the chairman of the meeting is entitled to take the decision.
10. The results of Committee meetings shall be set forth in the minutes of meetings and shall be properly documented and shall be submitted in writing to the BOC.
11. Disagreements or dissenting opinions that occur in Committee meetings shall be clearly stated in the minutes of the meeting and the reasons for such dissent.
12. The Committee minutes of meetings shall be made by a person present at the meeting and appointed by the chairman of the meeting. The minutes of meeting shall be signed by all Committee members present at the meeting.
13. The Committee minutes of meetings are valid evidence of decisions taken at the meeting;
14. Meetings may invite the BOD and/ or Division Head/ Executive Officer of the Company to request explanations, disclosures, and information related to the meeting agenda.
15. The chairman of the meeting shall present the conclusions and decisions at the end of the meeting.
16. The Committee may also adopt a lawful decision without a meeting, provided that all members of the Committee have been notified in writing and that all members of the Committee give their consent to the proposal submitted in writing and to sign the agreement. The decisions taken in such manner shall have the same power as the legally adopted decisions of the Committee Meetings.

Nomination and Remuneration Committee

Meeting Frequency and Attendance

Throughout 2018 the Nomination and Remuneration Committee has convened a Meeting 15 several times with the following explanation:

Date	Agenda	Minutes No	Total Attendance	Remarks
4 January 2018	Nomination of candidates for BRI Syariah Commissioners & Directors	01-KNR/01/2018	7	Quorum
15 January 2018	Interview of the prospective head division SKP	02-KNR/01/2018	7	Quorum
6 March 2018	The Process of Proposing Remuneration for the Board of Directors and Board of Commissioners in 2018, Changes in the Remuneration of the Board of Commissioners' Expertise	04 - KNR/03/2018	7	Quorum
13 March 2018	Proposed BRI Life Management	03-KNR/03/2018	6	Quorum
21 March 2018	Evaluation of prospective members of the Board of Directors and the Board of Commissioners in the framework of the Rapat Umum Pemegang Saham Tahunan (RUPST) of 2018 March 21, 2018	06 - KNR/03/2018	9	Quorum
29 March 2018	Proposed Commissioner and Director of BRI Life & BRI Agro	05 - KNR/03/2018	6	Quorum
3 May 2018	Discussion of Directors & Commissioners Remuneration with Willis Tower Watson	07-KNR/05/2018	6	Quorum
8 May 2018	Discussion of Directors & Commissioners Remuneration with Willis Tower Watson	08-KNR/05/2018	7	Quorum
22 May 2018	Nomination of BRI Finance Management	09-KNR/05/2018	8	Quorum
25 September 2018	a. Determination of Effective Date Mr. Hadiyanto as BRI Commissioner, b. Discussion of Contracts for Non-Board of Commissioners Members.	10-KNR/09/2018	6	Quorum
8 October 2018	Discussion of Nominations Bank Agro Management (President Commissioner)	11-KNR/10/2018	5	Quorum
11 December 2018	a. Evaluation of BRI employee remuneration policies b. Review policies on promotion, transfer, and filling in BRI's strategic position formation c. Shifting BRI employees d. Other issues related to Human Capital policy	12-KNR/12/2018	6	Quorum
17 December 2018	a. Evaluation of SEVP Effectiveness in BRI Management Organizations; b. Compilation of BRI Executive Assessment Guidelines by Commissioners in order to fill BRI Talent Pool and Ministry of BUMN; c. RUPS LB preparation January 3, 2019	13-KNR/12/2018	6	Quorum
21 December 2018	Nomination of BRI Management	14-KNR/12/2019	9	Quorum
21 December 2018	Proposed changes in BRI Agroniaga and BRI Syariah Board of Directors.	15-KNR/12/2020	9	Quorum

Nomination and Remuneration Committee

Name	Title	Total Meeting	Total Attendance	%
Andrinof A. Chaniago	Chairman	15	15	100%
Gatot Trihargo	Chairman	15	12	80%
A. Fuad Rahmany	Member	15	13	87%
A. Sonny Keraf	Member/Chairman	15	13	87%
Mahmud	Member	15	14	93%
Rofikoh Rokhim	Member	15	14	93%
Vincentius Sonny Loho*	Member	5	4	80%
Jeffry J. Wurangian**	Member	9	7	78%
Nicolaus Teguh Budi Harjanto	Member	15	12	80%
Hadiyanto***	Member	10	8	80%
A. Solichin Lutfiyanto****	Member	5	4	80%
Busrul Iman*****	Member	6	6	100%
* Effective until 20 September 2018 ** Effective until 20 September 2018 *** Effective 1 October 2018 **** Effective 1 October 2018 ***** Effective 1 July 2018				

Follow Up Follow Up Meetings / Meetings

Recommendation documents or results of policy reviews issued by the KNR in 2018 are as follows:

Date	Letter No	Subject
04-Jan-18	R.01-KNR/01/2018	Recommendation for Prospective Commissioner and Director of PT BRIsyariah Tbk.
19-Feb-18	R.02-KNR/02/2018	Recommendation for the Prospective Commissioner and Director of PT Asuransi BRI Life
13-Mar-18	R.03-KNR/03/2018	Adjustment Honorarium of Board of Commissioners Expert
16-Mar-18	R.04-KNR/03/2018	Procurement of Consultant Services Related to the Preparation of BRI's Board of Commissioners and Directors Remuneration Policy
29-Mar-18	R.05-KNR/03/2018	Recommendations for Prospective Commissioners and Directors of PT. BRI Agroniaga. Tbk
29-Mar-18	R.05-KNR/03/2018	Recommendations for Prospective Commissioners and Directors of PT. BRI Agroniaga
08-May-18	R.06-KNR/05/2018	Recommendation of the KNR for the Proposed Income of the Directors and Board of Commissioners in 2018 and the Tantiem for Performance in 2017
21-Mar-18	R.07-KNR/05/2018	Recommendation of the KNR on the Determination of Candidates for Members of the Board of Directors and the Board of Commissioners to be Proposed in the 2015 BRI RUPST
22-May-18	R.08-KNR/05/2018	Recommendations for Prospective Commissioners and Directors of PT BRI Finance Indonesia
14-Aug-18	R.09-KNR/08/2018	Revised Remuneration Policies of PT. Bank Rakyat Indonesia (Persero) Tbk
09-Oct-18	R.10-KNR/10/2018	Recommendations for Prospective President Commissioner of PT BRI Agroniaga Tbk.
11-Dec-18	R.11-KNR/12/2018	Request for Approval of Approval of Candidates for Management of PT BRIsyariah Tbk.
19-Dec-18	R.14-KNR/12/2018	Request for determination of SKP Kadiv and Head of SKAI BRI
28-Dec-18	R.15-KNR/12/2018	Request for approval from prospective management of PT. Agroniaga Tbk
28-Dec-18	R.16-KNR/12/2018	Recommendation of TOP Talent BRI
28-Dec-18	R.17-KNR/12/2018	Discussion of BRI Management's Proposal

Nomination and Remuneration Committee

Meeting Plan 2018

Discussion	Target Time Realization
Nomination of Director and Commissioners	Week I March 2019
Evaluation of Director's Performance per Field	Week I March 2019
Nomination of Prospective Management of Subsidiary Company	Week IV April 2019
Review of the Directors and Commissioners Remuneration Policies	Week II May 2019
Review and preparation of the Directors and Commissioners Structure of Remuneration for 2018	Week I June 2019
Review of the Human Capital Policies	Week I September 2019
Review of the Employees Remuneration Policies	Week I September 2019

NRC Remuneration

The remuneration for committee members who are members of the BOC is accumulated with honorarium given to the BOC and no special honorarium for each member of the Committee.

ASSESSMENT OF THE NOMINATION AND REMUNERATION COMMITTEE IN 2018

No	Assesment Perspective	Aspects of Assesments	Indicator	Target	Ouput/Target Achievement	Weight	Values
1	Learning & Growth Perspective	Committee Organization	The composition of committee members is according with the provisions	Composition of the KNR Members in corresponding with POJK KBUMN regulations and regulators	According to SK Dekom No: 08-KOM/10/2018 dated 30 October 2018 about the Determination of Chairman and Members of the BRI KNR. The composition of the members of the KNR is in accordance with POJK and the provisions of the Ministry of BUMN	5	5
			Committee Decree that has been renewed according to the regulations	Review KNR decree in 2019	KNR decree that has been reviewed and updated through Nokep Dekom NO : 13-KOM/11/ 2018 about Orderly Code of Conduct of KNR	5	5
		Competencies of Committee Members	The committee members have the competencies according to the provision	All of the KNR Member that has passed Fit & Propertest OJK and/or follow the training within 2019	8 (eight) Commisionares members of KNR has passed Fit and Proper Test OJK and will always and always updating the training every year	5	5
			The term of office of committee members is in corresponding with the provisions	The Committee Member's SK is updated according to the terms and terms of office in accordance with the provisions of POJK and KBUMN	In corresponding with Decree of the Decree No: 08-KOM/10/2018 dated 30 October 2018 concerning about the Appointment of Chairman and Members of the KNR BRI, the term of office of the Chairperson and Members of the KNR does not exceed the provisions	5	5
2	Internal Process Perspective	Planning	Ratification of the Committee's Work Plan on time	The RKAP of the Board of Commissioners is ratified prior to the implementation of the current year the RKAP is valid (the latest on December 31)	RKAP KNR in 2019 has been authorized at 28 December 2018	5	5

Nomination and Remuneration Committee

No	Assesment Perspective	Aspects of Assesments	Indicator	Target	Ouput/Target Achievement	Weight	Values
		Planning	The committee meeting conducted according to provision and the arranged plans	According with the provisions, Committee meetings were conducted at least once in 4 months	During 2019, the KNR meetings were conducted for 15 times	10	10
			Nomination of BRI Management	Minimum once in a year	1. Proposals for candidates for the President Director and prospective members of the Board of Directors of BRI are submitted through the Service Note of the KNR No: R.07-KNR/03/2018 dated 21 March, 2018. 2. Proposed changes to the management of PT. BRI (Persero) Tbk. submitted through Service Notes KNR R.17-KNR/12/2018 dated 28 December 2018.	10	10
			Nomination for Subsidiary Companies Managements	Tentative, corresponding with the Director's proposals.	1. The Proposal of Prospective Commissioners and Directors of PT BRIsyariah is submitted in the Service Note of the KNR Number: R.01-KNR / 01/2018 dated 4 January 2018. 2. Proposal of Prospective Commissioners and Directors of PT. BRI Life is submitted in the Service Note of the KNR Number: R.01-KNR/02/2018 dated 19 February 2018. 3. Talent Proposals for Prospective Commissioners and Directors of Agro Niaga are submitted in the Memorandum of Service KNR Number: R.05-KNR / 03/2018 dated 29 March 2018. 4. Proposal for Appointment of Indonesian Multifinance BRI Commissioners and Directors (BRI Finance) is submitted in the Service Note of the KNR Number: R.08-KNR / 05/2018 dated 22 May 2018. 5. Proposed Candidates for President Commissioner of PT Bank Rakyat Indonesia Agro Niaga (BRI Agro) are submitted in the Service Note of the KNR Number R.10-KNR / 10/2018 dated October 9 2018. 6. Proposal for Candidates for Management of PT. BRIsyariah Tbk is submitted in the Service Note of the KNR Number: R.11-KNR / 12/2018 dated 28 December 2018 7. Nomination of Candidates for the Management of PT BRI Agroniaga Tbk submitted in the Service Note of the KNR Number: R.15-KNR / 12/2018 dated 28 December 2018	10	10

Nomination and Remuneration Committee

No	Assessment Perspective	Aspects of Assessments	Indicator	Target	Ouput/Target Achievement	Weight	Values
			Review and recommendation arrangement of Remuneration Structure of Directors and Board of Commisoners	Conducted periodically, once in a year	The written proposal of the Board of Commissioners to the holders of Series A Dwiwarna Share through a Letter of the Board of Commissioners Number: R.06-KNR / 05/2018 dated May 8, 2018 concerning Recommendation of the KNR on the proposed earnings of Directors and Board of Commissioners in 2018 and bonuses for 2017 performance.	10	10
			To review/arrange the Directors and Commisoners' Remuneration Policy	Conducted periodically, once in a year	KNR has been arranged Board of Commissioners Decree Number: 04-KOM/ 09/2018 12 September 2018 concerning Provisions for the Implementation of Variable Remuneration which is Deferred by PT. Bank Rakyat Indonesia (Persero) Tbk.	10	10
		Supervision	Review of Employment and Employees Remuneration Policies periodically	Conducted periodically, once in a year	The written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors are conveyed in a Letter of the Board of Commissioners to the Board of Directors Number: R.85-KOM/12/2018 dated 18 December 2018 concerning Recommendations on Manpower Policy and Remuneration of BRI Employees.	10	10
3	Compliance Perspective	Implementation of corporate activities in accordance with GCG	Directors performance evaluation	Conducted periodically, once in a year	Written letter of the KNR / Board of Commissioners through a letter of the Board of Commissioners SR.04-KOM / 01/2018 Evaluation of the Directors of PT BRI (Persero) Tbk	5	5
			Implementation of the performance assessment of the Board of Commissioners	Conducted periodically, once in a year	Implemented once with BOC 99,97% self assessment results	5	5
			The performance assesments of board of commissioners' organs	Conducted periodically, once in a year	The performance assessment of Dekom Commite and evaluation of Committee Members has been conducted in every end of the year and has been submitted on BRI Annual Report	5	5
Total						100	100

Opinion of the Nomination & Remuneration Committee on the Implementation of the Nomination and Remuneration of the Company

The Remuneration and Nomination Committee assesses that the system and procedures for selecting and/or replacing members of the Board of Commissioners and/ or Directors have referred to the applicable clause and fulfilled the principles of good corporate governance. For example, in the case of selecting candidates for the Board of Directors, each candidate must first pass an assessment conducted by an independent party and the Board of Commissioners provide recommendations for prospective management of the Company based on BRI Top talent data originating from a level under the Board of Directors or Subsidiary Directors who then undergo the process fit and proper test by the Board of Commissioners by direct interview method.

The Nomination and Remuneration Committee assesses that performance measurement for the Board of Commissioners and collectively conducted collegial Directors is currently sufficient. In addition to this, individual performance appraisals have been developed, especially for Directors, who can measure the effectiveness of the duties of each of the Directors without prejudice that there are individual performance of Directors who are collegial (influenced / affected the performance of other Directors or must be done with other Directors).

In terms of selection criteria and procedures for prospective officials one level below the Board of Directors, the Nomination and Remuneration Committee considers that the Board of Directors has implemented a system, criteria and procedures that are prudent, transparent and accountable.

Nomination and Remuneration Committee

Regarding remuneration, the Company is considered to have implemented remuneration for the Directors based on the performance achieved, benchmarking the industry and the peers group and based on comprehensive evaluations assisted by competent independent parties. Likewise, the determination of remuneration for workers as a whole is applied fairly, fairly and motivated workers, while taking into account the company's financial capabilities and remuneration given in the industry.

Directors Succession Plan

The Board of Directors and Board of Directors' nomination policy is determined by the NOKEP Decree: 07KOM / BRI / 07/2015, July 28, 2015.

In General, the Success Policies of the Board of Commissioners and Directors are as follows:

Succession Policy of the Board of Directors and Board of Commissioners

- a. The Board of Commissioners is authorized to nominate candidates for members of the Board of Directors and/or the Board of Commissioners of the Bank.
- b. For prospective members of the Board of Directors, the nomination process is for internal candidates of the Bank, i.e.:
 - a) Members of the Board of Directors who will finish their tenure but may still be reappointed as members of the Board of Directors;
 - b) Officers reporting directly to the Directors or officers with special performance;
 - c) Board of Directors of a subsidiary or joint venture.
- c. For candidates of members of the Board of Commissioners, the Nomination process shall be conducted for prospective members of the Board of Commissioners who will finish their tenure but may be reappointed as members of the Board of Commissioners;
- d. For prospective members of the Board of Directors and/or Board of Commissioners with the exclusion of Officials reporting directly to the Board of Directors, and Board of Directors of a Subsidiary, the Nomination process shall be conducted jointly by a Team established by the Dwiwarna Series A Shareholder while simultaneously determining the prospective members of the Board of Directors and/or Board of Commissioners, which will be proposed to the General Meeting of Shareholders.
- e. In the Nomination process, the Committee shall be represented by the Chairman of the Committee, and if the Chairman of the Committee is absent, then it shall be replaced by one of the Committee members who are an Independent Commissioner.
- f. This decision also mandates the Chairman of the Committee or Independent Commissioner to:
 - a. Represent the Committee as a member of the Assessment Team established by the Dwiwarna Series A Shareholder;
 - b. Provide recommendations on candidates for members of the Board of Directors and/ or Commissioners with due regard to the fulfillment of the applicant's requirements for the integrity, competence, and reputation;
- g. The Chairman of the Committee or Independent Commissioner who represents the Committee shall avoid any conflict of interest and shall maintain its independence.

Procedures of Nomination of the Board of Directors and Commissioners

Procedure for the selection of candidates for members of the Board of Commissioners and/or Directors shall be regulated as follows:

- a. The Nomination and Remuneration Committee (NRC) selected Candidates that meet the specified qualifications. The Committee may request the proposal of Candidates to the Bank's Board of Directors with assessment from Professional Institute under competence indicators in accordance with applicable provisions for prospective candidates of the Officials reporting directly to the Board of Directors with special achievements, and the Board of Directors of a subsidiary or joint venture company.
- b. The Prospective Candidates of the Board of Commissioners and/or Board of Directors deemed eligible shall be proposed by KNR to the Board of Commissioners to follow the Evaluation process.
- c. The NRC conducts an evaluation to obtain comprehensive information on the qualifications and competencies of Candidates, as follows:
 - 1) For prospective members of the Board of Directors who are currently a member of the Board of Directors who will finish his/ her tenure but may be reappointed, the evaluation shall be conducted, among others, by requesting an opinion from the President Director;

Nomination and Remuneration Committee

- 2) The Nomination and Remuneration Committee shall nominate prospective members of the Board of Directors who meet the specified qualifications. The selection process involves professional/ external parties or Professional Search Firm, i.e.: PPM Management Assessment Center Indonesia (ACI) Telkom, DDI, Bina Potensia, SHL, and LMFE UI. Further, the assessment results are submitted to the Nomination and Remuneration Committee.
- 3) For prospective members of the Board of Directors who are currently an Official reporting directly to the Board of Directors with special achievements, or from the Board of Directors of a subsidiary/joint venture company, the evaluation shall be conducted by:
 - i. Interviewing the recommended Prospective Candidates for the Board of Directors; and/or,
 - ii. Requesting Prospective Candidates of the Board of Directors to provide presentations on a particular topic, which describes the ability of Prospective Candidate according to the requirements.
- 4) For Prospective Candidates of the Board of Commissioners, evaluations to explore qualifications and competencies shall be made from the relevant curriculum vitae.
- d. The information about the Prospective Candidates of the Board of Commissioners and/ or Directors shall be discussed in the Committee meeting to decide the Prospective Candidate who is selected to become a Candidate of the Board of Commissioners and/or Board of Directors.
- e. The results of the Committee's discussion are set forth in the Committee's Memo to the Board of Commissioners. The Memo shall be a recommendation document of the Committee on the nomination of the Candidate for the Board of Commissioners and/ or Directors concerned.
- f. The Board of Commissioners decides that the candidates for the Board of Commissioners and/or Directors in the Board of Commissioners' Meeting, simultaneously as the basis for the recommendation of the Board of Commissioners to the Dwiwarna Series A Shareholder to be submitted in the GMS.
- g. The GMS determines the composition and amendment to the members of the BRI's Board of Directors. In the event that the appointed member of the Board of Directors has not been approved by OJK, the appointment has not been effective until the member is approved by OJK. Candidate of the BRI's Board of Directors who has not received OJK approval are prohibited from performing his/her duties as member of the Board of Directors in the Bank's operational activities and/or other activities that have a significant impact on the Bank's financial policies and condition, even though he/she has been approved and appointed by the GMS. The GMS dismisses the Board of Directors appointed at the previous GMS, if the concerned party is not approved by OJK.
- h. BRI submit a request to OJK to conduct the fit and proper test.
- i. OJK is authorized to provide the result of the fit and proper test of the selected Directors, which covers administrative research and interview. Approval or rejection of such application shall be provided by OJK no later than 30 (thirty) days after receipt of the candidate's complete application.

Risk Management Oversight Committee

Risk Management Supervisory Committee Komite Pemantauan Manajemen Risiko (KPMR) is one of the organs of the Board of Commissioners established in order to support the effectiveness of the implementation of the tasks and responsibilities of supervision of the Board of Commissioners. KPMR work collectively, to be independent in the performance of its duties and in reporting and is directly responsible to the Board of Commissioners.

Legal Basis

1. Circular Letter OJK No. 13 / SEOJK.03 / 2017 dated March 17, 2017 on Governance Implementation for Commercial Banks.
2. Regulation of the SOE Ministry No. PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners/ Supervisory Board of the State-Owned Enterprises.
3. Regulation of the Financial Services Authority No. 33/POJK.4/2014 dated 8 December 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.

Committee Charter

In carrying out their functions and roles, Risk Management Supervisory Committee BRI include Work Guidelines governing the duties, powers, duties, responsibilities, division of labor, working time, work ethic, meetings, organizational structure, and implementation of the tasks associated with the Risk Management Supervisory Committee Komite Pemanatauan Manajemen Risiko (KPMR). Employment Guidelines and Rules of Conduct must be known and are binding upon every member

KPMR. The guide is a guide implementation of tasks and responsibilities for KPMR in order to support the effective implementation of the tasks and responsibilities of the Board in evaluating and ensuring the implementation of risk management BRI.

Free work at the Risk Management Supervisory Committee periodic review to ensure that the scope of the guidelines are always in line with the requirements, Bank Indonesia Regulation, the Financial Services Authority and / or other related regulations in force. KPMR Work Guidelines adopted by the Board of Commissioners through the Memorandum Department of the Secretariat of the Board of Commissioners No: B.41-Sekkom / 05/2015 dated May 12, 2015 on the Guidelines for Charter Commissioners and Organ Support Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Dismissal

The RMOC is established and responsible to the BOC to support the BOC duties and responsibilities on the Bank's risk management implementation and oversight. The the RMOC Chairman and Members are stipulated through the Board of Directors' Decree Nokep: 317-DIR/KPS/04/2017 dated 03 April 2017 on the Re-Assignment of Chairman and Members of RMOC.

Committee Structures

- 1) The RMOC is under the coordination of the BOC and structurally responsible to the BOC;
- 2) Members of the RMOC is at least consisted of 3 (three) personnel. One of them is Independent Commissioner that acts as the Committee Chairman.

The following is the RMOC Structure and Membership as of December 2018:

Name	Title	Term of Office	Remarks
Mahmud	Chairman	15 March 2017-present	Independent Commissioner
Andrinof A. Chaniago	Member	15 March 2017-Present	President Commissioner
A. Fuad Rahmany	Member	June 2015 – present	Independent Commissioner
Jeffry J. Wurangian	Member	June 2015 – present	Commissioner
Nicolaus T. Budi Harjanto	Member	15 March 2017-present	Commissioner
Indrayeti	Member	June 2015 – present	Independent Party on Risk Management
Tubagus A. Maulana	Member	June 2015 – present	Independent Party on Risk Management
Suindiyo	Member	June 2015 – present	Independent Party on Financial
Totok Hermiyanto	Member	June 2015 – present	Independent Party on Financial

Risk Management Oversight Committee

Committee Membership

- 1) The members of the Committee shall at least consist of:
 - a. An Independent Commissioner;
 - b. An Independent Party having expertise in finance; and
 - c. An Independent Party with expertise in risk management.
- 2) The Independent Party is deemed to have expertise in finance must meet the criteria:
 - a. Have knowledge in economics, finance and/ or banking; and
 - b. Have work experience of at least 5 (five) years in economic, finance and/ or banking.
- 3) Independent parties assessed to have expertise in risk management must meet the criteria:
 - a. Have knowledge in risk management;
 - b. Have at least 2 (two) years working experience in risk management in finance and/ or banking.
- 4) The Independent Party shall meet the following requirements:
 - a. Not receiving compensation from the Company and its subsidiaries, or its affiliation, except wages, salaries and other facilities received in connection with the duties performed as members of the Risk Management Monitoring Committee;
 - b. Has no family or financial relationship with the BOD and BOC;
 - c. Do not hold multiple positions in the Company and other affiliated Companies;
 - d. Has no duties, responsibilities, and authorities that create a conflict of interest;
 - e. Should not be concurrently a member of the BOC, Secretary of the BOC, Staff of the Secretary of the BOC and members of the Committee on SOEs or other companies; and
 - f. Not contrary to other provisions and legislation.
- 5) 1) Former members of the BOD or Executive Officers of the Company or parties related with the Company that may affect their ability to act independently may not become Independent Party as a member of the Committee, prior to six-month period of cooling off. The terms of the waiting period (cooling off) to become an Independent Party shall not apply to former members of the BOD or Executive Officers whose duties only perform supervisory functions for at least 6 (six) months.
- 6) The appointment of Committee members of the Independent Party, following the following provisions:
 - a. Selected by the BOC through recruitment and selection mechanisms;
 - b. The longest working period is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable contract workers rules in the Company, without disabling the dismissal by the BOC before the term of the contract expires.
- 7) Members of the BOD are prohibited from becoming members of the Committee.

Committee Profile

Risk Management Supervisory Committee Profile in 2018 is as follows:

Mahmud KPMR Chairman / Independent Commissioner Period: March 15, 2017-Present	Commissioners then become a member of the Risk Management Supervisory Committee by March 15, 2017, can be seen at the Board of Commissioners.
Andrinof A. Chaniago Members KPMR / Independent Commissioner Period: March 15, 2017-Present	Commissioners then become a member of the Risk Management Supervisory Committee by March 15, 2017, can be seen at the Board of Commissioners.

Risk Management Oversight Committee

A. Fuad Rahmany Members KPMR / Independent Commissioner Period: June 2015-Present	Commissioners then become a member of the Risk Management Supervisory Committee by June 2015, can be seen at the Board of Commissioners.
Jeffry J. Wurangian Members KPMR / Independent Commissioner Period: June 2015- September 2018	Commissioners then become a member of the Risk Management Supervisory Committee by June 2015 ñ September 2018, can be seen at the Board of Commissioners.
Nicolaus T. Budi Harjanto Members KPMR / Commissioner Period: March 15, 2017-Present	Commissioners then become a member of the Risk Management Supervisory Committee by March 15, 2017, can be seen at the Board of Commissioners.
Indrayeti Members KPMR Independent party Period: August 2014-Present	Born in Sungai Liat, October 9, 1972. He has served as a member of KPMR PT BRI (Persero), Tbk since August 2014. Previous career in another state-owned banks and some private banks in a variety of positions. Obtained his Bachelor of Economics and Accounting from Trisakti University, Jakarta (1995) and a Master of Commerce from the University of New South Wales (2000).
Tubagus A. Maulana Members KPMR Independent party Period: February 2016-Present	Born in Jakarta, May 7, 1971. He has served as a member of KPMR PT BRI (Persero), Tbk since February 2016. Previous career as a lecturer and consultant. He earned a Bachelor of Agriculture of IPB (1995) and an MBA Banking and Finance from the University of Birmingham (2000), MSc in Finance from the University of Strathclyde (2001) and a PhD in Finance from the University of Strathclyde (2007).
Suindiyo Members KPMR Independent party Period: December 2015-Present	Born in Bora 27 April 1959. He has served as a member of KPMR PT BRI (Persero), Tbk since December 2015. Previous career at PT BRI (Persero) Tbk in various positions, among others Inspector (Executive Vice President of Audit), Vice President of Loan Restructuring and Recovery, Vice President and Vice President of Credit Administration Training Center. It also served as Commissioner of Non-Bank Financial Institutions. Obtaining a degree in Economics from the University of Jember (1985) and a Master of Business Administration in Finance from Virginia Polytechnic Institute and State University (Virginia Tech) (1994).
Totok Hermiyanto Members KPMR Independent party Period: December 2015-December 2018	Born in New York City, June 22, 1959. He has served as a member of KPMR PT BRI (Persero), Tbk since December 2015. Previous career more than 30 years at Bank Indonesia as the Bank Supervisor, Auditor and Chief Representative. He earned a law degree from Diponegoro University in 1983 and Master of Business Administration from Wollongong University in Australia (1996).

Risk Management Oversight Committee

Educational Qualifications and Experiences

In accordance with the RMOC Charter, the Committee Members shall at least consist of an Independent Commissioner, an Independent Party with finance skills and an Independent Party with risk management skills.

- a. The Independent Party with financial skills shall meet the criteria of knowledge in economics, finance and/ or banking; and has working experience of at least 5 (five) years in the field of economics, financial and/or banking.
- b. The Independent Party with risk management skills shall

meet the criteria of knowledge in risk management and has working experience of at least 2 (two) years in the field of risk management of financial and/or banking.

Independency

All members of RMOC have no affiliation with the Director, other Commissioners or controlling shareholders of BRI, not a shareholder, Commissioner, Director or employees of companies or businesses, which are affiliated to BRI. The independence requirement of RMOC Members are as follows:

- a. Not receiving compensation from the Company and its subsidiaries or affiliates, except wages,

salaries and other facilities received in connection with the duties performed as members of the RMOC;

- b. No family or financial relationship with the Board of Directors and Board of Commissioners;
- c. Not holding multiple positions in the Company and other affiliated companies;
- d. Not having the duties, responsibilities, and authorities that create a conflict of interest
- e. Not concurrently as a member of the BOC, Secretary of the BOC, Staff of the Secretary of the BOC and members of the Committee on SOEs or other companies.

No	Independence criteria	Mahmud	Andrinof A. Chaniago	A. Fuad Rahamny	Jeffry J. Wurangian	Nicolaus T. Budi Harjanto	Indrayeti	Tubagus NA. Maulana	Suindiyo	Totok Hermiyanto
1.	Unrelated stake in the company that could affect its ability to act independently.	√	√	√	√	√	√	√	√	√
2.	Do not have a financial relationship with a member of the Board Commissioners, Directors and / or Controlling Shareholders or relationship with the Bank, which could affect its ability to act independently.	√	√	√	√	√	√	√	√	√
3.	Do not have a management relationship with the members of the Board of Commissioners, Directors and / or Controlling Shareholders or relationship with the Bank, which could affect its ability to act independently.	√	√	√	√	√	√	√	√	√

Risk Management Oversight Committee

No	Independence criteria	Mahmud	Andrinof A. Chaniago	A. Fuad Rahamny	Jeffry J. Wurangian	Nicolaus T. Budi Harjanto	Indrayeti	Tubagus NA. Maulana	Suindiyo	Totok Hermiyanto
4	Not having family ties with members of the Board Commissioners, Directors and / or Controlling Shareholders or relationship with the Bank, which could affect its ability to act independently.	✓	✓	✓	✓	✓	✓	✓	✓	✓

Duties and Responsibilities

KPMR assist the Board to carry out their duties and responsibilities in evaluating and ensuring the implementation of risk management remains the elements of the adequacy of risk management procedures and methodologies, so that the Company's activities can still be controlled at the boundaries / limits of acceptable risk and benefit of the Company.

Duties and responsibilities of RMOC are as follows:

- Periodically evaluate and analyze the adequacy of risk management policy and provide opinions in the form of advise and/or recommendations to the BOC for the adjustment and improvement of the required risk management framework and policy;
- Evaluate and analyze the Company's risk profile report in quarterly basis and provide advice and/or recommendation to the BOC for necessary improvements and enhancement;
- Monitor and evaluate the adequacy of the identification, measurement, monitoring, control and risk management information system of the Company and provide advice and/or recommendation to the BOC to improve the effectiveness and quality of risk management implementation of the Company;
- To supervise and evaluate the performance of the Risk Management Committee and Risk Management Division and to provide advice and/or recommendation to the BOC to improve the effectiveness of the implementation of the Risk Management Committee and Risk Management Division. Evaluation of the duties of the Risk Management Committee and the Risk Management Division shall be conducted at least 1 (one) time in 1 (one) year;
- Evaluate and analyze the implementation of the Company's Compliance Function at least semiannually and provide advice and/or recommendation to the BOC to improve the quality of the Company's Compliance Function;
- Evaluate and analyze the implementation of risk control of the fraud of the Company at least semiannually and provide advice and / or recommendation to the BOC to improve the quality of implementation of the Company's Anti-Fraud Strategy;
- To evaluate and analyze the implementation of the Company's Anti Money Laundering and Counter Terrorism Prevention (AML & CTF) Program at least semi-annually and to provide advice and / or recommendation to the BOC to improve the quality of implementation of the Company's Anti Money Laundering Program;
- Evaluate and analyze the implementation of risk management in the use of Information Technology and Information Technology Strategic Plan and Company policy related to the use of Information Technology at least every semester and provide advice and / or recommendation to the BOC on the implementation of risk management in the use of Information Technology by the Company;
- Evaluate and analyze Bank Rating every semester and provide advice and / or recommendation to the BOC in order to maintain Bank Health;
- Evaluate and analyze the package of proposals of the BOD for the provision of funds to related parties that must be approved by the BOC;

Risk Management Oversight Committee

11. Giving opinion and / or recommendation on loan over certain amount which requires consultation with the BOC;
12. Carry out other duties and responsibilities granted by the BOC.

Authorities

1. Obtain relevant information related to the execution of its duties from internal and external parties of the Company;
2. Obtain feedback or advice from outside parties of the Company relating to their duties;
3. Provide opinions and recommendations to the BOC in order to improve the risk management of the Company;
4. Provide opinions and recommendations to the BOC in order to improve the effectiveness of the performance of the Risk Management Committee and the Risk Management Division of the Company;
5. Provide opinions and recommendations to the BOC in order to improve the quality of the Company's Compliance Function;
6. Provide opinions and recommendations to the BOC in order to improve the quality of implementation of the Company's Anti-Fraud Strategy;
7. To give opinion and recommendation to the BOC in order to improve the quality of implementation of Anti Money Laundering and Prevention of Terrorism Financing Program of the Company;

8. To provide opinions and recommendations to the BOC on the implementation of risk management in the use of Information Technology by the Company; and
9. Provide opinions and recommendations to the Board of Commissioners in order to maintain and improve the Company's Health Level.

KPI and Achievement 2018

The performance indicators or criteria of the RMOC is measured from the achievements of work programs/work and budget plan developed at the beginning of the year and attendance levels of the RMOC Members in every meeting.

The RMOC work programs is developed to support the Key Success Factors of the BOD duties and responsibilities to review and monitoring the risk management implementation in BRI.

In general all RMOC KPI has been achieved by implementing all Work and Budget Plan of RMOC in 2018 according to the set targets and attendance levels of the RMOC members have met the rules hence the meeting can be convened with quorum in every decision making.

COMMITTEE ACTIVITIES IN 2018

No	The assignment of responsibilities	Realization	Output
1.	Periodically evaluating and analyzing public policy adequacy of risk management and give an opinion in the form of advice and / or recommendations to the Board for the improvement and refinement of the policy framework and the necessary risk management	It has been done in December 2018	Nodin-KPMR B.34 / 12/2018 dated December 19, 2018

Risk Management Oversight Committee

No	The assignment of responsibilities	Realization	Output
2.	Evaluate and analyze the public policy of credit and provide opinions in the form of advice and / or recommendations to the Board	It has been done in September 2018, in accordance regulators every three years the Credit Policy should be reviewed and the last review conducted in January 2016.	Nodin B. 25- KPMR / 09/2018 dated September 18, 2018 Changes related to OJK Regulation 42 / POJK.O3 / 2017, dated July 12, 2017 and the change in nomenclature Directorate (BRI Organizational Change)
3.	Evaluating the implementation of Good Pension Fund Governance that includes aspects of the Pension Fund governance, risk management, investment policies and rules of both internal and external	The evaluation was conducted in June 2018, in accordance with the provisions of regulatory time limits.	Nodin B. 15-KPMR / 06/2018 dated June 26, 2018 <ul style="list-style-type: none"> Completing the governance guidelines in order in accordance with Article 4 POJK No. 16 / POJK.05 / 2016. Evaluating the Risk Management Guidelines BRI Pension Fund as required in paragraph 2 of Article 5 POJK No. 1 / POJK.05 / 2015 Ensure the fulfillment of all recommendations related to improved ratings OJK operational risk DPLK BRI
4.	Evaluate and analyze the Company's risk profile report on a quarterly basis and provide advice and / or recommendations to the Board for the necessary repairs and improvements	<ul style="list-style-type: none"> March 2018 May 2018 August 2018 December 2018 	Nodin B. 09- KPMR / 03/2018 dated March 7, 2018 Nodin B. 14-KPMR / 05/2018 dated May 22, 2018 Nodin B. 22-KPMR / 08/2018 dated August 14, 2018 Nodin B. 31-KPMR / 12/2018 dated December 14, 2018
5.	Monitor and evaluate the adequacy of the process of identification, measurement, monitoring, control and risk management information system as well as providing advice and / or recommendations to the Board to increase the effectiveness and quality of risk management of the Company	<ul style="list-style-type: none"> Evaluation of risk measurement by reviewing parameters and risk limits Evaluation of Risk Management Application Quality measurement 	Limit policy, risk parameters and risk statements and the improvement KPMR RCSA by results of the meeting with the Risk Management Division on 15-17 March 2018 in Sentul.

Risk Management Oversight Committee

No	The assignment of responsibilities	Realization	Output
6.	Monitoring and evaluating the implementation of the Risk Management Committee (RMC) and the Risk Management Division as well as providing advice and / or recommendations to the Board to increase the effectiveness of the implementation of the Risk Management Committee and the Risk Management Division. Evaluation of the implementation of the Risk Management Committee and the Risk Management Division implemented at least 1 (one) time in 1 (one) year	<ul style="list-style-type: none"> RMC evaluation meeting held February 21, 2018, May 30, 2018 and 28 September 2018. SKMR evaluation based on visits to work units, the reports made by the DMR, the audit reports and input from regulators. 	<ul style="list-style-type: none"> Suggested that the risk identifikasi attention to business dynamics and economic conditions. Discussing the issue related to its liquidity DMR included in the pre-crisis liquidity level 1, and found in BRI's liquidity risk management has been implemented according to the applicable procedures.
7.	Evaluate and analyze the implementation of the Fraud Company's risk control at least biannually and provide advice and / or recommendations to the Board for improving the quality of the Company's Anti Fraud Strategy Implementation	<p>The evaluation was carried out on:</p> <ul style="list-style-type: none"> March 2018 for the second semester / 2017 August 2018 the semester I / 2018 	<p>Nodin B. 09- KPMR / 03/2018 dated March 7, 2018</p> <p>Nodin B. 22-KPMR / 08/2018 dated August 14, 2018</p>
8.	Evaluate and analyze the implementation of the application of the Anti-Money Laundering and Combating the Financing of Terrorism (AML & CTF) of the Company at least biannually and provide advice and / or recommendations to the Board for improving the quality of implementation of the Company's Anti-Money Laundering	<p>The evaluation was carried out on:</p> <ul style="list-style-type: none"> March 2018 for the second semester / 2017 August 2018 the semester I / 2018 	<p>Nodin B. 09- KPMR / 03/2018 dated March 7, 2018</p> <p>Nodin B. 22-KPMR / 08/2018 dated August 14, 2018</p>
9.	Evaluate and analyze the Bank semiannually and provide advice and / or recommendations to the Board in order to maintain the Bank	<p>The evaluation was carried out on:</p> <ul style="list-style-type: none"> March 2018 for the second semester / 2017 August 2018 the semester I / 2018 	<p>Nodin B. 09- KPMR / 03/2018 dated March 7, 2018</p> <p>Nodin B. 22-KPMR / 08/2018 dated August 14, 2018</p>

Risk Management Oversight Committee

No	The assignment of responsibilities	Realization	Output
10.	Evaluating Credit Portfolio / Portfolio Guideline	<ul style="list-style-type: none"> Portfolio evaluation guidelines Evaluation of portfolio assets, including debt restructuring and non-performing loans and corporate middle segment 	<p>Nodin No. B. 12-KPMR / 04/2018 dated April 30, 2018</p> <p>Nodin No. B. 16-KPMR / 07/2018 dated July 26, 2018</p>
11.	Give opinions and / or recommendations on the provision of credit over a certain amount that requires consultation with the Board of Commissioners	Provide input 10 credit proposals for the second time a credit consultation meeting	<ul style="list-style-type: none"> Nodin B. -KPMR 04/02/2018 dated February 7, 2018 (7 debtors). Nodin B. -KPMR B. 21/08/2018 dated August 14, 2018 (3 debtors).
12.	Evaluate and analyze packets of Director's proposal for the provision of funds to related parties which must be approved by the Board of Commissioners	Evaluation and analysis of proposals providing funding / capital to related parties	<ul style="list-style-type: none"> Nodin B. -KPMR 02/01/2018 dated January 9, 2018. Nodin No. R. 02-KPMR / 07/2018 dated July 3, 2018. Nodin No. R. 32-KPMR / 12/2018 dated December 18, 2018.
13.	BRI evaluate the recovery plan on an annual basis and makes recommendations to the Commissioner of BRI perfected include indicators of capital, liquidity, profitability and asset quality.	November 2018	<ul style="list-style-type: none"> Nodin B. -KPMR B.29 / 11/2018 dated 27 November 2018.

Risk Management Oversight Committee

No	The assignment of responsibilities	Realization	Output
14.	Evaluate and analyze corporate actions, including but not limited to additional capital in subsidiaries, equity participation / acquisition of another company, divested subsidiaries and other BRI strategic plan.	Has conducted a review of corporate action	<ul style="list-style-type: none"> • Nodin No. B. 01-KPMR / 01/2018 dated January 4, 2018 the approval of additional capital to subsidiaries in 2018 • Nodin No. B. 06-KPMR / 02/2018 dated February 20, 2018 approved an increase in equity to the subsidiaries through the mechanism of the capitalization of retained earnings • Nodin No. B. 05-KPMR / 02/2018 dated February 27, 2018 evaluation plan of strategic partnership subsidiaries. • Nodin No. B. 10-KPMR / 03/2018 dated March 20, 2018 Supplementary Agreement to the subsidiaries' capital and MESOP program plan and LTI subsidiaries. • Nodin No. R. 01-KPMR / 04/2018 dated April 27, 2018 the approval of additional capital to PT. Agroniaga BRI, Tbk and its subsidiaries plan MESOP program. • Nodin No. B. 19-KPMR / 10/2018 dated August 10 approval of equity participation in the company Ventura. • Nodin No. B. 20-KPMR / 08/2018 dated August 14, 2018 approval of the company equity securities • Nodin No. B. 24-KPMR / 09/2018 dated September 18, 2018 the company's equity participation agreement Investment Management • Nodin No. B. 26-KPMR / 10/2018 dated October 2, 2018 approval of additional capital to subsidiaries.

Risk Management Oversight Committee

Education and Training 2018

BRI KPMR members have competence in their respective fields with a minimum of five years experience in the field of economic, financial and / or banking; or at least two years in the field of risk management in financial and / or banking. BRI member KPMR background is quite diverse, which is experienced in the field of strategic management, risk management, banking, finance and accounting so as to ensure the quality of the recommendations and suggestions for improvements to the BOC.

Training / training followed by KPMR members during 2018 can be seen in the list of the education / training of the Board of Commissioners during 2018.

Committee Meeting

Meeting Policy The RMOC Meeting Policy are as follows:

1. Committee meetings are held at least 1 (one) time in 1 (one) month or may be held at any time as deemed necessary;
2. Committee Meetings shall be convened at the place of domicile of the Company or other places established by the Committee;
3. The meeting invitation shall be made by the Chairman of the Committee. The call of the Committee Meeting shall be made in writing and delivered or submitted directly to each member of the Committee with adequate receipt, or by registered mail or courier service or by telex, facsimile or e-mail no later than 5 (five) days before the meeting, without taking into account the date of the call and the date of the meeting, or for a shorter period if urgent.
4. The abovementioned invitation is not required for the scheduled meetings based on the decision of the previous meeting.
5. A meeting invitation shall include the meeting agenda, date, time and place of meeting;
6. Meetings may only be held when attended by at least 51% (fifty-one percent) of the total members, including an Independent Commissioner and an Independent Party;
7. The Meeting shall be chaired by the Chairman of the Committee and in the event that the Chairman of the Committee is absent or absent, the meeting shall be chaired by one of the Committee members who are from the Independent Commissioner;
8. The Meeting may invite the BOD and / or the Head of Division / Executive Officer of the Company to request explanations, disclosures, and information related to the meeting agenda;
9. Decisions of Committee meetings shall be made based on consensus deliberations. If deliberation is not reached, the decision shall be made by majority vote, provided that each member of the Committee shall only be entitled to grant 1 (one) vote;
10. If the votes agree and who disagree as much, then the chairman of the Committee meeting shall decide;
11. The meeting Chairman shall present the conclusions and decisions at the end of the meeting;
12. Meeting results shall be set forth in minutes of meetings and properly documented;
13. The dissenting opinion that occurs in the Committee meeting shall be clearly stated in the minutes of the meeting and the reasons for the difference of opinion;
14. Minutes of meetings shall be made by a person present at the meeting and appointed by the chair of the meeting. The minutes of the meeting shall be signed by all Committee members present at the meeting;
15. Minutes of meeting shall constitute valid evidence of the decisions taken at the meeting; and
16. The Committee may adopt a legitimate decision without a meeting, provided that at least 51% (fifty one percent) of the total members, including an Independent Commissioner and an Independent Party, give their consent in writing.

Risk Management Oversight Committee

2018 Meeting

In 2018 the RMOC has convened 4 (four) meetings as per following details:

Date	Agenda	Members Attendance / Total present members	Description/ Remarks
Friday, 2 February 2018	<ol style="list-style-type: none"> 1. The risk profile IVI Quarter 2017 2. Implementation of compliance and corporate governance functions of the second half of 2017 3. AML program implementation and PTT second half of 2017 4. Anti Fraud Strategy 2017 Semester II. 5. Bank rating in the second half of 2017 	6	Quorum
Tuesday, 17 April 2018	Discussion of Risk Profile TW I 2018	9	Quorum
Tuesday, 7 August 2018	Risk Profile Second Quarter 2018, Compliance Function Second Quarter 2018, Level of Bank Health 2018, Anti Fraud strategy	6	Quorum
Tuesday, 13 November 2018	Risk Profile Third Quarter 2018	8	Quorum

Name	Position	Meetings	Total Attendance	%
Mahmud	Chairman	4	4	100%
Andrinof A. Chaniago	Member	4	3	75%
A. Fuad Rahmany	Member	4	4	100%
Jeffry J. Wurangian	Member	3	2	67%
Nicolaus T. Budi Harjanto	Member	4	3	75%
Indrayeti	Member	4	2	50%
Tubagus A. Maulana	Member	4	4	100%
Suindiyo	Member	4	4	100%
Totok Hermiyanto	Member	4	3	75%

RMOC Remuneration

The remuneration for committee members who are members of the BOC is accumulated with honorarium given to the BOC and no special honorarium for each member of the Committee.

Risk Management Oversight Committee

Performance Assessment of Risk Management Supervisory Committee 2018

No	Perspectives Ratings	Rating Aspect	Indicator	Target	Output / Target Achievement	Weight	Value
1	Learning & Growth Perspective	Organization Committee	The composition of the committee members in accordance with	The composition according to POJK KPMR Member KBUMN Regulation and Regulator	According to SK Dekom No: 06-KOM / 10/2018 dated October 30, 2018 of the Chairman and Members Penetepan KPMR BRI. Members Composition KPMR accordance with POJK and Conditions of the Ministry of SOEs	5	5
			Committee Charter has been updated in accordance with	Charter Review KPMR in 2019	At the 2019 Review and have made no changes to the charter KPMR	5	5
		Competence Committee Member	Committee members have competence in accordance with	KPMR members of the Board of Commissioners has passed the fit and proper test OJK and / or participate in education during 2019	KTKT members have passed the fit and proper test for the OJK and the Independent Party with expertise that fits the needs KPMR	5	5
			The term of office of committee members in accordance with	SK Update Committee members in accordance with the provisions and Term of Office in accordance with the provisions POJK and KBUMN	According to SK Dekom No: 06-KOM / 10/2018 dated October 30, 2018 of the Chairman and Members Penetepan KPMR BRI, period of chairman and member KPMR does not exceed the provisions	5	5
2	Internal Process Perspective	Planning	Endorsement Committee Work Plan on time	CBP KPMR in 2019 enacted on December 28, 2018	CBP KTKT in 2019 enacted on December 28, 2018	5	5
		Implementation	Committee Meeting and implemented in accordance with plans drawn up	At least 4 meetings.	During the 2018 meeting held 4 times KPMR. In addition KPMR also participate actively in the joint meeting of the Board of Commissioners	5	5
			Evaluation of credit over a certain amount that requires consultation with the Board of Commissioners	The whole package of credit over a certain amount in accordance with the evaluation of the provisions	Recommendations, suggestions and input the results of evaluations submitted through the Office Memorandum No: B. 04 -KPMR / 02/2018 dated February 7, 2018 (7 debtors) and the Memorandum Department KPMR B. 21/08/2018 dated August 14, 2018 (3 debtors)	5	5
			Evaluation of the provision of funds to related parties	The entire provision of funds to related parties in accordance with the evaluation of the provisions	Assessment, Evaluation, inputs and suggestions KPMR delivered via mail: 1. Office Memorandum No: B. 02 -KPMR / 01/2018 dated January 9, 2018. 2. The Office Memorandum No. R. 02-KPMR / 07/2018 dated July 3, 2018. 3. The Office Memorandum No: R. 32-KPMR / 12/2018 dated December 18, 2018.	5	5

Risk Management Oversight Committee

No	Perspectives Ratings	Rating Aspect	Indicator	Target	Output / Target Achievement	Weight	Value
			Evaluation of corporate actions (ie, the additional capital of the subsidiary, the acquisition of another company, a subsidiary divestitures, and other strategic plans BRI)	The corporate action plan which requires the approval of the Board of Commissioners in accordance with the evaluation	1. 'Review, evaluation, feedback and suggestions KPMR delivered via tail: 1. Office Memorandum No. B. 06-KPMR / 02/2018 dated February 20, 2018 approved an increase in equity to the subsidiaries through the mechanism of the capitalization of retained earnings 2. Office Memorandum No. B. 05-KPMR / 02/2018 dated February 27, 2018 evaluation plan of strategic partnership subsidiaries. 3. Office Memorandum No. B. 10-KPMR / 03/2018 dated March 20, 2018 Supplementary Agreement to the subsidiaries' capital and MESOP program plan and LTI subsidiaries. 4. Office Memorandum No. R. 01-KPMR / 04/2018 dated April 27, 2018 the approval of additional capital to PT. Agroniaga BRI, Tbk and its subsidiaries plan MESOP program. 5. Office Memorandum No. B. 19-KPMR / 10/2018 dated August 10 approval of equity participation in the company Ventura. 6. Office Memorandum No. B. 20-KPMR / 08/2018 dated August 14, 2018 approval of the company equity securities 7. Office Memorandum No. B. 24-KPMR / 09/2018 dated September 18, 2018 the company's equity participation agreement Investment Management 8. Nodin No. B. 26-KPMR / 10/2018 dated October 2, 2018 approval of additional capital to subsidiaries.	10	10
		Supervision	Review the adequacy of public policy and risk management Recovery Plan	Once a year	1. Recommendations, suggestions and feedback conveyed through the Memorandum Department-KPMR B.34 / 12/2018 dated December 19, 2018. 2. Studies, recommendations and suggestions submitted through the Office Memorandum No: B.29 KPMR / 11/2018 dated 27 November 2018.	5	5

Risk Management Oversight Committee

No	Perspectives Ratings	Rating Aspect	Indicator	Target	Output / Target Achievement	Weight	Value
			Credit general policy review and evaluation of the credit portfolio / portfolio guideline	once a year	Recommendations, suggestions and feedback delivered through 1. Memorandum of Department B. 25-KPMR / 09/2018 dated September 18, 2018. 2. The Office Memorandum No. B. 12-KPMR / 04/2018 dated April 30, 2018 3. The Office Memorandum No. B. 16-KPMR / 07/2018 dated July 26, 2018.	5	5
			Review periodically the implementation of risk control	Every semester	Recommendations, suggestions and feedback is delivered through: 1. Office Memorandum No. B. 09-KPMR / 03/2018 dated March 7, 2018 2. The Office Memorandum No. B. 22-KPMR / 08/2018 dated August 14, 2018	5	5
			Review the implementation of the Anti-Money Laundering and Terrorism Funding (AML & CTF)	Every semester	Recommendations, suggestions and feedback is delivered through: 1. Office Memorandum No. B. 09-KPMR / 03/2018 dated March 7, 2018 2. Office Memorandum No. B. 22-KPMR / 08/2018 dated August 14, 2018	5	5
			Evaluate and analyze the implementation of the Company's risk control fraud	Every semester	Recommendations, suggestions and feedback delivered through 20 / 03/2019: 1. Office Memorandum No. B. 09-KPMR / 03/2018 dated March 7, 2018 2. Office Memorandum No. B. 22-KPMR / 08/2018 dated August 14, 2018	5	5
			Monitor and evaluate the adequacy of the process of identification, measurement, monitoring, control and risk management information systems improve the effectiveness and quality of risk management of the Company	once a year	Limit policy, risk parameters and risk as well as the improvement RCSA statement contained in the minutes of the meeting with the Division of Risk Management KPMR on 15-17 March 2018	5	5

Risk Management Oversight Committee

No	Perspectives Ratings	Rating Aspect	Indicator	Target	Output / Target Achievement	Weight	Value
3	Compliance Perspective	Monitoring Function on Risk Management Implementation	Evaluation of the Company's risk profile	Every Quarter	Recommendations, suggestions and feedback are delivered through: 1. Office Memorandum No: B. 09-KPMR / 03/2018 dated March 7, 2018 2. Office Memorandum No. B. 14-KPMR / 05/2018 dated May 22, 2018 3. Office Memorandum No: B. 22-KPMR / 08/2018 August 14 2018 4. Office Memorandum No: B. 31-KPMR / 12/2018 dated December 14, 2018	10	10
			Bank Soundness Evaluation and Compliance function periodically in accordance with regulation	Every Semester	Recommendations, suggestions and feedback are delivered through: 1. Office Memorandum No: B. 09-KPMR / 03/2018 dated March 7, 2018 2. Office Memorandum No: B. 22-KPMR / 08/2018 dated August 14, 2018	5	5
			Evaluation of the implementation of Good Pension Fund Governance.	Every Semester	Recommendations, suggestions and feedback are delivered through Office Memorandum No: B. 15-KPMR / 06/2018 dated June 26, 2018	5	5
Total						100	100

KMPR opinion of Implementation of Risk Management Company

Based on the results of active monitoring during 2018 through meetings, working visits, consultation and review, the committee said that the implementation of risk management policy has been implemented properly reflected from the risks taken in accordance with the appetite for risk set (low to moderate) until the fourth quarter in 2018, the soundness of the Bank

obtaining composite rating of 2 (Healthy) in June 2018 and the Implementation of Compliance Function and Implementation of Good Corporate Governance (GCG), which has been running well. Nevertheless, risk management needs to be improved continuously by taking into account the interests of shareholders in line with business development in the digital age economy and become one of the basic management decisions.

Integrated Governance Committee

Integrated Governance Committee Komite Tata Kelola Terintegrasi(KTKT) is one of the organs of the Board of Commissioners established in order to support the effectiveness of the implementation of the tasks and responsibilities of supervision of the Board of Commissioners. KTKT work collectively, to be independent in the performance of its duties and in reporting and is directly responsible to the Board of Commissioners.

The IGC assists the BOC in implementing duties and responsibilities to evaluating and ensuring that the governance with the principles of transparency, accountability, responsibility, independence or professional, and fairness are all implemented integrately in the Bank's Financial Conglomeration.

Legal Basis

1. Circular Letter of Central Bank of Indonesia No. 15/15/DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks.
2. Regulation of the Financial Services Authority No. 33/POJK.4/2014 dated 8 December 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
3. Regulation of the Minister of SOE Number PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners/ Supervisory Board of State-Owned Enterprises.
4. Regulation of the Financial Services Authority No.18/POJK.03/2014 on the Implementation of Integrated Governance for Financial Conglomeration.

Committee Charter

The Integrated Governance Committee has a Working Charter containing the duties, authorities, obligations, responsibilities, division of work, working period, work ethics, meetings, organization structure, and duties implementation related to the Integrated Governance Committee, approved by the Board of Commissioners through the Memorandum Department Secretariat BOC No: B.41-Sekkom / 05/2015 dated May 12, 2015 on the Guidelines for Charter Commissioners and Organ Support Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Dismissal

KTKT was Committees assist the Board to strengthen the monitoring function (oversight) in order to increase public confidence in the management of an integrated company. KTKT responsible for monitoring the process of continuous improvement of policies, procedures, and practices at all levels within the Company has been done to ensure internal controls, the implementation of the compliance function and the implementation of integrated risk management. Chairman and Members KTKT set by SK Commissioners of BRI Nokep: 10-KOM / 12/2017 19 December 2017 Changes in the Composition of Membership integrated Governance Committee (KTKT).

Committee Structures

1. IGC is under the BOC of the BRI hence structurally accountable to the BOC of BRI.
2. The Committee is chaired by an Independent Commissioner who is Chairman of one of the BRI committees.
3. In order to carry out its daily tasks, the Committee may be assisted by the Staff and/ or Secretary of the Integrated Governance Committee, which may come from both internal and external Banks.

Committee Membership

1. Members of the Committee shall at least consist of one Commissioner of each member of the financial conglomerate of BRI, an independent party and member of the Sharia Supervisory Board.
2. The members of the Committee shall at least consist of:
 - a. An Independent Commissioner of BRI as both chairman and member;
 - b. Independent Commissioner of each member of the Financial Conglomeration of BRI as a member;
 - c. An Independent Party with expertise in accordance with the needs of the Integrated Governance Committee;
 - d. Member of the Sharia Supervisory Board of BRI Syariah as a member.

Integrated Governance Committee

3. Each member of the Committee shall be independent in terms of:
 - a. Not receiving compensation from the Company and its subsidiaries, or affiliates, except wages, salaries and other facilities received in connection with the tasks performed as members of the Integrated Governance Committee;
 - b. Has no family or business relationship with the BOD and BOC;
 - c. Has no duplicate position in the Company and other affiliated Banks; and
 - d. Have no duties, responsibilities, and authorities that create a conflict of interest.
4. The appointment and replacement of the members of the Committee shall be stipulated in the Meeting of the BOC, in particular to Committee members from Independent Party, the following provisions shall apply:
 - a. Selected and stipulated by the BOC through recruitment and selection mechanism;
 - b. The term of employment shall be stipulated in the BOC Meeting of the contract period and the applicable contract workers' rules in the Company, with the possibility of dismissal by the Board of Commissioners before the term of the contract expires.
5. Members of the BOD are prohibited from becoming members of the Committee; and
6. The members of the Committee shall be appointed by the BOD based on the decision of the BOC meeting.

The following is composition of the Integrated Governance Committee as of 31 December 2018:

No.	Name	Position	Occupation	Position Period
1.	Mahmud	Chairman	Independent Commissioner	15 March 2017-Present
2.	Andrinof A. Chaniago	Member	President Commissioner / Independent	19 July 2017-Present
3.	Gatot Trihargo	Member	Independent Commissioner	19 May 2015-Present
4.	Vincentius Sonny Loho	Member	Commissioner	19 May 2015-22 March 2018
5.	Hadiyanto	Member	Commissioner	21 September 2018 - Present
6.	Bambang Soepeno	Member	President Commissioner / Independent PT BRI Agroniaga, Tbk	19 May 2015-2018
7.	Heru Sukanto	Member	Independent Commissioner PT BRI Agroniaga, Tbk	7 August 2018-Present
8.	Hermanto Siregar	Member	President Commissioner / Independent PT BRIsyariah	7 August 2018-Present
9.	M. Gunawan Yasni	Member	Sharia Supervisory Member PT BRIsyariah	19 May 2015-Present
10.	Mulabasa Hutabarat	Member	Independent Commissioner PT Asuransi Jiwa Bringin Jiwa Sejahtera	September 2017-Present
11.	Boyke Budiono	Member	Independent Commissioner PT BRI Multifinance Indonesia	27 March 2017-Present
12.	Indrayeti	Member	Independent party	19 May June 2015-Present
13.	Tubagus A. Maulana	Member	Independent party	19 May June 2015- Present

Integrated Governance Committee

Committee Profile

Member profile KTKT per December 31, 2018 are as follows:

Mahmud KTKT Chairman / Independent Commissioner Period: March 15, 2017-Present	Commissioners then become a member of the Integrated Governance Committee as of December 31, 2017, can be seen at the Board of Commissioners.
Gatot Trihargo Members KTKT / Deputy Commissioner Period: May 19, 2015-Present	Commissioners then become a member of the Integrated Governance Committee as of December 31, 2017, can be seen at the Board of Commissioners.
Hadiyanto Members KTKT / Commissioner Period: 21 September 2018 - Present	Commissioners then become a member of the Integrated Governance Committee per 21 September 2018, can be seen at the Board of Commissioners.
Heru Sukanto members KTKT Independent Commissioner of BRI Agro August 7th, 2018-Present	Indonesian citizen, born in Surabaya on September 5, 1957. He holds a Bachelor's degree from the Faculty of Law, University of Airlangga (1982) and a Marketing degree from STM PPM Megister graduated in 2000. He currently serves as an Independent Commissioner of PT Bank Rakyat Indonesia Tbk Agroniaga, based GMS April 12, 2017. He served as Chief of Branch Office BRI Jakarta Veteran 1998-2001, Wapinwil Retail Bank BRI Surabaya Regional Office in 2001-2002, PJ. General Business Division Head of Bank BRI in 2002-2004, Leader BRI Makassar region in 2004-2005, Chief Office of Special Branch of Bank BRI Jakarta in 2005-2007, a Regional Lead Bank BRI Jakarta 2 in 2007-2008, Head of Bank BRI year RPKB 2008-2009, the Regional leader BRI Surabaya in 2009-2012.
Hermanto Siregar Members KTKT Commissioner BRISyariah Period: August 7, 2018-Present	Indonesian citizen, born in Medan on August 5, 1963. He holds a Bachelor's degree from the Faculty of Agriculture, Department of Agribusiness from Bogor Agricultural Institute (1986), Master's Degree Economics of Agricultural Economics University of New England (1991), Doctor of Economics degree from Lincoln Macro Econometrics University (2001). Having experience as a Lecturer / Professor of IPB (1988 - Present), Bogor Agricultural University, Vice-Rector (2008 - Present), Independent Commissioner of PT. PNM (Persero) (2006-2007), Commissioner of PT. PNM (Persero) (2007-2011), Member of the National Economic Committee (2010-2014), Commissioner of PT. Bank Rakyat Indonesia (Persero) Tbk (2011-2015), Independent Commissioner (2015 - present), PT. Bank BRISyariah, Commissioner (2018 - present), PT. Bank BRISyariah.

Integrated Governance Committee

M. Gunawan Yasni

Members KTKT
Supervisory Board BRISyariah
Period: June 2015-Present

Indonesian citizens. Born in Jakarta, 17 September 1969. Completed Strata 1 (S1) at the Faculty of Economics Department of Accounting, University of Indonesia (1993) and holds a Master of Financial Management of Prasetya Mulya (1995).

During his career had been a manager of PT Pacific 2000 Investindo (Securities Financial Services), Deputy Head of Product Development PT Bahana Artha Ventura (Venture Capital), Jakarta (2000), Member of the Sharia Supervisory Board (DPS) PT Insurance Asset Management Sharia (2004-2005), Board Member Sharia Supervisory (DPS) PT Credit Guarantee Indonesia (2006), Advisor-Deutsche Bank Sharia Custodian & Investment Banking (2009), Member of the Sharia Supervisory Board BRISyariah (2008-present) and is active as a consultant and senior lecturer in economics and Islamic finance for some financial institutions, as well as for educational institutions (Postgraduate).

Certification owned among others as a Certified Islamic Financial Analyst of Post-Graduate Studies Middle East and Islamic University of Indonesia, Fellow in Islamic Insurance Society (FILS) and holder of Certification Level Advanced (Level IV) Banking Risk Management and Own permission Bapepam as Investment Manager, Underwriter & Broker-Dealer.

Mulasaba Hutabarat

Members KTKT
Independent Commissioner of BRI Life
Period: September 2017-Present

Indonesian citizens. Born in Jakarta on January 6, 1954. Graduated S1 Economics Science Development Studies, University of Indonesia (1982) and S2 at the Department of Economics, Indiana University, USA.

He has served in various positions in the Ministry of Finance, among others, Secretary of the Directorate General of Financial Institutions (2000-2006), Head of the Pension Fund, Bapepam-Lk (2006-2012), Head of Financing and Guarantee, Bapepam-Lk (2012-2013), the Secretary of the Fiscal Policy Office (2013-2014). In addition, he served as Commissioner of PT Pelindo I Medan (2002-2007), Commissioner of PT Bank BTN (2008-2012), Chairman of the Board of Trustees of the Social Security Agency business Job Agency (2014-2016), Independent Commissioner of PT Asuransi Jiwa Bringin Jiwa Sejahtera (2015-present), Independent Commissioner of PT Sinar Mas Multi Finance (2014-present), Independent Commissioner of PT Asuransi Jiwa Tugu Mandiri (2014-present). Various training have been followed, among others Erma Bali International Seminar On Enterprise Risk Management 2015.

Integrated Governance Committee

Boyke Budiono	Indonesian citizens. Born in Jakarta on August 27, 1957. Earned a Bachelor of Agriculture at Satya Discourse Christian University, Salatiga and an MBA in Operations Management and Management Information Systems at the University of Colorado, Boulder, USA. He served as Deputy Head of Consumer Banking Division, PT Bank Rakyat Indonesia (Persero) Tbk (2005-2006), Deputy Regional Leader BRI Bandung, PT Bank Rakyat Indonesia (Persero) Tbk. (2007), Director of Finance, PT Perkebunan Nusantara VII (Persero) (2007-2012), President Director, PT Perkebunan Nusantara VII (Persero) (2012-2103). He currently serves as the Private Management Consultant, PT Makmur Jaya Kreasindo (2013-present) and the Independent Commissioner of BRI Multifinance (2017-Present).
Members KTKT Independent Commissioner of BRI Finance Period: March 27, 2017-Present	
Indrayeti	Indonesian citizens. Born in Sungai Liat, October 9, 1972. Previous career in another state-owned banks and some private banks in a variety of positions. Obtained his Bachelor of Economics and Accounting from Trisakti University, Jakarta (1995) and a Master of Commerce from the University of New South Wales (2000).
Members KTKT Independent party Period: May 19, 2015-Present	
Tubagus Nur Ahmad Maulana	Indonesian citizens. born in Jakarta, May 7, 1971. Previous career as a lecturer and consultant. He earned a Bachelor of Agriculture of IPB (1995) and an MBA Banking and Finance from the University of Birmingham (2000), MSc in Finance from the University of Strathclyde (2001) and a PhD in Finance from the University of Strathclyde (2007).
Members KTKT Independent party Period: May 19, 2015-Present	

Educational and Experience Qualification

1. Independent parties that meet the requirements of integrity, competence, financial reputation, and experience
2. Independent parties with knowledge of the Bank and Subsidiaries, among others, understanding of the main business activities and the main risks of Financial Services Institutions in the Financial Conglomeration.
3. Have an adequate understanding of the Good Corporate Governance (GCG) principles
4. Have an adequate understanding of the concept of risk and risk control in business activities and internal control of the company.
5. Independent Commissioner from each member of BRI's Financial Conglomeration as a member;
6. Member of the Sharia Supervisory Board of BRISyariah as a member.

Independency

In order to ensure the independence of the duties and the delivery of views, advice, and recommendations to the Board of Commissioners, all members of IGC shall have no affiliations with the Board of Directors, Board of Commissioners, or BRI's controlling shareholders, and are not shareholders, Commissioners, Directors, or employees of affiliates or in business relations with BRI.

Independence requirements of IGC's members are:

1. Does not receive compensation from the Bank and its subsidiaries, or affiliates, except wages, salaries, and other facilities in connection with the duties performed as members of the Integrated Governance Committee;
2. Does not have familial or business relationship with the Board of Directors and Board of Commissioners;
3. Does not serve concurrent position in the Bank and other Bank's affiliates; and
4. Does not have duties, responsibilities, and authorities that may create a conflict of interest.

Integrated Governance Committee

No	Independence criteria	Mahmud	Andrinof A. Chaniago	Gatoto Trihargo	Hadiyanto	Heru Sukanto	Hermanto Siregar	M. Gunawan Yasni	Mulasaba Hutabarat	Boyke Budiono	Indrayeti	Tubagus NA. Maulana
1.	Received no compensation from the Company and the subsidiaries of the Company, or its affiliates, except for wages, salaries, and other facilities that received relating to the tasks carried out as a member of the Integrated Governance Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Not having a family or business relationship with the Board of Directors and Board of Commissioners;	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Not having a dual position in the Company and other company affiliated with Bank	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	No duties, responsibilities, and authority which give rise to a conflict of interest	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Duties and Responsibilities

1. Evaluating the implementation of integrated governance through an adequacy assessment of internal controls, compliance functions, and integrated risk management implementation;
2. Providing recommendation to the Main Entity's Board of Commissioners to refine the Integrated Governance Guidelines if deemed necessary;
3. Providing strategic input to BRI's Board of Commissioners to be submitted to the BRI's Board of Directors related to the implementation of Integrated Governance.
4. Delivering the evaluation report of the SelfAssessment Report each semester to the BRI's Board of Directors.
5. Delivering the evaluation of Integrated Governance Annual Report to the BRI's Board of Directors.

Authorities

1. Accessing the records, employees, funds, assets, and other resources comprehensively, freely, and unlimited related to the performance of duties;
2. Obtaining advice or suggestions from professionals outside the Bank relating to the duties; and
3. Providing opinions and recommendations to the Board of Commissioners in order to improve integrated internal control;
4. Providing opinions and recommendations to the Board of Commissioners in order to implement integrated compliance function; and
5. Providing opinions and recommendations to the Board of Commissioners in order to implement integrated risk management.

Integrated Governance Committee

KPI and Achievement 2018

The Integrated Governance Committee (IGC) performance indicator or criteria is measured from the achievement of work programs/work plans and budgets that have been prepared at the beginning of each year and the attendance of IGC members in each meeting. The IGC's work program is structured to support Key Success Factors of the Board of Commissioners' duties in the supervisory function, and to provide input/suggestions on integrated risk management, integrated compliance function, and integrated audit in the main entity and subsidiaries.

Generally, all KPI of the Integrated Governance Committee have been achieved by the implementation of all IGC Working Plan and Budget 2018, in accordance with the set target and attendance level of IGC members, which fulfilled the requirement. Thus, all IGC meeting can be executed with quorum in every decision.

2018 Activities Implementation

No	Assignment & Responsibilities	Realization	Output
1.	Changes and determination of financial conglomerates KTKT members BRI	Review against the proposal KTKT members of LJK.	<ul style="list-style-type: none"> · Determination KTKT Mr. Mahmud as Chairman and Mr. Andrinof A. Chaniago as a member KTKT by Decree NOKEP: 04-KOM / BRI / 03/2017 · Determination of Mr. Eko Bambang Suharno as a member KTKT replace Mr. Indra Kesuma by Decree NOKEP: 10-KOM / BRI / 12/2017 · Determination Mr Hadiyanto, Mr. Heru Sukanto, Mr. Herman Siregar as a member KTKT by Decree Nokep: 03-KOM / BRI / 08/2018

Integrated Governance Committee

No	Assignment & Responsibilities	Realization	Output
2.	Evaluation and recommendation of non-organic growth / LJK	Have been done	<ul style="list-style-type: none"> · Nodin No. R. 01-KPMR / 01/2018 dated January 4, 2018 the approval of additional capital to PT. BRISyariah 2018 · Nodin No. B. 06-KPMR / 02/2018 dated February 20, 2018 approved an increase in equity participation in PT. BRISyariah 2018 through the mechanism of the capitalization of retained earnings · Nodin No. B. 05-KPMR / 02/2018 dated February 27, 2018 evaluation of strategic partnership plan BRI Life · Nodin No. B. 10-KPMR / 03/2018 dated March 20, 2018 Capital Supplementary Agreement to PT. Agroniaga BRI, Tbk and plan MESOP and LTI program PT. Agroniaga BRI, Tbk · Nodin No. B. 01-KPMR / 01/2018 dated April 27, 2018 the approval of additional capital to PT. Agroniaga BRI, Tbk and PT BRI program plan MESOP Agroniaga, Tbk · Nodin No. B. 01-KPMR / 01/2018 dated April 27, 2018 approval of equity participation in PT. Ventura NTT Means for Rp3,09 billion and Rp200 billion additional capital · Nodin No. B. 20-KPMR / 08/2018 dated August 14, 2018 approval of equity participation in PT. Danareksa · Nodin No. B. 24-KPMR / 08/2018 dated September 18, 2018 approval of equity participation in PT. Danareksa Investment Management · Nodin No. B. 26-KPMR / 10/2018 dated October 2, 2018 approval of additional capital to PT. BRI Multifinance
3	Evaluation and recommendation Integrated Governance Guidelines		There has been no change proposal Integrated Governance Guidelines. However, the committee would suggest to the management to review the guidelines on mendatangseiring KTKT meeting with financial conglomerates BRI additional members are Danareksa securities where the securities industry has not been included in the guidelines of BRI TKT.

Integrated Governance Committee

No	Assignment & Responsibilities	Realization	Output
4	Evaluation Adequacy Assessment Integrated Internal Control and Compliance Integrated Functions. Conducted semi-annually by providing suggestions / recommendations to the Board for repair / improvement		The evaluation results related to the adequacy of internal control and compliance functions integrated Integrated submitted to the Board of Commissioners through memos with details as follows:
5	Evaluation of Risk Management General Policy (KUMR) Integrated	Has performed in conjunction with the review KUMR BRI in December 2018	Nodin-KPMR B.34 / 12/2018 dated December 19, 2018. Based on the review, there is no change to the Integrated KUMR.
6	Integrated Risk Profile biannually and provide advice / recommendations to the Board for repair / improvement	Integrated risk profile evaluation has been done for Second Half 2017 and First Half 2018	Nodin B. 09-KTKT / 05/2018 dated May 22, 2018 and Nodin B. 12-KTKT / 10/2018 dated October 23, 2018. Based on the evaluation of integrated risk profile, integrated risk BRI has managed with a good level of stable risk that ranks second (Low to Moderate) where the possibility of losses faced financial conglomerate BRI accordance with defined risk appetite.
7	Self Assessment Integrated Governance Financial conglomerate BRI Period Second Half 2017 and First Half Year of 2018	KTKT responsible and have done the Self Assessment to 2 factors: <ul style="list-style-type: none"> Carrying out the duties and responsibilities of the Board of Commissioners Top Entities Duties and responsibilities of the Integrated Governance Committee 	Nodin-KTKT B.01 / 01/2018 dated January 12, 2018 self-assessment the semester II / 2017 BRI assess all aspects of obtaining a score of 1 unless the duties and responsibilities of KTKT got obtained a score of 2. Nodin-KTKT B.10 / 01/2018 dated August 7, 2018 self assessment first half / 2018 BRI assess all aspects of obtaining a score of 1.

Integrated Governance Committee

No	Assignment & Responsibilities	Realization	Output
8	Application of Integrated Governance biannually and provide advice / recommendations to the Board for improvements / enhancements - Semester II / 2017- semester I / 2018	<p>Evaluation of the second semester in 2017 was held on April 10, 2017 through a meeting with the Director of Compliance and Internal Audit to discuss an action plan to rectify the weaknesses of governance practices based on the results of self Integrated Assessment Semester II in 2017.</p> <p>Evaluation of the first semester of 2018 was held on December 4, 2018.</p>	The Committee considers that the financial conglomerate BRI has implemented Integrated Good Governance at good level for Semester II / 2017 Semester / 2018. It is reflected in the application of the principle of compliance adequate Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, the general weakness of the less significant and can be solved with normal action by the Main Entities and / or LJK.
9	Annual Report on Implementation of Integrated Governance	Integrated Governance Implementation Report Year 2017 was presented to the OJK on May 31, 2018 accordance with the letter of Directors of BRI B.29 DIR / OPT / GCG / 05/2018	Financial conglomerate BRI had committed implementation of integrated governance which is very good. BRI integrated governance in the first half and the second half of 2017 is rated 1.
10	Evaluation of ownership or control linkages with other LJK to believe conglomeration form BRI Finance	<ul style="list-style-type: none"> Exposure Performance, Business Model and Business Strategy BRI Finance on 24 April 2018 Discussion of Performance and Business Strategy BRISyariah August 14, 2018 Exposure Performance and Business Strategy BRI Life on 25 September 2018 	In general, the Committee considers that the subsidiaries performance is quite positive. The Committee recommends that each subsidiary is more aggressive to marketing their products, improve the efficiency of business processes and strengthening the synergies among its subsidiaries so as to raise the company's value and contribution income for the Bank.
11	Evaluation and Recommendation Integrated Risk Management - Semester II / 2017 - Semester I / 2018	<p>Evaluation and recommendations have been made to:</p> <ul style="list-style-type: none"> Second Half 2017 First Half 2018 	Nodin B. 09-KTKT / 05/2018 dated May 22, 2018 and Nodin B. 12-KTKT / 10/2018 dated October 23, 2018

Integrated Governance Committee

Education and Training 2018

The training of members of IGC during 2018 is available on the BOC Workshops/Trainings 2018 list section.

Committee Meeting

Meeting Policy

1. Committee meeting may be held at any time as deemed necessary on the initiative of one or more members of the Committee by mentioning the agenda to be discussed. Committee meetings are held at least 1 (one) time per semester;
2. Committee Meetings shall be convened at the place of domicile of the Company or other places established by the Committee;
3. Scheduled Committee Meeting shall be made by a written invitation signed by the chairman and a member of the Committee of the BOC of the Primary Entity, whereas meetings made on the basis of urgent or unscheduled matters may be summoned verbally or by video communications conference;
4. The Committee Meeting shall include the agenda of the meeting, date, time and place of execution of the meeting;
5. Each Committee meeting is chaired by the Chairman of the Committee and in the event that the Chairman of the Committee is absent or absent, the meeting is chaired by a member of the Committee which is from the Board of Commissioners of the Primary Entity;
6. Decisions of Committee meetings shall be made on the basis of consensus deliberations. In the event of dissenting opinion it must be clearly stated in the minutes of the meeting and the reasons for the difference of opinion;
7. The results of Committee meetings shall be set forth in minutes of meetings and properly documented;
8. Minutes of Committee meetings shall be made by a person present at the meeting and appointed by the chair of the meeting. The minutes of the meeting shall be signed by all Committee members present at the meeting;
9. The minutes of the Committee's meeting shall constitute valid evidence of the decisions taken at the meeting.

2018 Meeting

In 2018 the IGC has convened 5 (five) meetings as per following details:

No.	Meeting agenda	Date	Meeting Minutes No.	KTKT members who attended	Description
1	1. Integrated Governance Annual Report Yr. 2017: 2. Evaluation of Integrated Governance Implementation Semester II know. 2017; 3. Progress Report on the Result of the OJK on Site Review on Financial conglomerate BRI.	13 March 2018	01 - KTKT/03/2018	9	Quorum

Integrated Governance Committee

No.	Meeting agenda	Date	Meeting Minutes No.	KTKT members who attended	Description
2	1. Exposure by the Director of Compliance and Internal Audit BRI about the progress of the action plan to rectify the weaknesses of the implementation of integrated governance based on the results of the self-assessment the second semester 2017 2. Exposure to each subsidiaries' financial conglomerates member BRI on the implementation of the compliance function and internal control during the second half of 2017	10 April 2018	02 - KTKT/04/2018	8	Quorum
3	Integrated Risk Profile & Transactions Intra Group Semester II Yr. 2017	24 April 2018	03 - KTKT/04/2018	5	Quorum
4	Exposure Performance and Business Strategy BRISyariah	14 August 2018	04 - KTKT/08/2018	6	Quorum
5	Exposure performance and business strategy BRI Life	25 September 2018	05 - KTKT/09/2018	6	Quorum

Name	Title	Total Meeting	Total Attendance	%
Mahmud	Chairman	5	5	100%
Andrinof A. Chaniago	Member	5	4	80%
Gatot Trihargo	Member	5	4	80%
Vincentius Sonny Loho	Member	1	1	100%
Hadiyanto	Member	1	1	100%
Bambang Soepeno	Member	3	3	100%
Heru Sukanto	Member	1	1	100%
Hermanto Siregar	Member	1	1	100%
M. Gunawan Yasni	Member	4	4	100%
Mulabasa Hutabarat	Member	4	4	100%
Boyke Budiono	Member	3	3	100%
Indrayeti	Member	4	5	80%
Tubagus A. Maulana	Member	4	5	80%

IGC Remuneration

The remuneration for committee members who are members of the BOC is accumulated with honorarium given to the BOC and no special honorarium for each member of the Committee.

Integrated Governance Committee

PERFORMANCE ASSESSMENT COMMITTEE GOVERNANCE AND INTEGRATED IN 2018

No	Perspectives Ratings	Perspectives Ratings	Indicator	Target	Ouput/Target Achievement	Weight	Value
1	Learning & Growth Perspective	Organization Committee	The composition of the committee members in accordance with	The composition according to POJK KTKT Member KBUMN Regulation and Regulator	According to SK Dekom No: 03-KOM / 08/2018 dated August 7, 2018 of the Chairman and Members Penetepan KTKT BRI. Members Composition KTKT accordance with POJK and Conditions of the Ministry of SOEs	5	5
			Committee Charter has been updated in accordance with	Review KTKT Charter in 2019	KTKT Charter has been in review and updates through Nokep Dekom NO: 14-KOM / 11/2018 on Guidelines for Conduct governance KTKT	5	5
		Competence Committee Member	Committee members have competence in accordance with	KTKT members have passed the Fit and Proper Test OJK and / or participate in education during 2019	KTKT members of the Board of Commissioners has passed the Fit and Proper Test OJK as well as for the Independent Party with expertise that fits the needs KTKT	5	5
			The term of office of committee members in accordance with	SK Update Committee members in accordance with the provisions and Term of Office in accordance with the provisions POJK and KBUMN	According to SK Dekom No: 03-KOM / 08/2018 dated August 7 2018 2018 of the Chairman and Members Penetepan KTKT BRI, tenure of chairman and member KTKT not exceed the provisions	5	5
			execution of duties	Implementation of other tasks as directed by the Board of Commissioners	The whole task carried out properly in accordance with	5	5
2	Internal Process Perspective	Planning	Endorsement Committee Work Plan on time	CBP KTKT in 2019 enacted on December 28, 2018	CBP KTKT in 2019 enacted on December 28, 2018	5	5
		Implementation	Committee Meeting and implemented in accordance with plans drawn up	at least 2 times	Meeting held 5 times	10	10
			Annual Report on the implementation of the Integrated Governance	One time	Integrated Governance Implementation Report Year 2017 was presented to the OJK on May 31, 2018 accordance with the letter of Directors of BRI B.29 DIR / OPT / GCG / 05/2018. Financial conglomerate BRI had committed implementation of integrated governance which is very good. BRI integrated governance in the first half and the second half of 2017 is rated 1.	5	5

Integrated Governance Committee

No	Perspectives Ratings	Perspectives Ratings	Indicator	Target	Ouput/Target Achievement	Weight	Value
			Evaluation of corporate actions (ie, the additional capital of the subsidiary, the acquisition of another company, a subsidiary divestitures, and other strategic plans BRI)	Studies submitted at least 14 working days since the letter was received	<p>Assessment and Recommendations submitted through</p> <ol style="list-style-type: none"> 1. Office Memorandum No. R. 01-KPMR / 01/2018 dated January 4, 2018 on approval of additional capital to PT. BRISyariah 2018 2. Office Memorandum No. B. 06-KPMR / 02/2018 dated February 20, 2018 on the approval of the increase in equity participation in PT. BRISyariah 2018 through the mechanism of the capitalization of retained earnings. 3. Office Memorandum No. B. 06-KPMR / 02/2018 dated February 20, 2018 on the approval of the increase in equity participation in PT. BRISyariah 2018 through the mechanism of the capitalization of retained earnings 4. Office Memorandum No. B. 10-KPMR / 03/2018 dated March 20, 2018 regarding the approval of additional capital to PT. Agroniaga BRI, Tbk and plan MESOP and LTI program PT. Agroniaga BRI, Tbk. 5. Office Memorandum No. B. 01-KPMR / 01/2018 dated April 27, 2018 on approval of additional capital to PT. Agroniaga BRI, Tbk and PT BRI program plan MESOP Agroniaga, Tbk. 6. Office Memorandum No. B. 01-KPMR / 01/2018 dated April 27, 2018 on the approval of equity participation in PT. Ventura NTT Means for Rp3,09 billion and Rp200 billion additional capital. 7. Office Memorandum No. B. 20-KPMR / 08/2018 dated August 14, 2018 on the approval of equity participation in PT. Danareksa 8. Office Memorandum No. B. 24-KPMR / 08/2018 dated September 18, 2018 on the approval of equity participation in PT. Danareksa Investment Management. 9. Office Memorandum No. B. 26-KPMR / 10/2018 dated October 2, 2018 on approval of additional capital to PT. BRI Multifinance 	10	10

Integrated Governance Committee

No	Perspectives Ratings	Perspectives Ratings	Indicator	Target	Ouput/Target Achievement	Weight	Value
		Supervision	Review of integrated assessment of the adequacy of internal control and compliance functions integrated	each semester	The evaluation results related to the adequacy of internal control and compliance functions integrated Integrated submitted to the Board of Commissioners through memos with details as follows: 1. KTKT Office Memorandum No. B.01-KTKT / 01/2018 2. Memorandum of Office KTKT No. B.7-KTKT / 05/2018 3. The Office Memorandum No. KTKT B.8-KTKT / 05/2018	10	10
			public policy 'Review risk management (KUMR) integrated	Once	Integrated studies and suggestions submitted through KUMR-KPMR B.34 / 12/2018 dated December 19, 2018.	5	5
			Evaluation of the implementation of integrated governance	Every semester	The Committee considers that the financial conglomerate BRI application Integrates with good governance for Semester II / 2017 on April 10, 2018 and Semester I / 2018 on December 4, 2018.	5	5
			Evaluation of linkages ownership and / or control by another LJK to believe form the Company's financial conglomerate	At least once a year	Performance has been exposure, business model and the Company's business strategy, among others BRI's subsidiary, such as BRI Finance on April 24, 2018, BRISyariah August 14, 2018, and BRI Life on September 25, 2018. In general, the Committee considers that the subsidiaries performance is quite positive. The Committee recommends that each subsidiary is more aggressive companies in marketing their products, improve the efficiency of business processes and strengthening the synergies among its subsidiaries so as to raise the company's value and contribution income for the Bank.	5	5
			Evaluation of the implementation of integrated risk management periodically	Every semester	Assessment and advice delivered via tail: 1. KTKT Office Memorandum No: B. 09-KTKT / 05/2018 dated May 22, 2018 2. Memorandum KTKT Office No: B. 12-KTKT / 10/2018 dated October 23, 2018	10	10

Integrated Governance Committee

No	Perspectives Ratings	Perspectives Ratings	Indicator	Target	Ouput/Target Achievement	Weight	Value
3	Compliance Perspective	Monitoring Function on Risk Management Implementation	Integrated evaluation of the risk profile on a periodic basis in accordance to regulation	every semester	Assessment and advice delivered via tail: 1. KTKT Office Memorandum No: B. 09-KTKT / 05/2018 dated May 22, 2018 2. Memorandum KTKT Office No: B. 12-KTKT / 10/2018 dated October 23, 2018. Based on the evaluation of integrated risk profile, integrated risk BRI namely well-run stable level of risk which is ranked 2 (Low to Moderate) where the possibility of losses faced financial conglomerate BRIsesuai with defined risk appetite.	5	5
			Integrated Governance Self Assessment pursuant conglomeration	every semester	1. Self Assessment Governing BRI Integrated Financial conglomerate delivered via tail: 1.Nota KTKT Office No: B.01-KTKT / 01/2018 dated January 12, 2018 on the second half of the self assessment / 2017. BRI assess all aspects of obtaining a score of 1 unless the duties and responsibilities of KTKT got obtained a score of 2 2. Memorandum KTKT Office No: B.10-KTKT / 01/2018 dated August 7, 2018 on self assessment first half / 2018. BRI assess all aspects of obtaining a score of 1	5	5
Total						100	100

Opinion KTKT Governance Implementation Of Integrated Company

The Committee considers that the implementation of Integrated Governance has generally been accomplished with decent/proper condition. This is reflected in the self-assessment that received a rating of 1 (very good) in the second semester / 2017 and received a rating of 2 (good) in the first half / 2018. The judging committee has weaknesses in aspects of the structure and the process

of adjustment of internal procedures related to the implementation of risk management BRI and BRI KK LJK still running. In addition, human resource management at the Main Entities and LJK member financial conglomerates require attention in order to be able to reduce operational risks. Therefore, in the coming year the Committee will ensure that all weaknesses in the structure and process, which is required to support the results (outcomes) Integrated Governance better can be minimized.

Board of Directors Committees

The BRI Board of Directors established the committees to assist the implementation of duties and responsibilities of the bank management.

As of December 31, 2018, BRI has 10 committees under the Board of Directors as follows:

1. Asset and Liability Committee (ALCO)
2. Risk Management Committee (RMC) & Operational Risk Management Committee (ORMC)
3. Credit Committee
4. Capital & Investment committee
5. Credit Policy Committee
6. IT Advisory Committee
7. HR Policy Committee

8. Job Evaluation Committee
9. Project Management Office Steering Committee (PMO)
10. Product Committee

ASSET AND LIABILITY COMMITTEE (ALCO)

ALCO is a Committee at the Head Office that responsible to develop and establish the assets and liabilities policy and Fund Transfer Price (FTP) rates stipulation.

Membership Structure

ALCO membership as per 31 December 2018 are as follows:

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director of Finance	Substitute Chairman I (also Permanent Member)	✓
Director of Risk Management	Substitute Chairman II (also Permanent Member)	✓
Division Head of Assets & Liabilities Management	Secretary (also Permanent Member)	✓
1. Director of Institution Relationship	Permanent Member	✓
2. Director of Micro & Small	Permanent Member	✓
3. Director of Retail and Middle	Permanent Member	✓
4. Director of Consumer	Permanent Member	✓
5. Director of Corporate Banking	Permanent Member	✓
6. Director of Information Technology and Operation	Permanent Member	✓
7. Director of Network and Services	Permanent Member	✓
8. Director of Human Capital	Permanent Member	✓
9. Director of Compliance	Permanent Member	✓
10. All Senior Executive Vice President	Permanent Member	✓
11. All Head of Business Division of Head Office	Permanent Member	✓
12. Division Head of Credit Risk Policy	Permanent Member	✓
13. Division Head of Enterprise Risk & Portofolio Management	Permanent Member	✓
14. Division Head of Operational & Market Risk	Permanent Member	✓
15. Division Head of Credit Risk Analyst	Permanent Member	✓
16. Division Head of Credit Restructuring and Settlement	Permanent Member	✓
17. Division Head of Corporate Development & Strategy	Permanent Member	✓
18. Division Head of Financial Accounting and Management	Permanent Member	✓

Board of Directors Committees

Membership Structure	Title	Voting Right
19. Kepala Desk Project Management Office	Permanent Member	√
20. Regional Head of Jakarta 1,2,3	Permanent Member	√
21. Head of Special Branch	Permanent Member	√

ALCO Supporting

A structure of the Assets & Liabilities Section under the Assets & Liabilities Management Division.

Duties and Responsibilities

1. Evaluating the performance of the Company and to determine the strategy and policy of optimum asset and liability management by considering the potential risk, optimum yield generation, and cost efficiency.
2. Setting the interest rates on deposit, lending rate, Prime Lending Rate (SBDK), Fund Transfer Price (FTP), and other pricing that directly impact Net Interest Margin (NIM) achievement.
3. Determining the authority of Decision Makers in deciding interest rate on deposit, loan and/or other bank products.
4. Defining Net Open Position (NOP) policy.
5. Monitoring the asset and liability management in the company is carried out in accordance with ALCO Meeting's decisions.

Working Guidelines

1. ALCO Meeting shall be convened at least once in a month.
2. The ALCO Meeting is chaired by the Chairman of ALCO. In the event that the ALCO Chairman is unable to attend, the ALCO Meeting shall be chaired by the Alternate ALCO Chairman in sequence.
3. The ALCO Meeting shall be attended by at least 2/3 (two thirds) of ALCO Members.
4. ALCO Secretary coordinates and is responsible on the convention of ALCO Meetings.
5. In the event that the Work Unit Leader who is an ALCO Member is unable to attend, then the person concerned can appoint a representative at the level of the Vice Head of Division or at least the level of the Head of Section.
6. Limited ALCO meetings can be held incidentally to discuss the management of assets and liabilities relating to BRI's strategies and policies in the event of a special issue that needs ALCO Meeting's decision immediately.

Limited ALCO Meeting

1. The Asset and Liability Committee (ALCO) can be incidentally held a Limited ALCO Meeting to discuss the management of assets and liability related to BRI's strategies and policies in the event that there is a special issue that needs ALCO Meeting decision immediately.
2. Chairman of ALCO or Substitute Chairman of ALCO and Secretary of ALCO has the authority to determine the ALCO Members requested to attend the ALCO Meeting Limited in a separate Invitation Letter.
3. Limited ALCO meetings must be attended by all ALCO Members as stipulated.

Committee Meeting

In 2018, ALCO has convened 12 meetings with the following details:

Board of Directors Committees

No	Date	Agenda
1.	22.01.2018	1. Economic Briefing
2.	22.02.2018	2. Assets & Liabilities Performance
3.	21.03.2018	3. BRI Shares Development
4.	27.04.2018	4. ALCO Meeting Decision(s)
5.	23.05.2018	
6.	28.06.2018	
7.	19.07.2018	
8.	24.08.2018	
9.	05.09.2018	
10.	08.10.2018	
11.	07.11.2018	
12.	06.12.2018	

In 2018 the Limited ALCO Meeting has been conducted once as follows:

No	Date	Agenda
1	05.09.2018	1. Economic Briefing 2. Assets & Liabilities Performance 3. Recommendation(s) from Assets and Liabilities Management 4. Limited ALCO Meeting Decision(s)

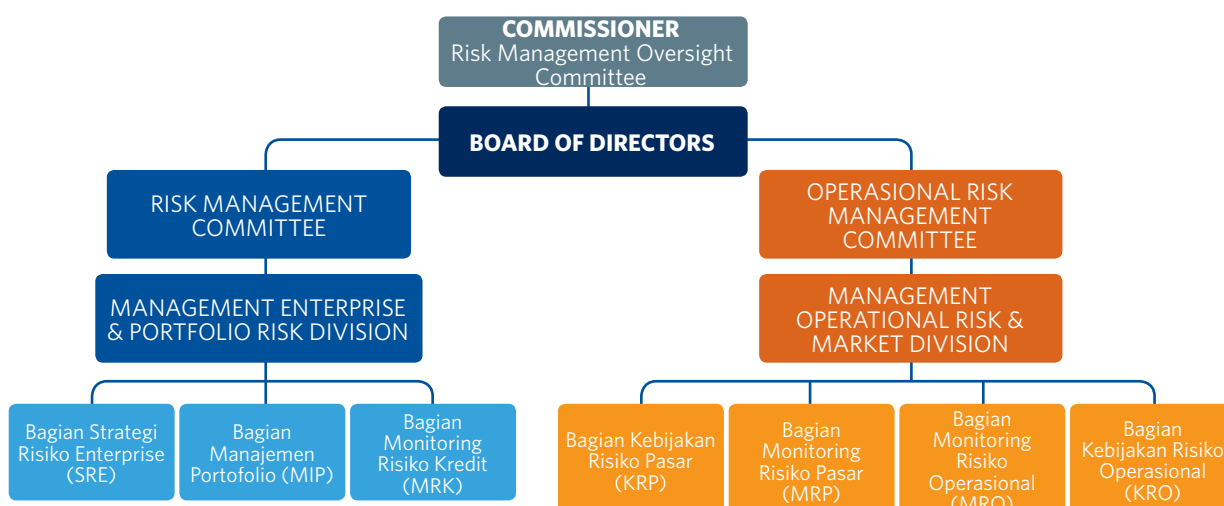
Decision Making

1. Decision in ALCO Meeting is taken by deliberation and consensus.
2. In the event that a full agreement is not reached, the ALCO Meeting's decision is considered valid with the approval of 50% (fifty percent) of the number of ALCO Members who have voting rights plus 1 (one) ALCO Member, including members of the Board of Directors whose one of them is ALCO Chairman or Substitute Chairman I or Substitute Chairman II.

RISK MANAGEMENT COMMITTEE (RMC) & OPERATIONAL RISK MANAGEMENT COMMITTEE (ORMC)

The RMC & ORMC are responsible to prepare the Risk Management Policy and its amendment including the implementation of risk management policy and strategy.

Committee Structure



Board of Directors Committees

Committee Membership

1. Risk Management Committee (RMC)

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director of Risk Management	Substitute Chairman I	✓
Director of Finance	Substitute Chairman II	✓
Division Head of Risk Enterprise & Management Portfolio	Secretary	-
1. Director of Human Capital	Permanent Member	✓
2. All Directors or SEVP of Proposing Fields	Non Permanent Member	✓
3. Director of Compliance	Permanent Member	-

2. Integrated RMC

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director of Risk Management	Substitute Chairman I	✓
Director of Finance	Substitute Chairman II	✓
Division Head of Risk Enterprise & Management Portfolio	Secretary	-
1. Director of Finance	Permanent Member	✓
2. Director of Risk Management	Permanent Member	✓
3. Director of Human Capital	Permanent Member	✓
4. All Directors or SEVP of Proposing Fields	Non Permanent Member	✓
5. Director of Compliance	Permanent Member	-
6. President Director BRI Syariah	Permanent Member	-
7. President Director BRI Agro	Permanent Member	-
8. President Director BRI Life	Permanent Member	-
9. President Director BRI Finance	Permanent Member	-
10. President Director BRI Remittance	Permanent Member	-
11. Director Compliance BRI Syariah	Permanent Member	-
12. Director Compliance BRI Agro	Permanent Member	-
13. Director Compliance BRI Life	Permanent Member	-
14. Director Compliance BRI Finance	Permanent Member	-

3. Operational Risk Management Committee (ORMC)

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director of Risk Management	Substitute Chairman I	✓
Director of Finance	Substitute Chairman II	✓
Division Head of Risk Enterprise & Management Portfolio	Secretary	-
1. Director Information Technology and Operation	Permanent Member	✓
2. Director of Human Capital	Permanent Member	✓
3. Director of Network and Services	Permanent Member	✓
4. All Directors or SEVP of Proposing Fields	Non Permanent Member	✓
5. Director of Compliance	Permanent Member	-

Board of Directors Committees

Duties and Responsibilities

The Risk Management Committee has the following duties and responsibilities:

1. The Risk Management Committee (RMC) has the following duties and responsibilities:
 - a. Provide recommendations to the President Director for the preparation of the Risk Management Policy and its changes including the application of risk management policies, risk management strategies and contingency plans if external conditions do not normally occur.
 - b. Provide recommendations to the President Director for determining the methodology for measuring risk and its changes.
 - c. Recommend limits and changes.
 - d. Submitting a risk profile report and the results of risk monitoring and if needed a recommendation for change.
2. The Integrated Risk Management Committee (RMC) has the following duties and responsibilities:
 - a. Provide recommendations to the Directors of BRI for the preparation of Integrated Risk Management Policies and their changes.
 - b. Providing recommendations for improvements or improvements to the Directors of BRI and Directors of Subsidiaries based on the evaluation of the implementation of Integrated Risk Management.
 - c. Submitting the Integrated Risk Profile report, Integrated Governance report, Integrated Audit report, Subsidiary Company's Individual Risk Profile report and the results of risk monitoring to BRI Directors.
 - d. Delivering integrated capital analysis and capital participation plans to members of the BRI Financial Conglomerate.
 - e. Deliver integrated and / or individual stress testing simulations and contingency plans to anticipate abnormal conditions for BRI Directors.
3. The Operational Risk Management Committee (ORMC) has the following duties and responsibilities:
 - a. Discuss the risk issue based on the results of the assessment of operational risk issues and other risks as well as the latest loss events along with the effectiveness of the control of business and operational processes that need to immediately get a decision on a follow-up plan.

- b. Discuss the application of MKU / BCM which is in line with the governance and policies established in the event of a disaster in the Selindo BRI Work Unit.
- c. Review and recommend the adequacy of risk management for any fundamental changes in information technology, including changes to configuration, core banking applications, electronic banking products, use of domestic service providers and other fundamental changes that can significantly increase or increase certain risk exposures.
- d. Review and member recommendations for setting operational risk limits and other risks and changes.
- e. Recommend the determination of the methodology for measuring operational risks and changes.

Working Guideline

RMC, Integrated RMC and ORMC has the following working guidelines:

1. RMC meeting is held periodically at least 1 (one) time per Quarter, Integrated RMC Meetings meeting is held periodically at least every 6 (six) months, while ORMC Meetings meeting is held whenever necessary (incidental).
2. The implementation of RMC, Integrated RMC and ORMC meeting can be carried out outside the regular schedule if there are important and urgent issues, including:
 - a. Significant changes in the BRI Risk Profile due to changes in business conditions, macroeconomic factors, violations of internal risk limits or other factors.
 - b. Regulatory changes that require quick and immediate responses or attitudes from the organization.
 - c. Force Major conditions occur due to natural factors, human factors, external disturbances and other disruptive factors.
 - d. There are factors that can cause the Board of Directors to decide to hold an RMC meeting, Integrated RMC and ORMC.

Board of Directors Committees

3. RMC, Integrated RMC and ORMC discuss, review and approve proposals and recommendations submitted in the meeting in accordance with applicable regulations. The suggestions and recommendations included include risk management policies, strategies and procedures.
4. RMC, Integrated RMC and ORMC meetings are led by the President Director. In the event that the President Director is unable to attend, the meeting shall be chaired by the Substitute Chair in the order as stipulated.
5. In the event that the Chairman and Chairman of Substitute I is absent, the Meeting of the RMC, the Integrated RMC and the ORMC shall be led by the Chairman of Substitute II based on the Decree of the Board of Directors concerning the Determination of Substitute Directors.
6. RMC, Integrated RMC and ORMC Meetings can be held if at least 2/3 (two-thirds) of Committee Members are attended and attended by Committee Chair.
7. Decisions of Committee Meetings are taken by deliberation and consensus. In the event that an agreement is not reached, then the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the number of Committee Members who have voting rights plus 1 (one) Committee Member including the Chairman of the Committee.
8. The results of decisions at RMC, Integrated RMC and ORMC can be annulled by the Board of Directors as long as they are conducted at the Board of Directors Meeting.
9. Coordination of organizing RMC Meetings, Integrated RMC and ORMCs is the responsibility of the RMC and ORMC secretaries.

Committee Meeting

In 2018, RMC has convened 3 meetings with the following details:

No	Activity	Implementation Schedule	Agenda
1	RMC I 2018	21 February 2018	<ol style="list-style-type: none"> 1. Risk profile 2. Follow-up Decision IV RMC-2017 3. BRI Capital Analysis and Stress Test 4. Discussion of Risk and External Issues Risk Profile BRI 5. Discussion of Risk To Be Noticed in BRI 6. Recommendations and Decisions RMC I -2018
2	RMC II 2018	30 May 2018	<ol style="list-style-type: none"> 1. Risk profile 2. Follow-up Decision RMC I-2018 3. Capital Analysis and Stress Test 4. Discussion on Risk Issues in BRI 5. Discussion of Risk To Be Noticed in BRI 6. Recommendations and Decisions RMC II -2018
3	RMC III 2018	28 September 2018	<ol style="list-style-type: none"> 1. Follow-up RMC II 2017 2. The risk profile and the Bank 3. monitoring capitalization 4. leverage Ratio 5. stress Testing 6. Discussion on Risk Issues in BRI 7. Discussion of Risk To Be Noticed in BRI 8. Recommendations and Decisions RMC III 2018

Decision Making

1. Decisions of Committee Meetings are taken by deliberation and consensus.
2. In the event that an agreement is not reached, then the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the number of Committee Members who have voting rights plus 1 (one) Committee Member including the Chairman of the Committee.

Board of Directors Committees

CREDIT COMMITTEE

The Credit Committee is an operational committee assisting the Board of Directors to evaluate and/ or resolve credit applications for certain amount and/ or types of credits as determined by the Board of Directors.

Committee Structure

1. Credit Committee at the BOD, i.e
 - a. BRI Credit Committee.
 - b. Credit Committee BOD 1
 - c. Credit Committee BOD 2
2. Credit Committee at Division level.
3. Regional Commercial Business Credit Committee (RCB).
4. Credit Committee in Regional Offices/ Special Branch Offices.
5. Overseas Unit Credit Committee (OUCC).

Duties and Responsibilities

Duties

1. Provide approval or rejection of credit in accordance with the limits of authority established by the Board of Directors.
2. Coordinate with the Asset & Liabilities Committee (ALCO) in the funding aspect for loans with specified amounts determined by ALCO.

Responsibilities

1. Carry out the task of credit awarding based on honest professional proficiency, objectively, carefully and thoroughly.
2. Rejecting the request and / or influence from parties with interest in credit approval, which is only formalities, or outside the principles of healthy credit.
3. Put signature on Credit Decision form as proof of credit award and as a form of responsibility of credit Committee.

Conflict of Interest

In providing credit decision, the Credit Committee shall decide with honest, objective and prudent assessment and free of conflict of interest to the Committee and its individual member. This mechanism is regulated as follows:

1. In the event where the decision makers of BRI Credit Committee have the conflict of interest, then the credit decision shall be carried out by all BOD and SEVP with decision making authority, member of BRI Credit Committee that has the conflict of interest are exempted. The decision making is unanimously conducted from all the Decision Makers.

2. In the event where the conflict of interest is occurring on Credit Committee members other than BRI Credit Committee, then the credit decision shall be authorized to the decision makers of one level higher.
3. In the event where the conflict of interest is occurring on individual credit decision makers, then the credit decision shall be authorized to the decision makers of one level higher.
4. In the event where the conflict of interest is occurring then the credit decision shall be carried out as stated in point 2 and 3 above, which further shall be submitted in the form of Credit Analysis Memorandum.

Working Guidelines

1. Credit Committee Meeting may only be held if the quorum meets at least ½ (one-quarter) + 1 of the members of the Credit Committee.
2. Credit Committee members who are unable to attend the Committee Meeting because they are not in place (but not later than 5 (five) working days) shall not be taken into account in the determination of the quorum for the implementation of Credit Committee meetings.
3. The implementation of the Credit Committee shall be held in the Credit Committee meeting forum with the relevant ADK Units as the Secretary of the Committee.

Committee Meeting

In 2018, the Credit Committee has convened 60 (sixty) meetings.

Board of Directors Committees

CAPITAL AND INVESTMENT COMMITTEE

The Capital and Investment Committee is responsible in particular to corporate action and management of subsidiaries.

Committee Structure

In implementing its duties, the Capital & Investment Committee is supported by the Committee Supporting Team.

Membership Structure	Title	Voting Right
President Director	Chairman	√
Director of Finance	Substitute Chairman I (also Permanent Member)	√
Director of Risk Management	Substitute Chairman II (also Permanent Member)	√
Corporate Development Strategy	Secretary (also Permanent Member)	-
1. Director or Related Business SEVP	Non Permanent Member	√
2. Director or Subsidiaries Supervisor SEVP	Non Permanent Member	√
3. Director of Human Capital	Non Permanent Member	√
4. Director of Compliance	Permanent Member	-

Duties and Responsibilities

1. Corporate Actions
 - a. Review the analysis of corporate action proposed by the Committee Supporting Team.
 - b. Determine and recommend the corporate actions.
2. Subsidiaries Management
 1. Review the analysis of business plan, work plan, and Corporate Budget (RKAP) of Subsidiaries.
 2. Review the performance analysis of Subsidiaries.
 3. Discuss and recommend the business plan, RKAP, and the performance of Subsidiaries.
 4. Discuss and recommend strategic initiatives on additional capital or equity for Subsidiaries.
 5. Discuss and recommend the Divestment of Subsidiary.
 6. Recommend the management and remuneration for members of the BOD/ Members of the BOC of Subsidiaries.
 7. Desk Subsidiary Management is responsible in managing the subsidiaries in accordance with its respective scope of responsibility.

The Committee Supporting Team, according to its respective scope has the following duties, authorities and responsibilities:

1. Provide supporting data on the proposals that will be implemented.
2. Analyse the proposals to be submitted
3. Prepare presentation materials to be discussed by Committee members according to the Capital & Investment Committee meeting.

Working Guidelines

1. The Committee Supporting Team prepares the study and analysis in accordance with their respective scope.
2. The study results shall be presented in the Committee meeting by the Committee members and/or members of Supporting Team and/or representatives of Subsidiaries in accordance with each scope.
3. The Committee shall be convened at least one meeting per Quarter to discuss proposals, reviews and analysis from the Committee Supporting Team.
4. The Meeting shall be declared a quorum when attended by at least 50% of all Committee members and attended by the chairman of the Committee.

Board of Directors Committees

5. The meeting is chaired by the Chairman of the Committee. If Chairman is unable to attend, then the ALCO meeting shall be chaired by the alternate Director in accordance with the arranged order .
6. In the event that the Chairman of the Capital & Investment Committee and Chairman of the Substitute Committee I are absent, then the ALCO meeting shall be chaired by Chairman of Committee II in accordance with the Decree of the Board of Directors regarding the Appointment of Substitute Directors.
7. Chairman of the Committee leads the Capital & Investment Committee Meeting and has voting rights.
8. The Committee Secretary is responsible for coordinating the implementation of the Capital & Investment Committee meeting, in the form of:
 - a. Prepare the agenda, schedule and meeting place;
 - b. Arrange Minutes of Meetings;
 - c. Monitor the implementation of meeting decisions;
 - d. Memantau implementasi putusan rapat.
9. The Committee's recommendations are taken by deliberation and consensus. In the event that no agreement is reached, the recommendation of the Committee meeting shall be considered valid with the approval of 50% (fifty percent) of the number of Committee Members with voting rights plus +1 (one) Committee Member including the Chairman of the Committee.
10. In the event that the President Director is unable to attend the Meeting , the Committee's meeting recommendations will be reported by the Substitute Committee Chairman in the Board of Directors Meeting to obtain the Board of Directors' decision.

Committee Meeting

In 2018, the Capital and Investment Committee has convened 7 meetings with the following details:

No	Date	Agenda	Quorum
1	26 January 2018	Capital Management Report, The distribution of dividends in 2017, Strategic Partnership, Research Capital	Quorum
2	15 February 2018	Digital Updates Progress Bank	Quorum
3	1 March 2018	Discussion on IT Investment Plan	Quorum
4	8 March 2018	The action plan of BRI Agro 2018	Quorum
5	19 April 2018	Progress Report Corporate Action	Quorum
6	20 August 2018	review the performance of subsidiaries BRI	Quorum
7	17-18 October 2018	Exposure CBP 2019-2023 Corporate Plan 2019 and a subsidiary BRI	Quorum

Decision-making

Committee recommendations are taken by deliberation and consensus. In the event that an agreement is not reached, then the Committee Recommendation is considered valid with the approval of 50% of the number of Committee Members who have voting rights plus 1 (one) Committee Member including the Chairman of the Committee.

Board of Directors Committees

CREDIT POLICY COMMITTEE

The Credit Policy Committee (KKP) is a committee at the Head Office that assists the Directors in formulating and provide suggestions for improvements to credit policies of BRI.

Membership Structure

The composition of Credit Policy Committee as per December 31, 2018 are as follows:

Membership Structure	Title	Voting Right
President Director	Chairman	√
Director of Risk Management	Substitute Chairman I	√
Director of Finance	Substitute Chairman II	√
Head of Credit Policy	Permanent Member	√
Director of Institutional Relationship	Permanent Member	√
Director of Micro and Small	Permanent Member	√
Director of Retail and Middle	Permanent Member	√
Director of Consumer	Permanent Member	√
Director of Corporate Banking	Permanent Member	√
Director of Information Technology and Operation	Permanent Member	√
Director of Network and Services	Permanent Member	√
Director of Human Capital	Permanent Member	√
Director of Compliance	Permanent Member	√
All SEVP BRI	Permanent Member	√
All Head of KP Business Division	Permanent Member	√
Head of Credit Policy Division	Permanent Member	√
Head of Enterprise Risk & Portfolio Management Division	Permanent Member	√
Head of Operation and Market Risk Management	Permanent Member	√
Head of Credit Risk Analyst	Permanent Member	√
Head of Credit Restructurisation and Settlement	Permanent Member	√
Head of Corporate Development & Strategy	Permanent Member	√
Head of Accounting and Financial Management Division	Permanent Member	√
Head of Desk Project Management Office	Permanent Member	√
Head of BRI Section Jakarta 1,2,3	Permanent Member	√
Head of Special Branch	Permanent Member	√

Duties and Responsibilities

1. Providing input to the BOD in preparing the Bank Credit Policy (KPB), in particular to formulation of the prudent principle in credit as stipulated in the Guidelines for Formulation of Bank Credit Policy (PPKPB) Bank Indonesia.
2. Overseeing that the implementation of Bank Credit Policy (KPB) is carried out consequently and consistently as well as formulates alternative and application solutions if there are obstacles.
3. Conduct periodic review of Bank Credit Policy (KPB).

Board of Directors Committees

4. Supervise and Evaluate:
 - a. Development and quality of the overall credit or financing portfolio.
 - b. Valid implementation of the authority to decide on credit or financing
 - c. Valid process on the development and quality of credit or financing given to Parties Associated with certain large Banks and Debtors.
 - d. Proper implementation of the provision of the maximum credit limit (BMPK)
 - e. Compliance to the provisions of legislation and other regulations in the implementation of credit or financing provision,
 - f. Troubled credit or financial settlement in accordance with Bank Credit Policy (KPB).
 - g. The Bank's efforts to meet the adequacy of the allowance for credit or financing losses
 - h. Certain major debtors and credit in credit lists In Special Attention
5. Review the effectiveness of internal credit control system.
6. Submit a written report periodically and providing input to the Board of Directors with a copy to the Commissioner regarding the results of supervision on the implementation and implementation of Bank Credit Policy (CDE).
2. The Credit Policy Committee Meeting (KKP) is held in the context of a meeting proposing the preparation, amendment, revision of Bank Credit Policy (KPB) and related to important and urgent issues that require a quick and immediate response from the company.
3. If there is an urgent problem to be discussed in the Credit Policy Committee (KKP), the relevant work unit can propose to the Secretary of the Credit Policy Committee (KKP) to hold a Credit Policy Committee Meeting (KKP).
4. KKP meetings are chaired by the President Director as the KKP Chair. In the event that the Chairman of the KKP is unable to attend, the meeting will be chaired by the Substitute Chair.
5. The Credit Policy Committee meeting is valid if attended by at least 2/3 of the KKP members consisting of at least 3 (three) Directors, namely:
 - a. Director of Risk Management;
 - b. Compliance Director;
 - c. Director of Business;
 - d. SEVP Internal Audit Work Unit;
 - e. Head of Credit Policy Division; and
 - f. Head of Compliance Division
6. If the Division Head who is a member of the Credit Policy Committee (KKP) is unable to attend, the Substitute may be appointed.

Working Guidelines

1. Changes or revision to Bank Credit Policy (CDE) must be discussed first in the meeting. The Credit Policy Committee (KKP) is required to conduct a final discussion meeting on the draft amendment or revision of Bank Credit Policy (KPB) before proceeding to obtain the decision of the Board of Directors.

Committee Meeting

In 2018, the Credit Policy Committee has not convened any meeting.

Decision-making

Committee Meeting decision is taken by deliberation and consensus. In the event that an agreement is not reached, then the Committee Meeting decision is considered valid with the approval of 50% (fifty percent) of the number of Committee Members who have voting rights plus 1 (one) Committee Member including the Chairman of the Committee.

Board of Directors Committees

INFORMATION TECHNOLOGY STEERING COMMITTEE

A committee at the Head Office that is responsible to provide direction and recommendations to the BOD on planning, governance, development and operation of Information Technology (IT).

Membership Structure

Membership Structure	Title	Voting Right
President Director	Chairman	√
Director of Information Technology & Operation	Substitute Chairman I	√
Director of Network and Service	Substitute Chairman II	√
Deputy Head of Information Technology Planning & Strategy Division, Information Technology Planning and Development Division	Secretary	√
1. Director of Risk Management	Permanent Member	√
2. SEVP Fix Asset Management and Procurement	Permanent Member	√
3. Head of Planning and Technology Information Development	Permanent Member	√
4. Head of Division Operation and Information Technology	Permanent Member	√
5. Head of Satellite Division & Network Infrastructure	Permanent Member	√
6. Head of Division Digital Center or Excellence	Permanent Member	√
7. Head of Technology Partnership Division	Permanent Member	√
8. Head of Information Security Desk	Permanent Member	√
9. Director or SEVP Proposed Field	Permanent Member	√
10. Director of Compliance	Permanent Member	-

Function

1. Provide direction on IT policy and management of long term and short term (annually) and refers to the IT Strategic Plan of BRI.
2. Controlling the IT development and implementation in BRI that are under and in an ongoing development by referring to the IT Strategic Plan of BRI.

Duties and Responsibilities

1. Provide recommendations of IT long term strategy plan that in line with the Bank Corporate Plan and Business Plan as stated in the IT Strategic Plan of BRI.
2. Formulate core IT policies, standards, and procedures.
3. Ensuring the alignment of the IT strategy plan with other IT projects as approved for implementation.

4. Monitoring and evaluation of IT project development so as to be in line with the set forth Project Charter.
5. Evaluating the IT conformity with the management information system required for Bank operations and business.
6. Monitor the effectiveness of risk management in IT investments so as to optimally contribute to the business goals achievement of BRI.
7. Monitor the performance of IT systems and provide recommendations for improvement efforts.
8. Provide recommendations on IT problems that cannot be solved by the Work Units and IT providers in an effective, efficient and timely manner.
9. Provide recommendations on the adequacy of IT resource allocation.

Board of Directors Committees

Working Guidelines

1. The IT Steering Committee shall be convened at least 2 times a year.
2. IT Steering Committee Meeting shall be at least attended by:
 - a. Chairman
 - b. Secretary
 - c. 2/3 (two thirds) of the Members of the IT Steering Committee are invited and related to the IT Steering Committee meeting agenda.
3. In the event that the Chairman of the Committee is absent, the Information Technology Steering Committee Meeting is chaired by the Chairman of the Replacement Committee I.
4. In the event that the Chairman of the Committee and Chairman of the Substitute Committee I is absent, the Meeting of the Information Technology Steering Committee is chaired by the Chairman of the Substitute II Committee based on the Decree of the Board of Directors concerning the Determination of Substitute Directors.
5. The Chairman of the Committee leads the Information Technology Steering Committee Meeting and has voting rights.
6. In the event that the Information Technology Steering Committee Meeting is chaired by the President Director, the Director of Information Technology & Operations acts as a Committee Member with voting rights.
7. Coordination on the implementation of the Information Technology Steering Committee Meeting is the responsibility of the Secretary of the Committee with duties and responsibilities including:
 - a. Prepare and invite meetings.
 - b. Arrange and present meetings.
 - c. Arrange and distribute Minutes of Meeting to Members of the Information Technology Steering Committee.
 - d. Monitor the decisions of the Steering Committee that are followed up in the relevant Work Unit.
8. Decisions of Committee meetings are taken by deliberation and consensus. In the event that no agreement is reached, then the decision of the Committee meeting is considered valid if it is approved by 50% (fifty percent) of the number of Committee Members who have voting rights plus 1 (one) member of the Committee including the Chairman of the Committee.

Committee Meeting

In 2018, the IT Steering Committee has convened 2 (two) meetings with the following details:

No	Date	Agenda	Quorum
1	8 March 2018	Migration credit card (Cardlink) of the z800 mainframe machine to Z13	Quorum
2	18 March 2018	IT Strategic Plan 2018-2022	Quorum

Decision Making

The Committee Meeting decision is taken by deliberation and consensus. In the event that an agreement is not reached, then the Committee Meeting decision is considered valid with the approval of 50% of the number of Committee Members who have voting rights plus 1 (one) Committee Member including the Chairman of the Committee.

Board of Directors Committees

HUMAN CAPITAL POLICY COMMITTEE

The Human Capital Policy Committee is a committee at the Head Office with authority to establish strategic and operational policies in the field of Human Capital.

Membership Structure

Human Capital Policy

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director Human Capital	Substitute Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director or related Field Senior Executive Vice President	Permanent Member	✓

Career 1

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director Human Capital	Substitute Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓
Director or related Field Senior Executive Vice President	Permanent Member	✓

Career 2

Membership Structure	Title	Voting Right
Director Human Capital	Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓
Director or related Field Senior Executive Vice President	Permanent Member	✓

Career 3

Membership Structure	Title	Voting Right
Head of Human Capital Development & Policy Division	Chairman	✓
Kepala Bagian Pengembangan Karier	Secretary	✓
Deputy Head of Division for Career Management & Culture	Permanent Member	✓

Talent Management

Sub Section Talent Management 1

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director Human Capital	Substitute Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓
Director or related Field Senior Executive Vice President	Non Permanent Member	✓

Board of Directors Committees

Sub Section Talent Identification 2

Membership Structure	Title	Voting Right
Director Human Capital	Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓
Director or related Field Senior Executive Vice President	Non Permanent Member	✓

Sub Section Talent Development and Engagement 1

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director Human Capital	Substitute Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓
Director or related Field Senior Executive Vice President	Non Permanent Member	✓

Sub Section Talent Development and Engagement 2

Membership Structure	Title	Voting Right
Director Human Capital	Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓

Sub Section Talent Development and Engagement 3

Membership Structure	Title	Voting Right
Head of Human Capital Development & Policy Division	Chairman	✓
Head of Career Development	Secretary	✓
Deputy Head of Division for Career Management & Culture Human Capital Policy & Development Division	Permanent Member	✓

Performance Management and Targeted Performance Objective

Sub Section Performance Management

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Finance	Permanent Member	✓
Director Human Capital	Permanent Member	✓
Director or related Field Senior Executive Vice President	Non Permanent Member	✓

Board of Directors Committees

Sub Section Targeted Performance Objective (SKO)

Membership Structure	Title	Voting Right
Director Human Capital	Chairman	✓
Deputy Head of Human Capital Development & Policy Division	Secretary	✓
Director of Finance	Permanent Member	✓
Head of Human Capital Development & Policy Division	Permanent Member	✓
Head of Corporate Development & Strategy Division	Permanent Member	✓

Ethics

Membership Structure	Title	Voting Right
President Director	Chairman	✓
Director Human Capital	Substitute Chairman	✓
Head of Human Capital Development & Policy Division	Secretary	✓
Director of Compliance	Permanent Member	✓
Director or related Field Senior Executive Vice President	Non Permanent Member	✓

Function

1. Improving the effectiveness, efficiency and transparency in strategic decision making in the field of Human Capital.
2. Improving the quality of human capital strategic policies that are based on GCG principles.

Career

Establish employee career development.

Talent Management

Establish Talent and determine the development program given to Talent including career development Talent.

Working Guidelines

1. The Human Capital Policy Committee meeting is chaired by the Chair of the Committee. In the event that the Chair of the Committee is unable to attend, the Meeting of the Human Capital Policy Committee is chaired by the Chairman of the Substitute Committee..
2. All members of the Human Capital Policy Committee have the same duties and responsibilities.
3. In the event of significant and urgent issues that requires outcome and/or action from the Human Capital Policy Committee, then the relevant Work Unit can propose a Committee Meeting to the Committee's Secretary.

Duties and Responsibilities

Human Capital Policy

1. To prioritize development strategy, policy direction and quality improvement of human capital of BRI.
2. Provide recommendations in the process of strategic policy determination, career management, and corporate culture in the field of human capital.

Field of Performance Management and Determination of Objective Performance Objectives (SKO)

- d. Establish employee performance appraisal for the Executive Vice President and Vice President level.
- e. Establish SKO Standards for the level of Executive Vice President and Vice President.

Ethics

Decide on Discipline Violation cases by considering recommendations given by the Examining Team and/or Violation Case Discussion Forum (PKP Forum).

Committee Meeting

During 2018, the Human Capital Committee held 1 (one) meeting according to Official Memo of Human Capital Committee Division No. R.318.e-KHC/REK/04/2018 dated April 16, 2018 on the Performance Assessment of EVP and VP for the 2017 assessment period.

Board of Directors Committees

Decision Making

1. The decision of the Human Capital Committee is determined by deliberation and consensus. In the event that no agreement is reached, the decision of the Human Capital Policy Committee is declared valid and binding if the Chairman of the Committee, Director of Human Capital and 50% (fifty percent) of the Committee Members are added by 1 (one) Committee Member at the Human Capital Committee meeting has voted in agreement.
2. The Committee approval is stated in documents signed by the Chairman and Committee Members present.
3. In the event that a Human Capital Committee meeting cannot be held, the Human Capital Committee may make a decision through the Circular Service Note with the approval of the Chair of the Committee and other Committee Members.

JOB EVALUATION COMMITTEE

A committee at the Head Office that conducts an assessment process or rating of a position logically and fairly. This is carried out by comparing the position of one with another position based on a certain scale or criteria to determine the value/ job size/ score of a position and contribution and relationship with other positions in the Company.

Membership Structure

Membership Structure	Title	Voting Right
Director of Finance	Chairman	√
Deputy Head of Organization and Performance Management Division of Corporate Development and Strategy	Secretary	√
1. Director of Human Capital	Permanent Member	√
2. Director of Risk Management	Permanent Member	√
3. Head of Corporate Development & Strategy Division	Permanent Member	√
4. Head of Human Capital Development & Policy Division	Permanent Member	√

Duties and Responsibilities

To review, provide recommendations, and/or determine the level of positions.

Working Guidelines

1. The Job Evaluation Committee Meeting is chaired by the Committee Chairman.
2. All members of the Job Evaluation Committee shall have the same duties and responsibilities in the process of review, recommendation, and/or determination of positions level.

Committee Meeting

In 2018, the Job Evaluation Committee has convened 4 (four) meetings with the following details:

No	Date	Agenda	Quorum
1	18 January 2018	Job evaluation to the Board of Directors	Quorum
2	4 February 2018	Digital Banking Job Evaluation Team	Quorum
3	12 July 2018	Job Evaluation for positions in the BRI (new / changed)	Quorum
4	17 December 2018	Job Evaluation BRI Ventures	Quorum

Board of Directors Committees

Decision Making

1. The decision of the Job Evaluation Committee is determined by deliberation and consensus.
2. In the event that an agreement is not reached, then the decision of the Committee Meeting is considered valid if it is approved by 50% (fifty percent) of the number of Committee Members who have voting rights + 1 (one) member of the Committee including the Chairman of the Committee.

In the event that a Job Evaluation Committee meeting cannot be held, the Job Evaluation Committee may make a decision through the Circular Official Memo with the approval of the Committee Chairman and other Committee Members.

PROJECT MANAGEMENT OFFICE STEERING COMMITTEE(PMO-SC)

A Committee at the Head Office that is responsible for providing direction and decisions on the project strategies and implementation in BRI.

Membership Structure

The Project Management Office Organization Steering Committee (PMO-SC) consists of:

Membership Structure	Jabatan	Hak Suara
President Director	Chairman	√
Director of Finance	Substitute Chairman I	√
Director of Risk Management	Substitute Chairman II	√
Head of Desk Project Management Office	Secretary	√
1. Director of Information Technology and Operation	Permanent Member	√
2. SEVP Subsidiary & Project Management	Permanent Member	√
3. SEVP Fix Asset Management & Procurement	Permanent Member	√
4. Director or SEVP Project Owner	Non Permanent Member	√
5. Head of Project Owner Work Unit	Non Permanent Member	-
6. Head of Supporting Project Working Unit	Non Permanent Member	-

Duties and Responsibilities

1. Provide direction at corporate level on BRI projects strategy.
2. Make decisions on the proposed problem solving in project management that can not be decided by Head of PMO.
3. Make decisions on the proposed relocation of budget between projects listed in the Project Work Plan budget.
4. Make decision on matters not covered in the Project General Policy (KU) and its Implementation Guidelines (PP).
5. Approve and enacted the proposed project post RKAP approval.
6. Providing direction and decision related to acceleration of project completion.
7. Establish criteria for PMO projects.
8. Decide on projects that are submitted and excluded from PMO monitoring.
9. Establish project prioritization to be carried out by the Project Owner Work Unit or Project Support Working Unit.
10. Provide decisions with the project including approving, altering and canceling plans and project implementation.
11. Provide guidance on the results of PostImplementation Evaluation Project (EPIP) that has been implemented as part of the lessons learned in the next projects.

Board of Directors Committees

Working Guidelines

1. The PMO-SC Steering Committee meeting shall be held periodically at least 2 (two) times per year.
2. Meetings outside of regular meetings may be held with the following criteria:
 - a. There has been a significant change in business conditions which requires rapid and immediate changes related to project implementation or project termination.
 - b. There are regulatory changes which requires immediate and immediate response from the organization, especially in project implementation or project termination.
 - c. There are conditions that encourage the meeting of PMO-SC.
3. The PMO-SC meeting is chaired by the President Director or Vice President Director as Chairman of PMO SC. If the President Director and the Vice President Director are unable to attend, the position of the Chairman of the Committee shall be replaced by the Director or SEVP in accordance with the applicable provisions.
4. The presence of Members with Legitimate Voting Rights in the Meeting cannot be represented or with proxies. If the Members with Voting Rights are unable to attend, their position in the meeting will be replaced by the Directors or Substitute SEVP with due observance to the prevailing laws.
5. The PMO-SC Meeting may be held when attended by the Chair of the Committee and attended by at least 3 (three) Committee Members with voting rights with at least 1 (one) Director.
6. Committee meetings shall be determined by deliberation and consensus. In the event that no agreement is reached, the decision of the Committee Meeting shall be deemed valid if it is approved by 50% (fifty percent) of the number of Committee Members with voting rights + 1 (one) Committee Member including the Chair of the Committee.
7. Decisions in the PMO SC meeting are documented in the minutes of the PMO SC meeting signed by the Head of PMO.
8. The duties of the Secretary of the Committee include:
 - a. Coordinate the preparation of material for Committee meetings.
 - b. Prepare meeting agenda, schedule and meeting place.
 - c. Carry out the function of correspondence, reproduce documents, and function of filing Committee documents.
 - d. Make minutes of committee meetings and minutes.
 - e. Distribute committee decisions to be followed up by the relevant Work Units.

Committee Meeting

In 2018, PMO-Sc has convened 1 meetings with the following details:

No	Time	Agenda	Attendance
1	13 December 2018	1. Performance of the Project in monitoring the PMO in 2018 2. Recommended PMO-SC decisions: <ol style="list-style-type: none"> a. Portfolio project in monitoring PMO in 2018 (Closed, Hold, Multiyears, Carry Over). b. Proposed projects in monitoring the PMO in 2019. 3. Decision of PMO-SC	All Member Present

1. Decisions of Committee Meetings are taken by deliberation and consensus. In the event that an agreement is not reached, then the Committee Meeting decision is considered valid if it is approved by 50% (fifty percent) of the Committee Members who have voting rights plus 1 (one) Committee Members including Chair of the Committee.
2. The decision in the PMO SC meeting is documented in the minutes of the PMO SC meeting signed by the Head of PMO.

Board of Directors Committees

Program and Implementation Of Committee Activities 2019

Implementation of "Agile PMO"

- ▶ Use of reliable PMO tools and dashboards.
- ▶ Active monitoring and collaboration in project management.
- ▶ Increasing the capability of project management both from the PMO, the Project Owner and the Work Unit to support the project

PRODUCT COMMITTEE

The Product Committee has a responsibility to provide decision on the proposed development of new products and services, the development and decision on existing products and services, decision on bundling products and services above the authority of the Director or, and providing recommendations to the Board of Directors on product and service development strategies.

Membership Structure

Membership Structure	Title	Voting Right
President Director	Chairman	√
Director of Finance	Chairman Substitute I	√
Director of Risk Management	Chairman Substitute II	√
Head of Corporate Development & Strategy Division	Secretary	
1. Director of Information Technology and Operation	Permanent Member	√
2. Director of Network and Services	Permanent Member	√
3. Director of SEVP of Product Owner	Non Permanent Member	√
4. Director of Compliance	Permanent Member	-

Function

Evaluating product performance and providing recommendations to the BOD on BRI product development strategy.

4. Review and provide decisions on product and service issues that cannot be solved within the authority of the Directors or SEVP of Product Owner.
5. Providing input and recommendation to the BOD on BRI product development strategy.

Duties and Responsibilities

1. Review and make decisions on the proposed development of products and services that met the criteria set forth by the Product Committee.
2. Review and make decisions on the proposed bundling products and services within the authority of the Directors or SEVP of Product Owner that has met the criteria set forth by the Product Committee.
3. Review and provide decisions on termination of existing products and services that has met the criteria set forth by the Product Committee.

Working Guidelines

1. The Product Committee Meeting shall be held periodically at least once every 3 (three) months.
2. Meeting outside regular meetings can be convened with the following criteria:
 - a. Significant changes in business condition that require immediate and urgent product development or annulment.
 - b. Changes in regulations that require immediate and urgent organization responds especially in product development or annulment.

Board of Directors Committees

- c. Other factors that require Product Committee Meeting by the Board of Directors.
3. Product Committee Meeting is chaired by the Vice President Director as the Committee Chairman. If the Vice President Director is absent, the Committee Chairman position can be replaced by the Substitute Director in accordance with the Substitute Director rules.
4. In the event that the Chairman of the Committee and the Chairman of Substitute I are absent, the Meeting of the Product Committee shall be chaired by the Chairman of the Substitute II Committee with reference to the Decree of the Board of Directors concerning the Determination of Substitute Directors.
5. The presence of Members with Voting Rights in the Product Committee Meeting cannot be represented. If the Member with Voting Rights is unable to attend, then he can be replaced by the Substitute Director or SEVP in accordance with the provisions.
6. The Product Committee Meeting can be held if it is attended by the Chair of the Committee and is attended by at least 3 (three) Members with the voting rights present at least 1 (one) Director.
7. Decisions of Committee Meetings are taken by deliberation and consensus. In the event that no agreement is reached, the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the number of Committee Members who have Voting Rights plus 1 (one) Committee Member including the Chairman of the Committee.
8. If at the time of the Committee meeting the President Director is not attended, the recommendations of the Committee meeting will be reported by the Chairman of the Replacement Committee to the Board of Directors' Meeting to obtain the decision of the Board of Directors.
9. Coordination of the implementation of Product Committee Meetings is the responsibility of the Committee Secretary.

Committee Meeting

In 2018, Product Committee has convened 9 (nine) meetings with the following details:

No	Date	Agenda	Quorum
1	07 March 2018	Progress in 2018 in the framework of realization PAB Products Committee	Quorum
2	28 March 2018	Progress realization PAB 2018, proposed revisions RBB 2018-2020, and the implementation plan Products Committee	Quorum
3	6 April 2018	Proposed product BRI Swap Deposit	Quorum
4	7 June 2018	Discussion of the proposed joint marketing of insurance products Lanterns	Quorum
5	27 August 2018	Discussion of the proposed development of the product Repo / Reverse Repo Sharia securities	Quorum
6	24 September 2018	Discussion of the proposed product Forward Rate Agreement (FRA)	Quorum
7	15 November 2018	Meeting of the Committee pre Product in the review's product taxonomy (sessions savings products and features owner)	Quorum
8	16 November 2018	Meeting of the Committee pre Product in the review's product taxonomy (session loan products)	Quorum
9	16 November 2018	Meeting of the Committee pre Product in the review's product taxonomy (session services and other banking activity)	Quorum

Decision Making

1. The Product Committee Meeting can be held if attended by the Chair of the Committee and attended by at least 3 (three) Members with the Voting Rights present at least 1 (one) Director.
2. Decisions of Committee Meetings are taken by deliberation and consensus. In the event that no agreement is reached, the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the number of Committee Members who have Voting Rights plus 1 (one) Committee Member including the Chair of the Committee.

Board of Directors Committees

GOODS AND SERVICES PROCUREMENT COMMITTEE

The procurement of goods and/or services is an activity for the procurement of goods and/or services carried out by BRI which funding does not use direct funds from the APBN or APBD.

Procurement Committee I

Membership Structure	Title	Voting Rights
President/Director	Chairman	✓
Director of Network & Services	Substitute Chairman I	✓
Director of Risk Management	Substitute Chairman I	✓
Head of MAT Division or PBJ Capital	Secretary	✓
Director of Finance	Permanent Member	✓
SEVP AT Management and Procurement	Permanent Member	✓
Director of Compliance	Permanent Member	-

Procurement Committee II

Membership Structure	Title	Voting Rights
President/Director	Ketua	✓
Director of Network & Services	Substitute Chairman I (Anggota tidak Tetap)	✓
Director of Risk Management	Substitute Chairman I	✓
Head of MAT Division or PBJ Capital	Secretary	✓
Director of Finance	Permanent Member	✓
SEVP AT Management and Procurement	Permanent Member	✓
Director of Micro and Small / Director Retail and Middle/ Director of Network And Services/Director of Information Technology and Operation	Non Permanent Member	✓
Direktur/SEVP User Terkait	Non Permanent Member	✓

Procurement Committee III

Membership Structure	Title	Voting Rights
Director of Risk Management	Permanent Member	✓
SEVP AT Management and Procurement	Permanent Member	✓
Director of Micro and Small / Director Retail and Middle/ Director of Network And Services/Director of Information Technology and Operation	Non Permanent Member	✓

Procurement Committee IV

Membership Structure	Title	Voting Rights
SEVP AT Management and Procurement	Permanent Member	✓
Related User Director/SEVP	Non Permanent Member	✓

Duties and Responsibilities

1. Conduct procurement decisions professionally, honestly, responsibly, objectively, accountably and thoroughly.
2. Avoid conflicts of interest in the provision of procurement decisions.
3. Evaluate, provide input or propose the procurement.
4. Provide the decision to agree or reject the procurement in accordance with the limit of its authority.
5. Sign the procurement document as evidence of the procurement decision as the responsibility of the Procurement Committee.

Board of Directors Committees

Working Guidelines

1. Decisions of the Committee shall be taken at a meeting of the Procurement Committee. The Goods and Service Procurement Meeting is conducted in the Head office or other place with related Procurement Unit as facilitator.
2. Decision of the Procurement Committee shall be taken unanimously and shall be deemed approved if all Members of the Committee with legitimate voting are presence or through proxy render an approval.
3. In the event that the Procurement Committee Member is not present, the duties and authorities of the Procurement Committee Members shall be replaced by the Substitute Director or SEVP. The Substitute Director or SEVP may act within the Committee as two capacities as the Substitute Officer and in his capacity as a Procurement Committee Member.

Committee Meeting

In 2018, The Goods and Services Procurement Committee has convened 2 meetings with the following details:

- a. Procurement of contractor services for building a power house system for building data centers.
- b. Procurement of contractors for the construction of the BRI tower in Gatot Subroto.

Corporate Secretary

The Corporate Secretary has the role to assist the Board of Directors and Board of Commissioners in implementing corporate governance in accordance with capital market regulations, especially in terms of information disclosure to the public through reporting to government agencies and announcement on website and printed media (if mandatory), the implementation of the GMS and as a liaison between company and external parties such as capital market regulators, shareholders, media and other stakeholders.

As of 31 December 2018, the Corporate Secretary of BRI is served by Bambang Tribaroto.



Bambang Tri Baroto
Corporate Secretary

Indonesian Citizen, currently domiciled in Jakarta. 56 years old.

Serves as BRI's Corporate Secretary since 22 January 2018, pursuant to the Board of Directors' Decree No. R.13-DIR/KPS/01/2018 dated 5 January 2018, and the Board of Commissioners' Approval Letter No. R.07-KOM/01/2018 dated 15 January 2018, on the Approval of the Bank's Corporate Secretary Replacement. The appointment of the new BRI's Corporate Secretary has been reported to OJK and published on the BRI website and Indonesia Stock Exchange websites. He obtained a Master degree in Management from Gadjah Mada University, Yogyakarta, and began his career in BRI since 1990. During his career, he has held various positions, among others, as Head of Bureau of BRI Board of Directors, Deputy Regional Head of Operations in various regions.

Legal Basis

The establishment of the Corporate Secretary refers to the prevailing rules and regulations, including:

1. Financial Services Authority Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.
2. Minister of SOEs Regulation No. PER-01/MBU/2011 as amended by PER-09/MBU/2012, Part Nine on the Corporate Secretary.

Organization Structure

BRI's Corporate Secretary is responsible to the President Director. In performing its functions and duties, the Head of Corporate Secretary Division, which also concurrently serves as Corporate Secretary, is assisted by the Officials of Echelon 2, which supervises the Investor Relations, Public Relations, and CSR units, as well as Secretariat and Protocol. The organizational structure of the BRI's Corporate Secretariat Division is as follows:



Corporate Secretary

Education and Trainings in 2018

In order to improve the competencies in carrying out their duties, the Corporate Secretary can attend training and Education both held by the Company and by external professionals.

The training and Education programs participated by the Corporate Secretary in 2018 are as follows:

Workshop/Trainings Participated by Corporate Secretary in 2018

No	Trainings	Date & Location	Organizers
1.	Enhancement Special Request Board of Directors Secretary and Board of Commissioners 2018	6 -7 October 2018 Denpasar	BRI Corporate University
2.	Understanding Media Policies in Digital Era & Creative Writing For Corporate Publication	5 – 7 February 2018, Padang	PR Indonesia
3.	Sertifikasi Kehumasan	6 – 7 March 2018, Jakarta	PERHUMAS
4.	Social Media Summit	1 – 2 March 2018, Bali	Social Bakers
5.	Corporate Governance Officer Intermediate 1	12 – 13 September 2018, Jakarta	Indonesian Corporate Secretary Association
6.	Corporate Governance Leadership Program	15 – 16 November 2018, Yogyakarta	Indonesia Institute For Corporate Directorship

Duties and Responsibilities

The Corporate Secretary is responsible to following the capital market development, in particular the relevant regulations, in order to advice the Board of Commissioners and Board of Directors on the compliance with the capital market regulations. In addition, the Corporate Secretary is also responsible to implementing good governance for the:

- The forming of implementation and evaluation of public relations strategies & activities, such as but not limited to communicating information to interested parties directly or through print and electronic media, managing issues that are expected to have a negative impact on the Company and programs / events / exhibitions, giving sponsorships as one of the manifestations in order to improve BRI's corporate image.
- Preparation, implementation and evaluation of strategies and activities of CSR and Community Development in the context of BRI's concern for the social environment of the community and enhancing BRI's corporate image.
- Implementation of GMS / EGMS, Directors' Meetings of Commissioners and Directors' Meetings, internal and external forums.

- Preparation, analysis and evaluation of policies related to the provision of services for the rights and facilities of the Board of Commissioners, Directors and SEVP as well as secretarial activities to ensure the fulfillment of the rights and facilities of the Commissioners, Directors and SEVP as well as the implementation of the Company's secretariat.
- Workmanship and administration of secretarial activities, administration and Company documentation (Government Regulations, Capital Market Regulations and other Regulations relating to the Company's Articles of Association)
- Implementation and protocol evaluation of all activities of the Board of Commissioners, Directors and SEVP.
- As the Company's spoke person.

The duties and responsibilities of the BRI Corporate Secretary are in accordance with the Financial Services Authority Regulation No. 35/POJK.04/2014 regarding the Corporate Secretary of Issuers or Public Companies.

Implementation of Duties 2018

In 2018, the Corporate Secretary issued a Board of Directors Policy on Orientation and Education Program Policies for the Directors and Board of Commissioners. The program applies to new directors and board of commissioners to get better understanding about Bank BRI.

Corporate Secretary

Furthermore, during 2018 the Corporate Secretary has implemented Education and training with details:

Theme	Date	Location
A Good Impression Seminar	28 March 2018	BRI Head Office – Jakarta Pusat
Executive Vice President Training/ Head Division/ Head Region/ Inspektur in 2018: Leading and Winning in Digital Age	16-18 May 2018	Menara 165 Building South Jakarta

SKP Tasks Implementation Report 2018

Submission of Capital Market Development to the Board of Directors and Board of Commissioners

1. Regularly updates are made to the ALCO Forum to the Directors which are held regularly monthly at the Asset & Liability Committee (ALCO) meeting forum.
2. Quarterly updated on the Board of Directors and Board of Commissioners Joint Meeting (Radirkom) forum updates on company performance and capital market developments.
3. BBRI Update communication material (pamphlets) related to the capital market and BBRI stock performance to the Directors and internal company circles.

Implementation of the Communication program for the Capital Market Community

1. It has been carried out in the public expose as detailed in this section.
2. Analyst Meeting held by the company in order to expose the company's quarterly performance.

Relations with the mass media

The implementation of communication with the media, both online / digital media and print media, is carried out through the issuance of a press release, acting as a speaking person / company spokesperson whose job is to answer media questions, conduct interviews / assist officials in media interviews, establish good relations with the media community, held a press conference regarding important announcements that would have a positive impact on the Company.

In addition, the Corporate Secretary also monitors the news about Company which is highlighted in order to minimize negative news.

The Corporate Secretary during 2018 has carried out events / activities to foster relations with the mass media namely Media Gathering on March 17 to 18 in Bandung and Editor in Chief Gathering on January 30, 2018 in Jakarta.

Organizing the GMS

The implementation of the GMS by the BRI Corporate Secretary as reported in the sub chapter of the annual and extraordinary General Meeting of Shareholders (GMS).

Organizing and Documentation of Directors and Radirkom Meetings

Schedule, implementation and documentation of Board of Directors Meetings and Directors and Board of Commissioners Meetings have been carried out in accordance with the provisions of the Articles of Association and applicable regulations. Report about GMS as stated in the RUPS sub chapter. Organizing and Documentation of the Board of Directors and Board of Commissioners Meeting (Radirkom) can be seen in the sub-chapter of the Board of Directors and Board of Commissioners meetings.

Organizing an Orientation Program for new Directors and Board of Commissioners

Corporate Secretary coordinates the orientation program for Members of the Board of Directors and the Board of Commissioners by submitting such duties and responsibilities as the Board of Directors and Board of Commissioners, rights and obligations, related rules and regulations, as well as the following forms of orientation program:

- a. Presentations on company profiles from various aspects that are deemed necessary in accordance with the request / need concerned.
- b. The Board of Directors Orientation Program is conducted through a Board of Directors Meeting forum, the Corporate Secretary's face-to-face meeting with the Board of Directors. The orientation period includes:

Corporate Secretary

- The duties and responsibilities of the Board of Directors and according to the Board of Directors' proceedings
 - Company Vision and Mission
 - Directors' Rights and Facilities
- c. Orientation Program for new members of the Board of Commissioners as well as the Board of Commissioners' work visit program and / or board of commissioner meetings.

The Directors and Board of Commissioners appointed at the AGMS in 2018 have carried out an orientation program regarding the company in accordance with the request of the Board of Directors / Board of Commissioners concerned.

Analyst Meeting

On a quarterly basis BRI routinely conducts analyst meeting activities to present quarterly performance. The Analyst Meeting was held at BRI Building 1 floor 21. The analyst meeting activities were held together with the disclosure of information in the form of a press conference with the media.

During 2018, Bank BRI held an Analyst Meeting on:

Analyst Meeting	Date	Venue
1st quarter of 2018 performance	3 May 2018*	BRI 1 Hall
2nd quarter of 2018 performance	31 July 2018	BRI 1 Hall
3rd quarter of 2018 performance	24 October 2018	BRI 1 Hall

* there was limited review on 1st quarter financial report by KAP

2018 Task Implementation

- Implementation of the 2018 GMS
In 2018, the Corporate Secretary carried out his duties in the implementation of the BRI Annual GMS which included preparation of the GMS and reporting and announcements after the GMS was completed. The announcement and reporting information regarding the implementation of the GMS can be seen in the Section of the General Meeting of Shareholders in this Annual Report.
- Implementation of 2018 Public Expose
In 2018, the Corporate Secretary has held 3 (three) times the Public Expose with the following:

Subject	Date	Available In
Announcement of Public Expose	14 August 2018	IDX and Company's website
Presentation of Public Expose Material	24 August 2018	
Report of Public Expose	3 September 2018	

Public Expose	Date	Venue
	29 August 2018	Jakarta – Gedung Bursa Efek Indonesia
	6 September 2018	Semarang – Hotel Gumaya
	28 September 2018	Makassar - Hotel Claro

The Public Expose has been reported to the Indonesia Stock Exchange in accordance with the applicable Regulations.

- Information Disclosure
During 2018, there are 7 (seven) information disclosures submitted to the Indonesia Stock Exchange and uploaded on the Company's website and the Indonesia Stock Exchange as follows:

Corporate Secretary

No.	Subject	Date of Report
1.	Mutation of the Corporate Secretary	23 January 2018
2.	Submission of Publication Proof of Brief Additional Information of BRI Shelf Registration Bonds II Phase IV 2018	6 February 2018
3.	Disclosure of Information	2 March 2018
4.	Corporate and Bond's Rating	13 March 2018
5.	Disclosure of Information	28 September 2018
6.	Disclosure of Information Board of Commissioner's member resignation	3 Oct 2018
7.	Announcement of members of BOD and BOC's shares	8 Oct 2018

In addition to information disclosure, the Corporate Secretary (corporate secretary) also confirms and responds the news in the mass media related to action plans or news relating to uncertainty about the Corporate's action.

Press Release 2018

No	Date	Title
1	1/12/2018	BUMN Goes to Papua, Distributes Rp5,4 billion aid
2	17/01/2018	BRI Establishes Cooperation with Bank Lampung
3	17/01/2018	INKANAS Cooperates with Bank BRI Providing Multi-Function Member Cards
4	19/01/2018	BRI Supports Indonesian Judo
5	20/01/2018	SABRINA, The Latest Innovation in Digital Banking Services from BRI
6	22/01/2018	Bambang Tribaroto, the New BRI's Spokesperson
7	24/01/2018	Ahead of the 2017 Performance Exposure, BBRI Shares Break through All Time High
8	24/01/2018	Recorded Positive Performance, BRI Achieves Rp. 29.04 Trillion Profits Throughout 2017
9	24/01/2018	Welcoming the 2018 Asian Games, BRI Launches a Special Edition Credit Card
10	30/01/2018	Leisure Economy Grows Rapidly, Bank BRI Launches BRI World Access Credit Card
11	30/01/2018	Beasiswa Nusantara Cerdas Generation 4, BRI Commitment to Promote Education in Indonesia
12	31/01/2018	Collaborating with Private and Regional Banking, BRI BRIZZI Electronic Money Cooperation
13	1/2/2018	Bank BRI Cooperates with the Badan Narkotika National in the Prevention and Eradication of the Misuse and Illicit Circulation of Narcotics and Narcotics Precursors and the Provision and Use of Banking Services
14	2/2/2018	Collaborating with the Association / Community, BRI Collaborates with BRIZZI Electronic Money
15	8/2/2018	Welcoming the Chinese New Year, Bank BRI held the Customer Priority BRI Gathering
16	11/2/2018	Targeting 200,000 Visitors, BRI-Bekasi Jaman Now is the Biggest Event in Bekasi City
17	11/2/2018	BRI Collaborates with PWI to Increase Journalist Competence
18	12/2/2018	BRI Targets Having Half a Million BRILink Agents Until the End of 2018
19	19/2/2018	Mount Sinabung Eruption, BRI Transfers Banking Service Operations
20	21/2/2018	BRI Bank Facilitates Credit Cards of the Direktorat Jenderal Perbendaharaan of the Ministry of Finance of the Republic of Indonesia
21	23/2/2018	BRI Wins Prestigious Award from Euromoney
22	28/2/2018	Encourage SMEs to Go Digital, Bank BRI Collaborates with Lazada
23	28/2/2018	BRI Participates in the Indonesian Ministry of Finance Auction
24	1/3/2018	BRI's Decision Regarding Seabed ATMs

Corporate Secretary

Press Release 2018

No	Date	Title
25	2/3/2018	BRI's Role Supports on One-Price BBM Program in the Interior of Papua
26	4/3/2018	E-Tilang Perhubungan, BRI Support Realizing Information Technology-Based Digital Services
27	5/3/2018	Encouraging MSME Exports, BRI Holds BRICRAFT 2018
28	5/3/2018	BRI Collaborates with GO-PAY to Expand Banking Service Penetration
29	6/3/2018	Utilization of the BRI'sat Network by the TNI and Polri
30	7/3/2018	BRI Provides Benefits and All Costs for Victims of Collapsed Canopies in Banjarnegara
31	9/3/2018	Acceleration of Education Equality in the Eastern Region, BRI Disburse CSR in Kupang and Flores
32	9/3/2018	IWABRI and BRI Held the "Proud Indonesian Work" Event
33	11/3/2018	BRI Launches Pertamina BRI Cashless Society Program
34	12/3/2018	BRI's Strategy to Boosts Cashless Transactions Up to Rp 50 Trillion
35	12/3/2018	BRI treats Customers through the Fifth Harmony Concert Show
36	13/3/2018	BRI Urges Customers to Be Alert for Crimes with Skimming Mode
37	15/3/2018	Bank BRI Cooperates with PGN, Facilitating Online Bank Guarantees
38	16/3/2018	Grab the Traveler, Lion Air Group Expedition 2018 Gives Discount from BRI.
39	19/3/2018	BRI Distributes IDR 13.8 Trillion of KUR in 2 Months
40	20/3/2018	BRI Exceeds Sukuk Ritel 010 Target
41	20/3/2018	BRI-Owned Microinsurance Becomes Hunted
42	20/3/2018	BRI Holds a Joint Forum of Financing Companies
43	21/3/2018	Following up on Presidential Instruction, BRI Launches Student Loan "BRIGUNA PENDIDIKAN"
44	21/3/2018	Masterpiece of Borobudur 2018: BRI's Commitment to Promote Indonesian Tourism
45	22/3/2018	Facilitates payments, BRI Launches SKCK Online with the National Police Agency
46	22/3/2018	Bank BRI Holds Annual General Meeting of Shareholders
47	22/3/2018	BRI Bank Opens Business Opportunities in Taiwan
48	24/3/2018	Strengthening the rural economy, BRI Implement the Solid Cash Work Program in Klaten.
49	28/3/2018	BRI and TCASH Synergy Expand Digital Financial Services in Indonesia
50	26/3/2018	BRI Prioritizes ATM Card Replacement for Customers Who Get SMS Blast / SMS Notifications
51	27/3/2018	Synergy of BRI and Taspen, Simplifies Payment of Pension Through Digitization
52	27/3/2018	Cooperating with Astra, BRI Facilitates Workers with Special KKB Schemes
53	27/3/2018	BRI Wins the Predicate "The Most Valuable Bank Brands" in Indonesia
54	28/3/2018	BRI Prepares 1.1 Million Chip ATM Technology Cards Until the End of April 2018
55	4/2/2018	BRI Launches SABRINA and Indonesia Mall and Updates the Display of Official Corporate Pages
56	4/3/2018	BUMDes BRI's Partner Penetrates Global Market
57	4/3/2018	750 Students of Universitas Terbuka Get Scholarships From BRI
58	4/4/2018	BRI Encourages the Non-Cash National Movement to the Bangka Belitung Islands Community
59	4/9/2018	BRI Accelerates Student Loan Distribution in the City of Education
60	4/11/2018	20 Million BRI Debit Cards with GPN Logo Ready to be Published Until the End of 2018
61	4/13/2018	BRI Supports Campaign for Safe Traveling Abroad
62	4/18/2018	BRI Launches the "Wonderful Indonesia" Travel Credit Card

Corporate Secretary

Press Release 2018

No	Date	Title
63	4/18/2018	Directorate General of Taxes Together with BRI Optimizing State Revenues
64	4/18/2018	BRI Simplifies Payment of BPJS Fees Through Autodebet
65	4/18/2018	BRI Priority Mahakarta Borobudur 2018: BRI Commitment to Promote Tourism and Culture
66	4/20/2018	BRI The First Bank in Indonesia to Use Electronic Certificate (Digital Signature) for Authentication
67	4/20/2018	Bank BRI MocoSik Festival 2018, BRI's Real Support for Creative Industries
68	4/20/2018	BRI Establish Strategic Cooperation with UGM and UNAIR, Provides Banking Services, Corporate Cards and Student Loan for Education Use
69	4/22/2018	BRI Invites Kartini Jaman Now to Join Kartini Run 2018
70	4/24/2018	BRI Collaborates with ITB, UNPAD, and UNPAR Distributes Student Loans
71	4/24/2018	BRI and Lazada Educate Thousands of MSME Players Become Technopreneurs
72	4/24/2018	Digitalization Increases BRI's KUR Distribution Acceleration
73	4/26/2018	Improve the Digital Ecosystem Innovation, Bank BRI Cooperates with Digital Amoeba Telkom
74	4/27/2018	KPR Guru, BRI Gift for Teachers in the National Education Day
75	4/27/2018	Bank BRI Strengthens BUMN Synergy with Pos Indonesia
76	4/29/2018	BRI Supports Traffic Safety Campaign Through 2018 Zero Accident Ride Event
77	3/14/2018	BRI TAKES STEPS TO PROTECT MILLIONS OF CUSTOMERS
78	5/2/2018	Increase Financial Intermediation and Inclusion, BRI Collaborates with BPD Jawa Tengah
79	5/3/2018	Record Rp.7.42 Trillion of Profit, BRI Maintains Sustainable Positive Performance Growth
80	5/4/2018	Inaugurates Money Changer at Malaysia's Border, BRI's Efforts to Maintain Rupiah Sovereignty
81	5/8/2018	BRI and Bukalapak Held Ngelapak Classes in Malang
82	5/8/2018	BRI and Bukalapak Held Ngelapak Classes in Malang
83	5/8/2018	BRI's Role to Boost Rural Economy in West Halmahera
84	5/8/2018	Support Indonesia Champion, BRI Provides Guaranteed Contingent Badminton Athlete Thomas Cup & Uber Cup 2018
85	5/11/2018	Push Cashless in Ports, BRI and Pelindo III Launch E-Port Cards
86	5/15/2018	Bank BRI Continues to Expand the Distribution of Student Loans by Cooperating with UT
87	5/21/2018	Boost Consumer Business, BRI Targets Up to 20% Mortgages Until the End of the Year
88	5/23/2018	Bank BRI and GALeries Lafayette Held Ramadan Fashion Soiree
89	5/25/2018	BRI Cooperates with Lion Parcel to Develop BUMDes in Yogyakarta
90	5/28/2018	BRI and Nike Held Nike Warehouse Sale, BRI gave up to 80% discount
91	5/31/2018	BRI Provides Credit Facility Worth Rp.7.16 Trillion to Waskita Karya's Subsidiary for Toll Road Land Acquisition
92	5/31/2018	Bank BRI Prepares Rp. 62 Trillion To Anticipate Long Eid Holidays
93	6/5/2018	Welcoming led, Bank BRI Distributes 64 thousands Free Sembako Package
94	6/6/2018	Cooperating with TNI Headquarters, BRI Facilitates Banking Services for TNI Members
95	6/8/2018	220 Thousand BRILink Agents Ready to Serve Zakat Payments
96	6/8/2018	BRI Revised Credit Growth and DPK
97	6/8/2018	BRI has distributed KUR above 50% of the target in 5 Months
98	6/8/2018	HIMBARA Held Break Fasting with Thousands of Orphans

Corporate Secretary

Press Release 2018

No	Date	Title
99	6/7/2018	BRI Facilitates Home Financing for POLRI Members
100	6/22/2018	BRI Welcomes the Decrease of MSME Tax Rates
101	6/26/2018	National Election Holidays, BRI Branch Offices Still Operate
102	6/28/2018	Kemnaker Cooperates with Bank BRI to Optimize Millennial Innovation Room
103	6/28/2018	BRI Strengthens Angkasa Pura I Virtual Account Services
104	6/29/2018	BRI Establishes Strategic Collaboration with Pelindo III Subsidiaries
105	7/4/2018	BRI Provides Asian Games Bailout Funds Worth Rp.350 Billion
106	7/9/2018	BRI Sponsored Afternoon Beauty Soiree Events Held by Lafayette Galleries
107	7/12/2018	BRI Collaborates with Dwiki Darmawan to Hold National Scale Music Event in Solo City
108	7/13/2018	Collaborating with Bank Jatim, BRI Continues to Expand Strategic Cooperation with the BPD
109	7/16/2018	Collaborate with kiosTix, BRI Make It Easier for People to Get Tickets for the 2018 Asian Games
110	7/18/2018	BRI Supports the 2018 National Police Journalistic Award Creating Peaceful Journalism
111	7/23/2018	BRI Signs Cooperation Agreement with BMKG
112	7/23/2018	Succeed the Asian Games, BRI Bank Provides a BRIZZI Integrated ID Card for Volunteers
113	7/23/2018	BRI Exceeds the First Half of 2018 KUR Distribution Target
114	7/24/2018	BRI Supports 2018 Asian Games Torch Carnival Event in Denpasar
115	7/31/2018	Earnings of Rp. 14.9 T, Bank BRI Keeps Positive Performance Amidst Challenging World Economic Conditions
116	8/6/2018	Post Lombok Earthquake, BRI Bank Continues to Operate to Serve Customers and Distribute Aid
117	8/6/2018	Cooperate with Garuda, Citilink and Indonesia AirAsia, BRI Market BRIZZI in Angkasa
118	8/7/2018	BRI Issues Corporate Card Encourages Non-Cash Transactions in the Ministry of Foreign Affairs
119	8/7/2018	BRI Cooperates with UGM to Build a Big Data Laboratory
120	8/13/2018	BRI and HIMBARA Encourage Non-Cash Transactions in the ASDP Environment
121	8/13/2018	Provide Easiness for Journalists to Cover During the Asian Games Event, BRI Launches the BRIZZI Integrated ID Card Press
122	8/13/2018	The synergy of the Humanitarian, BRI and Garuda Missions Fly 25 Medical Personnel to Lombok
123	8/14/2018	BPKP Extends Collaboration with BRI in Banking Services
124	8/17/2018	The BUMN Program Present to the Country is Held in West Sulawesi, Starting from the Casual Way, UMKM Exhibition to Free Health Examination
125	8/17/2018	Bank BRI Appreciates the Achievement of the 2018 National PASKIBRAKA Team
126	8/20/2018	Appreciates the Victory of National Champion 16 in the AFF Cup 2018
127	8/31/2018	BRI Cooperates with Emtek Group to Strengthen Digital Services
128	8/30/2018	Won 6 International Awards, BRI Digital Innovation is World Recognized
129	9/3/2018	Jokowi Awarded Athletes, Trainers and Asian Games Official Team with Britama Savings
130	9/4/2018	BRI Appreciates Customers and Their Workers at the Commemoration of National Customer Day
131	9/4/2018	BRI Held Public Expose in Semarang
132	9/6/2018	Brizzi Electronic Money Transactions Grow Seven Times
133	9/13/2018	BRI Provides Credit Facilities to Trihamas Finance

Corporate Secretary

Press Release 2018

No	Date	Title
134	9/13/2018	BRI Supports the Implementation of the Kowani and International Council of Women (ICW) National Gathering
135	9/17/2018	BRI Builds 300 Houses and 375 MCK for Lombok Earthquake Victims
136	9/18/2018	Bank BRI Cooperates with Siloam Hospital, Strengthens Banking Services and Health Services
137	9/18/2018	Awarded the Best Predicate, BRI Wins National Champion for Marketing 3.0
138	9/21/2018	BRI Bank Facilitates Financial Management for Lion Air Group
139	9/24/2018	The Role of BRI in Maintaining the Stability of Rupiah Exchange Rates
140	9/24/2018	Sponsor Asian Para Games 2018 Bank BRI Held Momo Parade
141	9/24/2018	BRI Provides Financing for Health Facilities for BPJS Partners
142	9/25/2018	BRI Opens a One Money Changer Outlet at Komodo Labuan Bajo Airport
143	9/27/2018	BRI Closed This Year's Public Expose Series in Makassar
144	9/27/2018	Supporting the Development of National Strategic Projects, BRI Inaugurates the Desari Toll Road
145	9/27/2018	The Director of BRI and the Minister of BUMN gave KUR and Handed CSR Assistance to Melon Farmers in Lamongan
146	9/28/2018	Welcoming the 63rd Anniversary of Korlantas, BRI Gives Tali Asih to Polri and Traffic Accidents' Victim
147	9/28/2018	BRI Bank Signs Cooperation Agreement with Danareksa
148	9/27/2018	BRI Get Award in the Field of Cloud Infrastructure and Digital Transformation 2018
149	9/30/2018	Supporting the Enthusiasm of Athletes, BRI Celebrates the 2018 Asian Para Games Parade
150	9/30/2018	BRI Promotes Indonesian Coffee Through the Barista Showcase Event
151	10/1/2018	Speeding Banking Services Recovery, BRI Utilizes BRI-sat Communication Network
152	10/1/2018	BRI Continues to Send Assistance to Earthquake and Tsunami Victims in Central Sulawesi
153	10/2/2018	BRI's Aid Increase For Disaster Victims in Palu and Donggala
154	10/3/2018	BRI Supports the holding of the IBD Expo in Surabaya
155	10/3/2018	Breaking the Muri Record, BRI Held Membatik Bersama Dharma Wanita Pertiwi
156	10/4/2018	BRI Millennial Workers Win Financial Inclusion Competition Held by OJK
157	10/5/2018	Strategic Cooperation between Bank BRI and Garuda Indonesia Strengthens Rupiah
158	10/5/2018	BRI Succeed the IMF Annual Meeting - WB 2018 in Bali
159	10/6/2018	Present Flash Mob and Attractive Promotions, BRI Participates in the APG 2018 Opening Ceremony
160	10/8/2018	BRI Banking Services in Palu Gradually Recover
161	10/5/2018	BRI Will Promote Indonesian Coffee and Help Donate through the 'Cup for Solidarity' Program
162	10/9/2018	Bank BRI Supports Indonesian Student Gala Football Competition
163	10/9/2018	Lagarde Appreciate a Cup for Solidarity by BRIKOPI Program
164	10/12/2018	President Jokowi with the Ministers of Cabinet Appreciate Kopi Solidaritas
165	10/13/2018	Global Finance Awarded BRI as the Best Bank in Indonesia for 3 consecutive years
166	10/13/2018	Jokowi Officially Gives 2018 Asian Para Games Athletes Bonuses Through BritAma Bisnis Savings
167	10/14/2018	The 'Cup For Solidarity by BRIKOPI' Campaign Produces Amount of Donations of up to Rp 1.3 Billion

Corporate Secretary

Press Release 2018

No	Date	Title
168	10/20/2018	BRI and Central Java Provincial Government Strengthen Agricultural Information Systems in Central Java
169	10/20/2018	BRI Holds a Free Shopping Promo Using My QR at Ranch Market Surabaya
170	10/23/2018	BRI Launches My Bhayangkari Application at the 66th HKGB Commemoration
171	10/24/2018	Reached of Rp. 23.5 Trillion Profit, Efficiency and FBI Support BRI Performance in Quarter III 2018
172	10/26/2018	BRI Supports the Indonesian Ministry of Foreign Affairs to Hold DiploFest in Yogyakarta
173	10/27/2018	Celebrate the Month of Financial Inclusion, BRI and OJK Held FinEXPO & SunDown Run 2018
174	10/29/2018	BRI Promotes Indonesian Coffee and Donates for Marine Conservation at our 2018 Our Ocean Conference (OOC)
175	10/30/2018	Closing of OCC 2018, BRI Submits Donations Cup for Solidarity by BRIKopi for Marine Conservation
176	10/31/2018	BRI Supports the National Infrastructure Industry through the 2018 Indonesian Construction Event
177	10/30/2018	BRI's BUMN Rumah Kreatif is Named as the Best RKB
178	10/31/2018	BRI Provides Savings to Achieving Badminton Athletes
179	11/15/2018	BRI Supports the Success of the Social Forestry Program in West Java
180	11/15/2018	BRI Signs To Provide Credit Facilities Worth Rp. 1.2 Trillion To PLN
181	11/15/2018	BRI Strengthens Samsat Online to Improve Services to the Community
182	11/16/2018	Director of BRI Suprajarto was awarded as the Best Professional Figure
183	11/16/2018	Bank BRI-MRA Group Give Ease of Transaction Services Through a 30% Discount Every Day!
184	11/19/2018	Aiming at KKB Growth, BRI Provides Credit Facilities of Rp.1 Trillion to BFI Finance
185	11/19/2018	BRI-Taspen Synergy Promoting "Karir Kedua" for ASNs and Retirees
186	11/21/2018	Celebrate BRI's 123rd Anniversary BRIRUN 2018 Solo Series Targets 10,000 Participants
187	11/22/2018	Bank BRI Wins Award for Highest Employee Addition of Issuers 2018
188	11/22/2018	BRI Wins Award from the Government as the Best KUR Distributor Bank
189	11/22/2018	BRI Signs Strategic Cooperation with the Indonesian Lemhannas
190	11/22/2018	BRI Provides Loans to Pupuk Indonesia
191	11/27/2018	Bank Indonesia Named BRI As the Best UMKM Supporting Bank
192	11/29/2018	Encouraging Growth in Deposits, BRI Adds Priority Service Centers
193	11/29/2018	BRI Wins Best of the Best Award from Forbes
194	11/29/2018	BRI Receives the Best Award at the Event op Top 20 2018 Financial Institutions
195	11/30/2018	BRI Bank Inaugurates the BRI Institute of Technology and Business (BRI Institute)
196	12/2/2018	10,000 Runners Join BRIRUN 2018 Solo Series
197	12/3/2018	Bank BRI Promotes Three Main Dealer Awards from the Indonesian Ministry of Finance
198	12/3/2018	BRI New York Supports Advanced Education Programs for Indonesian Students in Canada and the United States
199	12/6/2018	Director of Bank BRI Suprajarto Named As Marketeer of the Year 2018
200	12/6/2018	BRI Facilitates Indonesian Ministry of Trade Banking Services
201	12/7/2018	Trengthening Competitiveness, BRI Encourages Synergy with BPD
202	12/10/2018	KUR Simplifies Access to MSME Financing

Corporate Secretary

Press Release 2018

No	Date	Title
203	12/12/2018	Celebrate 123rd Anniversary, BRI Presents Branded Sale with a Discount of 70% + 10%
204	12/10/2018	BRI KUR Successfully Makes 2.15 Million Micro Businesses Upgraded
205	12/11/2018	BRI Wins Award in Corporate Governance from IICD
206	12/11/2018	BRI Builds Temporary Shelter for the Central Sulawesi Earthquake for Affected Inhabitant
207	12/11/2018	BRI Bank Wins Award in Corporate Governance from IICD
208	12/16/2018	Celebrate the Peak of the 123rd Anniversary of BRI, 65,000 Participants Join BRIFFEST 2018
209	12/17/2018	BRI Big Data Governance Wins ISO27001
210	12/18/2018	BRI Incubator Optimizes Financial Literacy for MSMEs and Migrant Families 2019
211	12/20/2018	BRI Wins 2018 Best BUMN Award in Investor Magazine Version
212	12/21/2018	BRI Prepares Rp.49.2 Trillion for Christmas and New Year 2019

Detail of Press Release are accessible in Warta BRI on BRI's website (<https://bri.co.id/news>)

Organizing an Orientation Program for New Members of the Board of Directors and Board of Commissioners The Corporate Secretary coordinates the implementation of orientation programs for members of the Board of Directors and the Board of Commissioners by submitting including duties and responsibilities as Directors and Board of Commissioners, Rights and Obligations, related rules and regulations. The Orientation Program that has been carried out during 2017 to the new Directors and Board of Commissioners, namely:

- The Board of Directors Orientation Program is carried out through the Board of Directors' forum meetings, and face-to-face meetings of Company Secretaries and Directors. The orientation material includes:
 - The duties and responsibilities of the Board of Directors and according to the Board of Directors' proceedings
 - Company Vision and Mission
 - Directors' Rights and Facilities.
- Orientation Program for New Board of Commissioners Members as explained by the Board of Commissioners Orientation program.

Dividend

Dividend Policy

In deciding on the distribution of dividends to be distributed to Shareholders, BRI pays attention to future business growth factors, fulfilling the capital adequacy ratio and the sustainable factor of return on equity in the next three years and considering the contribution that BRI can provide to the government for development and considering holders minority and majority shares. Bank BRI has a policy of providing Dividends to shareholders with a provisioning ratio historically in the range of 40% of consolidated net income attributable to owners of the parent entity, unless the decision of the General Meeting of Shareholders is stated otherwise for certain considerations.

Dividend Payment

Dividend payment is carried out based on the results of the GMS decision on the agenda of the use of profit. Dividend payments are carried out in the following details:

Date of AGMS	Announcement of AGMS Result	Payment	Dividend Payout Ratio
23 March 2016	25 March 2016	22 April 2016	30%
15 March 2017	17 March 2017	13 April 2017	40%
22 March 2018	26 March 2018	25 April 2018	45%

Investor Relations

BRI's Investor Relations Division has a specific role to assist the Board of Directors and Board of Commissioners in carrying out corporate communication activities to Investors. In addition, the BRI Investor Relations Division has a role in assisting the Board of Directors and Board of Commissioners in implementing corporate governance in accordance with the Capital Market regulations.



Indonesian citizen, 43 years old, Achmad Royadi obtained MBA Finance in 2009 from A.B Freeman School of Business, Tulane University, USA and obtained a Bachelor of Economics and Development Studies from Padjdjaran University, Bandung in 1998. Some of the certifications that have been followed include Risk Management Certification and Treasury Dealer Certification.

Serves as Head of Investor Relations since June 2018, and began his career at BRI in 1999. In his career, he served as Vice President of Corporate and Development Strategy, Head of Economist Group, Head of Global Market Group, and Head of Liquidity Management Division, Treasury Division.

Achmad Royadi

Head Investor Relations

Contact Investor Relation

Name : Achmad Royadi
Address : BRI II 7th Floor Building
: Jl. Jendral Sudirman No-44-46 Jakarta Pusat
10210
Telp. : +62 21 575 2019
Fax : +62 21 575 2010
Email : ir@bri.co.id
Website : www.ir-bri.com

Duties and Responsibilities

The main responsibilities of BRI Head of Investor Relations are to formulate strategies and perform the communication functions related to the Bank's performance and strategy to shareholders, securities holders, analysts and rating agencies of BRI.

In order to meet the responsibilities and comply with regulations as well as improve effective communication, BRI Investor Relations Division conducts various activities, as follows:

- Analyst Meeting**
A quarterly activity for the exposure of BRI performance to the analyst/ securities company so that they can present an updated report with the latest data to investors.
- Company Visit - Field Visit**
Receive visits from investors/ analysts aim to update the latest performance and to directly view the Bank's operations both at the headquarters and in operating units.
- Conference Call**
Conducting tele-conference activities to accommodate the needs of investors/ analysts in obtaining corporate information and economic conditions that affect the business and operations of the company.
- Investor Newsletter**
Update the latest information by publishing a newsletter at the BRI investor relations website.
- Investor Conference dan Non-deal Roadshow**
Conducting communication activities through 1-on-1 meetings and group meetings with investors both at home and abroad, especially in the cities of the global financial centers in Asia, Europe and America.
- Rating Review**
Conducting the communication and data delivery activities in the framework of rating conducted by rating agencies used by BRI, both international rating agencies (Moody's, Fitch Rating, S & P) as well as domestic rating agencies (Pefindo).

Investor Relations

7. **Investor Relations Website Management**
Aiming for shareholders, bond-holders, analysts, rating agencies and the general public to have easy access to the latest information from the company. The website managed by the Investor Relations Division is also connected to the company website: www.bri.co.id.
8. **Advisory Report**
Preparing the advisory material that contains the results of valuation of BRI shares and the results of identifying gaps between intrinsic value and target price analysts and other analysis results to be communicated internally to the Board of Management.
9. **Market Update Advisory**
Arranging material such as updating stock market conditions, BRI stock prices and peers to be communicated internally to the Board of Management.
10. **Financial Update**
Preparing the financial performance material every quarter in order for the exposure of BRI's performance to analysts/ securities companies in the Analyst Meeting.
11. **Financial Brief**
Preparing the quarterly summaries of financial performance material in order to communicate BRI's performance to BRI employees.
12. **BBRI News**
Conducting the material preparation on the issues update relating to the company interests to be communicated internally to either the Board of Management or BRI employees.

Competencies Development 2018

In supporting the implementation of his duties, the Head of Investor Relations can attend training for the competency enhancement. The trainings attended by the Head of Investor Relations in 2018 are as follows:

1. Risk Management Certification Refresher Program "Main Challenges to Risk Management 2019", BARa, Batam, 2018.
2. Strategic Marketing Training "Competing in the Digital Age Program" - Ross School of Business, University of Michigan, 2017.
3. Living Wills, Planning for Bank Recovery and Resolution - BSMR and PWC, Jakarta, 2017.
4. ASEAN RISK CONFERENCE 2017 - Asia Risk, Incisive Media, Kuala Lumpur, 2017.
5. ACI (The Financial Market Associate) World Congress, 2016.
6. Bond Market Analysis - School of Bonds and Fixed Income (IBPA), Jakarta, 2016.
7. ASEAN Conference "Connecting ASEAN" - Bank of America Merrill Lynch, Singapore, 2015.
8. Enrichment Reksadana - Infovesta, Jakarta, 2015.
9. Key Risk Management Challenge - BARa, Denpasar, 2014.
10. Hedge Accounting by Deloitte, Jakarta, 2014.
11. Treasury Derivative Course - HSBC, Jakarta, 2013.
12. IR and Stake Holder Management - Marcus Evans, Singapore, 2012.
13. Basic Training of Islamic Bank - LPPI, Jakarta, 2011.
14. Corporate Action and Equity Analysis - Indonesia Investor Relations Institute, Jakarta, 2010.

In addition, the trainings attended by the Head of Section and staff of the Investor Relations Division in 2018, including:

1. Chartered Financial Analyst
2. Business Valuation
3. Querying Microsoft SQL
4. Mini-MBA
5. Risk Management Certification
6. Certified of Investor Relations

Investor Relations

2018 Activities Implementation

Some communication activities for shareholders, debt holders, analysts and BRI rating agencies carried out by the Investor Relations Division during 2018 include:

1. Organizing quarterly Analyst Meeting.
2. Communication activities in the form of 154 company visits, 16 field visits, 8 overseas roadshows, 8 domestic roadshows and 68 conference calls.
3. Conducting the Annual Rating Review for Fitch, Moodys, S&P and Pefindo.
4. Organizing Public Expose, GMS, EGMS and 1 (one) Investor Newsletter.
5. Management of the latest information on the Investor Relations website (www.ir-bri.com) includes:
 - a. Company Information
 - b. Financial Performance and Company Presentations.
 - c. Corporate Governance
 - d. Information Related to the GMS
 - e. Disclosure (Regulatory Filings, Events Calender, Release)
 - f. Share Performance and Securities Information issued.

Internal Audit Unit



Tri Wintarto

Senior Executive Vice
President
Satuan Kerja Audit Intern

Born in Cilacap, December 22, 1962. Graduated from UPN Veteran Yogyakarta University in 1987 and University of Lampung in 2002.

Professional experience includes:

1. Head of Micro Business Development Division 2 (2013-2014).
2. Bandar Lampung BRI Regional Leaders (2014-2015).
3. Regional Leaders Bandung (2015).
4. Head of Program Business Division (2016)
5. Inspector of Kanins BRI Jakarta 3 (2016-2017)
6. Inspector of Kanins BRI Jakarta 1 (2017)

He once served as Commissioner of PT Bringin Sejahtera Makmur (2013). Currently he is actively involved as General Chair of the Bank's Internal Auditor Association (IAIB) and Chairman of the BRI Baitul Mal Foundation (2013-present).

Training participated

Actively participated in various trainings and seminars including School Education and Bank Leaders (Sespibank) in Jakarta-Switzerland (2016), The Victoria Indonesia Leadership Program (VILP) in Melbourne (2016), QIA Certification Education and Test in Jakarta (2017), and BARA Risk Forum at Prague & Vienna (2017).

Speaker

Active as a speaker at the X Conference of the Bank's Internal Auditor Association in Yogyakarta (2018) and the National Anti Fraud Conference in Yogyakarta (2017).

Certification

He has General Level 3 (2015) certification and Risk Management Certification. Level 4 (2012).

Legal Basis

The Internal Audit Unit (IAU) is established based on prevailing rules and regulations, which are:

1. Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999 regarding the Assignment of Compliance Director and the Implementation of Standard for Implementation of Internal Audit Function of Commercial Banks.
2. Financial Services Authority Regulation No. 56/POJK.04/2015 Dated 23 December 2015 on the Establishment and Development of the Internal Audit Charter.
3. Minister of SOE Regulation No. PER01/MBU/2011 dated 1 August 2011 on the Implementation of Good Corporate Governance in SOEs.
4. Minister of SOE Regulation No. PER-02/MBU/2013 dated 18 February 2013 regarding the Information Technology Management Development Guidelines of State-Owned Enterprises.
5. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 7 December 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks.

Internal Audit Unit

6. Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 on the Implementation of Integrated Governance for Financial Conglomeration.
7. Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 on the Implementation of Integrated Governance for Financial Conglomeration.
8. Financial Services Authority Circular Letter No. 35/SEOJK03/2017 dated 7 July 2017 regarding the Guidelines of Internal Control Systems Standards for Commercial Banks.
9. Financial Services Authority Regulation No. 38/POJK.03/2016 dated 1 December 2016 concerning the Application of Risk Management in Information Technology by Commercial Banks.

In performing its roles and functions, the IAU is supported by an independent organizational structure, a sufficient number of Auditors, development of methodologies and audit tools in accordance with best practices.

Going forward, the IAU is expected to become a Trusted Advisor for the Auditee and able to provide forward looking insights to the Auditee in the strategic decision making. To be able to act as a Trusted Advisor for the Auditee, the IAU shall improve/optimize the alignment of focus and audit priority with key business objectives, expand risk coverage, be more proactive to current and emerging risks faced by BRI and increase synergy with 1st line of defense and 2nd line of defense for risk prioritization alignment.

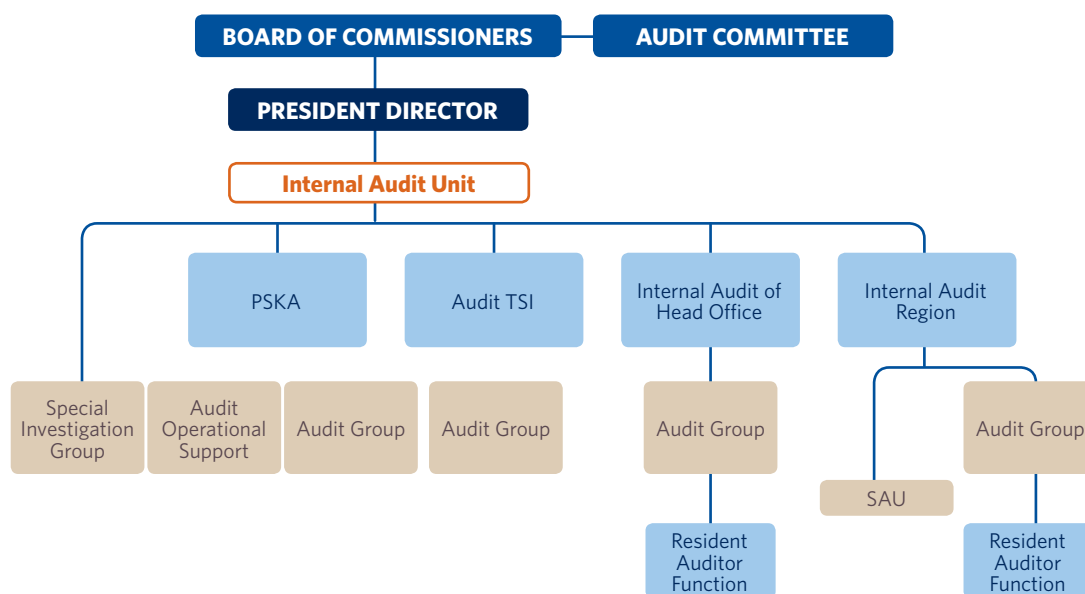
The IAU has implemented several work programs to respond to these needs through the implementation of thematic audits by taking into account the company's business development strategies and involving all Regional Internal Audit, the development of fraud risk red flags identification, enhanced Continuous Auditing development and the implementation of communication forums with the 1st line and 2nd line functions of defense.

IAU Position in BRI Organization Structure

The IAU organization as stipulated in the BRI Board of Directors' Decree No: S.376-DIR/CDS/05/2018 dated 18 May 2018 is structurally under the guidance of the President Director that has the access to communication (communication line) with the Board of Commissioners (in this case with the Audit Committee), hence it can support the implementation of independent and objective audit and consultation activities.

The BRI IAU is led by SEVP IAU which oversees the Audit at Head Office/ Special Branch Offices/ Overseas Units & Subsidiaries, Information Technology Internal Audit, 19 (Nineteen) Regional Internal Audits, Audit Standards & Quality Development (PSKA), and Special Investigation Groups. The following is the Organizational Structure of the Internal Audit Unit:

Internal Audit Unit



Structurally, the IAU consists of the Work Units that carry out audit activities and Work Units that carry out the development of audit standards & quality as follows:

1. Work Units that carry out the audit activities are as follows:

- a. Regional Internal Audit

In order to strengthen the audit function in the region, BRI has 19 (nineteen) Regional Internal Audits which are adjacent to 19 BRI Regional Offices throughout Indonesia. The Regional Internal Audit conducts all audit activities and provides consulting services as a strategic business partner with audit objects for Regional Offices, Branch Offices, Sub Branch Offices, Cash Offices and BRI Operating Units.

The Regional Internal Audit Organization is also supported by the Resident Auditors (RA) placed in Branch Offices that carry out periodic audit and monitoring activities hence they are expected to play a role in providing early detection of increased risks in the Operating Units. In carrying out its functions, the Regional Internal Audit conducts the audits for Regional Offices, Branch

Offices, Sub Branch Offices, and Cash Offices every year, as well as BRI Units. Whereas RA conducts the regular audit and monitoring activities on an ongoing basis. The RA consists of RA-Branch Offices with audit objects for Branch Offices, Sub Branch Offices and Cash Offices. While the RA-Unit with BRI Unit audit objects. To improve the effectiveness and efficiency of audits conducted by the Regional Internal Audit and RA, in determining the scope of the audit, the Regional Internal Audit takes into account the audit scope and results, as well as periodic monitoring of RA-Branch Offices and RA-Units. And vice-versa. The established synergy and communication between the Regional Internal Audit and RA are the main factors in creating the audit effectiveness and efficiency.

As a form of strategic business partner (SBP) and encouraging risk awareness in the Work Units, the Head of Regional Internal Audit organizes a communication forum (SBP Forum) with the Regional Leaders, which is regularly held every month by discussing on the strategic issues or current issues occur in the Work Units, the

Internal Audit Unit

completion of follow-up on disciplinary penalties and sharing the latest fraud modus operandi with the aim to formulate preventative measures that can be implemented at BRI Regional Offices, hence minimizing the possibility of future fraud. In addition to holding the SBP Forum, the Regional Internal Audit also organizes the "Teaching Auditors" activities carried out by the Group Heads of Regional Internal Audit and RA Branch Offices with participants including the employees of Work Units. The material presented aims to increase risk and control awareness for employees in the Operating Units.

b. Internal Audit of Head Office/ Special Branch Offices/ Overseas Units & Subsidiaries

To carry out audits and provide consulting services as a strategic business partner with audit objects from Head Office Work Units, Special Branch Offices, Overseas Units, BRI Financial Conglomerate LJK (Subsidiary Companies and Related Companies), and Subsidiaries outside the BRI Financial Conglomerate LJK that owned by BRI of more than 50%. In the context of implementing an integrated audit, the Internal Audit Head Office has also conducted a joint audit with subsidiaries so that the sharing knowledge process in the BRI Financial Conglomerate LJK is performing well. In addition to conducting the audit activities, the Head Office Internal Audit also conducts reviews on regulatory scope, including those related to Risk Management, Anti-Fraud Strategies, and Anti-Money Laundering and Prevention of Terrorism Funding.

c. Information Technology Internal Audit

To carry out audits and provide consulting services as a strategic business partner to work units involved in the management and use of

TSI (covering the development and operational process of Core and Non Core Banking applications; TSI infrastructure operations on Data Centers, Disaster Recovery Centers & all Work Units; information security, application, TSI infrastructure, strategy & development policies for TSI, IT risk management, TSI support (asset & logistics management, procurement of IT goods and services carried out by BRI Head Office) and End User Computing) and BRI New Products and Activities. To support the implementation of integrated audits, the Information Technology Internal Audit also collaborates with Subsidiaries through joint audit activities.

d. Special Investigation Group

To investigate indications of fraud and complaints of whistleblowing systems with the authority of the audit object of all BRI Work Units. The Special Investigation Group is under the Head of Internal Audit Unit and is directly responsible to the Head of Internal Audit Unit.

2. The Audit Standards & Quality Development Division has a role in ensuring the availability of guidelines for conducting audits and improving audit quality and value added audit roles in accordance with internal audit provisions and best practices. The implementation of the duties and responsibilities of the PSKA Division includes the preparation of the IAU's vision, mission and strategy; the implementation of audit quality evaluation by the SKAI and independent parties including the implementation of internal quality assurance for SKAI of subsidiaries; assessment and design of software and hardware to support the implementation of audits; conduct analysis and preparation of audit reports for BRI management and external parties; and to develop and manage data audit analytical tools.

Internal Audit Unit



Appointment and Dismissal of Head of IAU

The BRI IAU is led by SEVP IAU being appointed and dismissed by the President Director with the approval of the Board of Commissioners and reported to the regulators. The appointment of SEVP BRI IAU has been reported to the Financial Services Authority through Letter No. B.282-SKP/SKR/05/2017 dated 30 May 2017.

Internal Audit Charter

BRI has in place the Internal Audit Charter in accordance with POJK 56/POJK.04/2015 as stated in the Joint Decree of the Board of Commissioners and Board of Directors of BRI: 02-KOM/BRI/04/2018; Deputy Chief: S.336-DIR/SAI/04/2018 dated 30 April 2018.

The Internal Audit Charter is prepared to provide an overview and guidance regarding the vision, mission, position, duties and responsibilities, authority, Code of Ethics for Internal Auditors, Independence and Objectivity, and the scope of internal audit work in the organization.

Duties and Responsibilities of IAU

The Internal Audit Unit is responsible to carry out independent and objective assurance and consultation activities which is designed to provide added value and improve operational activities. The Internal Audit Unit assists the organization to achieve its goals, through a systematic and orderly approach to evaluate and improve the effectiveness of risk management, internal control and governance process. As stipulated in the Internal Audit Charter, the duties and responsibilities of Internal Audit include:

1. Assisting the duties of the President Director and the Board of Commissioners in oversight by describing operationally both the planning, implementation and monitoring of audit results.
2. Make analysis and assessment of efficiency and effectiveness in the field of Finance, Accounting, Operation, Human Resources,

Marketing, Information Technology and other activities through direct inspection and indirect supervision.

3. Identify all possibilities to mitigate and improve the efficiency on the use of resources and funds.
4. Provide suggestions for improvement and objective information about the activities examined at all levels of management.
5. Monitor, analyze and report on the implementation of suggested improvements.
6. Providing an assessment of the level of confidence in the quality of the implementation of the duties on the risk management process, the internal control system and business governance has been carried out sufficiently and effectively in all BRI Work Units.
7. Carrying out audits at all levels of BRI Work Units and Subsidiaries owned by BRI of more than 50% independently, objectively and professionally.

Internal Audit Unit

8. Conduct special audit if required.
9. Prepare written policies and procedures as the guidelines for Internal Audit in carrying out their duties.
10. Develop a program to evaluate audit quality.

Duties and Responsibilities of Head of IAU

The SEVP IAU periodically reports the internal audit activities to the President Director. In accordance with the Internal Audit Charter, the duties and responsibilities of the SEVP IAU include:

1. Manage the IAU effectively and efficiently to ensure that the activities have added value to BRI.
2. Coordinate the preparation and refinement of the Internal Audit strategy to ensure its conformity with BRI's vision, mission and strategy.
3. Direct and coordinate the preparation of Annual Audit Planning as a guideline in the implementation of Internal Audit activities.
4. Direct and coordinate the audit implementation hence the audit process is carried out independently, objectively and professionally in accordance with established quality standards.
5. Direct and coordinate the Audit Organizations, Resources, Policies and Procedures to improve audit quality and added value of the Internal Audit's roles within the organization.

BRI Internal Audit Code of Ethics

BRI Internal Audit Unit has a code of ethics in the form of basic principles of personal and professional behavior that shall be adhered to by the Internal Auditors both individually and in conducting audit activities to improve the ethical culture in the Internal Audit Professional. The BRI Auditor's Code of Ethics consists of 4 principles, namely:

1. Integrity principle

Building trust which is the basis of professional internal auditors.

2. Objectivity principle

Practice objective behavior in collecting, evaluating and communicating information on the activities/processes being tested.

Internal Auditors conduct a balanced assessment of all matters that are relevant and are not unduly affected by personal interests or other parties in giving consideration.

3. Confidentiality principle

Respect the value and ownership of information received and do not disclose that information without legal authority, except as required by law or profession.

4. Competency principle

Applying knowledge, skills, and experience required in providing internal audit services.

The Internal Auditor's commitment to the Code of Ethic is stated by signing the Internal Audit Code of Ethic Declaration and renewed annually. This is done so that each Auditor is reminded of the Code of Ethics that must be upheld and adhered to.

Independency of BRI Internal Audit

The IAU as the 3rd line of defense is structurally independent towards the function of the 1st line of defense as well as the function of the 2nd line of defense (Risk Management and Compliance).

The position of IAU in the company is under the direct supervision of the President Director, and has access to communication (communication line) with the Board of Commissioners (in this case with the Audit Committee), hence it supports the independence and objectivity of the audit implementation and reporting, thereby it can express the views and thoughts without influence or pressure from the management or other parties related to BRI. The communication of the Internal Audit Unit with the Audit Committee is through coordination and regular submission of audit results. To maintain the objectivity of the Internal Auditor, periodic changes to the assignments are carried out.

Profile and HR of BRI Internal Audit Unit

Building quality auditors is one of the main focuses of the Internal Audit Unit every year. Through various programs to improve the Auditor competency, the IAU continues to

Internal Audit Unit

provide qualified, competent auditors and understands the level of risk in each audit work area. The Internal Audit always updates the auditor's competency profile to identify competency gaps and identify future competency development needs.

As such, the IAU cooperates with BRI Corporate University in developing auditor competencies carried out through sustainable education which are expected to provide adequate

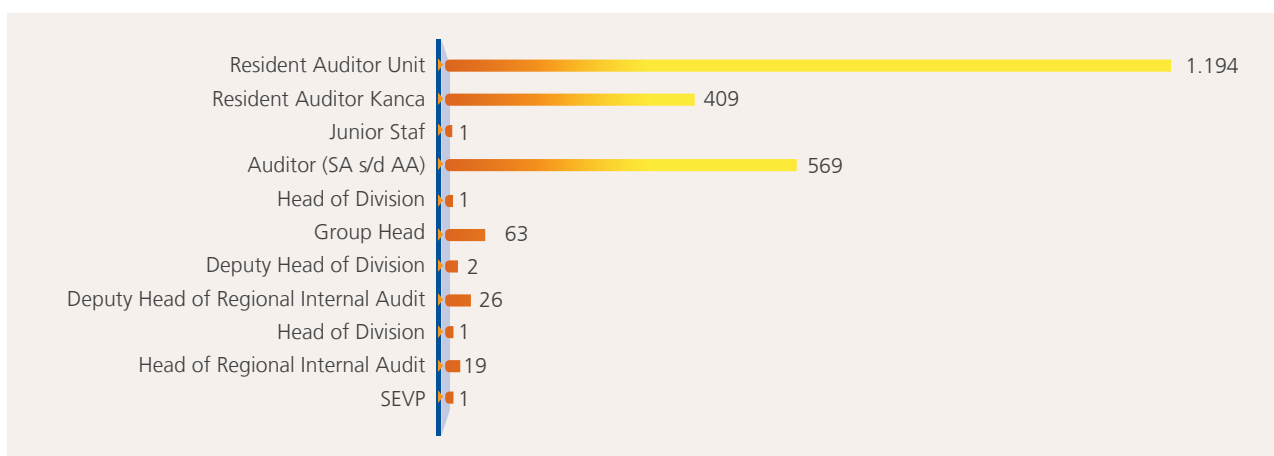
debriefing to auditors to carry out their audit duties. Sustainable education is carried out through direct assignments in accordance with the field of work and outside the field of work to improve auditor skills through On The Job Training and education (Inclass, In House Training, Public Course and Seminars).

Periodically, the development of auditor competencies is carried out by monitoring, evaluating and

following up on the development of competencies through assignments, training etc. The development and enhancement of workers' programs in the IAU are carried out in an orderly manner to ensure there is an improvement in the auditor's abilities and skills.

Auditors Composition and Position

As of the end of 2018, the composition of IAU auditors is as follows:



Certification on Internal Audit profession in BRI (National & International)

To ensure the implementation of quality audit duties, BRI IAU is supported by professional audit personnel, including national and international certification as follows:

Certification	Total
CFE (Certified Fraud Examiner)	30
QIA (Qualified Internal Auditor)	32
CBIA (Certified Bank Internal Auditor)	41
CISA (Certified Information System Audit)	5
CEH (Certified Ethical Hacker)	1
CGEIT (Certified In The Governance of Enterprise IT)	1
CDCP (Certified Data Center Professional)	1
CFSS (Certified Forensic Security Specialist)	1
Big Data Administrator	4
C-CISO (Certified Chief Information Security Officer)	1
Total	117

Internal Audit Unit

Formal Education Qualifications

Formal education qualifications based on position level are as follows:

Title	S3	S2	S1	Others
SEVP	0	1	0	0
Head of Regional Internal Audit	0	12	7	0
Head of Division	0	1	0	0
Deputy Head of Regional Internal Audit	0	16	10	0
Deputy Head of Division	0	2	0	0
Group Head	1	25	37	0
Head of Division	0	0	0	0
Auditor (Senior Auditor - Associate Auditor)	0	13	553	3
Resident Auditor Branch Office	0	14	395	0
Resident Auditor Unit	0	19	1.022	153
Total	1	103	2.024	156

Education and Competency Development of BRI Internal Audit Unit

During 2018 the IAU has implemented education, public courses and seminars (both held by internal and external institutions of BRI) to 7.254 students. The recapitulation is as follows:

No	Education Types	Participants
1	In House Training	6.514
2	Public course, domestic	440
3	Audit training	229
4	Certification training	65
5	Public course, oversea	6
	Total	7.254

Internal Audit Unit

BRI IAU Work Programs

The following are IAU work programs during 2018:

Strategy and Methodology	<ul style="list-style-type: none"> a. Compilation of Annual Audit Planning (PAT) and audits that are aligned with the company's objectives & strategies and risk profiles. b. Thematic audit implementation in order to guard the achievement of the Bank's Business Plan. c. Implementation of mandatory audit of RTGS, SKNBI, National Black List, BI-ETP (Electronic Trading Platform), BI SSSS, and New e-Banking Activity Products. d. Review of risk management, review of anti fraud strategies, review of AML-CTF application. e. Updating the Quality Management System Policy in accordance with ISO 9001: 2015. f. Updating and compiling an audit program. g. Compilation of Anti-Fraud Strategy Implementation Guidelines. h. Compilation of reporting formats of Implementation of Risk Management Re-Analysing. i. Compilation of Thematic Audit Guidelines for Inspection Offices, Head Office Audits and TSI Audits. j. Updating the RA Branch Office & RA Units' Periodic Monitoring Instructions. k. Updating the Quality Assurance Review Worksheet. l. Online Peer Review Worksheet. m. RA Branch Office & RA Unit QA Worksheet Monitoring Update. n. Monitoring the functions of the BRI Financial Conglomeration LJK IAU. o. Compilation of key risk indicators red flags fraud risk. p. Compilation of reports on integrated audit results. q. Preparation of reports with specific themes according to the latest developments or issues. r. Improved monitoring of completion of follow-up audit results from the External Auditors and Supervisors.
Organization	Proposed organizational development and manning the IAU formation analysis.
Quality Improvement of Audit Quality	<ul style="list-style-type: none"> a. ISO 9001: 2015 certification b. ISO 9001: 2015 surveillance implementation. c. Review on suitability of the IAU's function against SPFAIB by an independent party.
Technology	Development of Electronic Data Centers (PDE), BRI Data Extractor (BRIdex), BRI Audit Management System (BRISMA Version 2.0), and Application Customer Satisfaction Survey (CSS) version 2.0.
Human Resources	<ul style="list-style-type: none"> a. Certification for Auditors to support the effectiveness of the role of assurance and strategic business partners. b. Implementation of education, seminars or workshops that support the company's strategy.

Audit Methodology

The Internal Audit Unit applies the Risk Based Audit (RBA) method which is implemented in stages according to the level of maturity of corporate risk management. Determination of the audit universe is carried out by taking into account on the company objectives, risks evaluation that have potential to obstruct the achievement of the company goals and ensure that existing internal control systems have been able to mitigate risks. With this methodology, the audit implementation is focused on areas with high risks potential that can affect the achievement of the company objectives. To support the efficiency and effectiveness of risk-based audits, the IAU

uses the Computer Assisted Audit Technique (CAAT's) as an audit analytical tool to determine audit priorities, scope and audit samples.

In addition to the audit activities, the Internal Audit Unit performs an early warning signal against risks fraud potential through the off site monitoring activities carried out by the Regional Internal Audit and through periodic monitoring activities carried out by the Resident Auditor. The audit role in Early Warning Signal is expected to provide early detection of increased risks that occur in the Work Unit.

Internal Audit Unit

To realize the Internal Audit Unit role as a Strategic Business Partner, several things have been carried out including the submission of suggestions, ideas and inputs for the draft and policies improvement; conduct a communication forum between the Regional Internal Audit and Regional Offices; Teaching Auditor Program; consulting activities; and knowledge sharing; specifically related to internal control, risk management and GCG. This activity is a manifestation of the IAU's vision as a strong and reliable SBP to be able to provide added value to the company in order to achieve BRI's vision. Through these activities, it is hoped that the risk awareness culture, compliance culture and GCG culture can be improved in all Work Units and BRI employees.

Details of 2018 Internal Audit Implementation

Work Program & Implementation

The audit activities are carried out in accordance with the Audit Year Planning that has been approved by the President Director and the President Commissioner as well as based on the assessment results of risks potential. During 2018, the IAU has carried out regular audit activities, special audits and thematic audits. In detail, the realization of audit activities that have been carried out includes:

1. Regular Audits

The objects of the IAU regular audit activity is divided into 2 (two) groups, namely: Work Units and Electronic Networks (electronic channels). The realization of regular audit activities on the Work Unit is as follows:

Audit Realization on Work Units

No	Audit Object	Target	Realization	%
1	Divisions, Overseas Units and Subsidiaries	32	32	100%
2	Regional Offices	21	22	104,8%
3	Branch Offices	463	463	100%
4	Sub Branch Offices	610	610	100%
5	Cash Offices	347	386	111,2%
6	BRI Units (including Teras BRI)	1847	2227	120,6%
7	SAU	19	19	100%
8	Audit on Information Technology System	20	24	120%

The realization of regular audit activities on electronic networks (electronic channels) is as follows:

Realisasi Audit Terhadap Jaringan Elektronik

No	Audit Object	Target	Realization	%
1	Electronic channel	38.464	64.802	168,5%

Internal Audit Unit

2. Special Audit

Special audit is carried out with certain scope and objectives (either at the initiative of the Internal Audit Unit, management, auditee or carried out for the purpose of meeting regulatory requirements). In 2018 SKAI has carried out 490 special audits.

No	Work Units	Special (SA)
Internal Audit on Head Office and Information Technology		
1	Division, Overseas Units and Subsidiaries	6
2	Audit Projects (by Audit TSI)	6
Regional Internal Audit		
1	Regional Offices	22
2	Branch Offices	317
3	Sub Branch Offices	5
4	Cash Offices	2
5	Units	131
6	SAU	1

Thematic Audit

Thematic audit is carried out to obtain a profile of the adequacy and effectiveness of overall internal control. In 2018, the Internal Audit Unit has carried out the thematic audit as follows:

1. Human Capital Thematic Audit.
2. Salary Based Loans Thematic Audit.
3. Micro Thematic Audit
4. Corporate Thematic Audit.

Evaluation on Internal Audit Implementation

1. Audit Duties Implementation

The BRI IAU conducts a review program to evaluate the quality of audit activities for continuous improvements.

a. Review Intern

The IAU carries out a continuous review on the audits quality conducted by the BRI Audit Unit. The aim is to ensure the achievement of predetermined quality targets. The review was carried out with 3 methods, namely Quality Assurance (QA), Peer Review and Supervision:

- 1) QA activities are carried out on all Delivery Function Audit Units, RA Branch Offices and RA Units.
- 2) Assessment of peer review is the assessment of audits quality carried out between the audit teams.
- 3) Supervision is the audit quality assessment conducted by the auditor's supervisor on each project audit.

The audit quality evaluation is one of the Key Performance Indicators in the performance appraisal.

b. Review Ekstern

To ensure the conformity of BRI IAU function implementation with the ISO 9001:2015 quality management system, PT SGS Indonesia will conduct surveillance, which will be carried out every semester.

c. Customer Satisfaction Survey (CSS)

The implementation of internal audit function in accordance with the quality management system remains focused on the customers/stakeholders' satisfaction. One of the IAU's main customers is the Auditee. As such, the Auditee satisfaction will remain one of the considerations in assessing the audit quality.

Internal Audit Unit

2. Coordination with External and Audit Committee
Audit of BRI is also carried out by external auditors such as Bank Indonesia (BI), the Financial Services Authority (OJK), the Supreme Audit Agency (BPK), the Financial and Development Supervisory Agency (BPKP) and the Public Accounting Office (KAP). In the audit activities carried out by external auditors, the IAU acts as a liaison to coordinate the audit efficiency and monitoring the findings follow-up improvements from the external auditors by the relevant work units. The monitoring aims to ensure that the management has made improvements to internal control weaknesses found by external auditors.

The BRI IAU as a Liason Officer for External Auditors and External Parties related to audit activities perform the following:

- a. Continuous communication and coordination.
- b. Data fulfillment on demand (related to its capacity to carry out inspection and supervision activities)
- c. Assistance to BRI External Parties (related to their capacity to carry out inspection and supervision activities)
- d. Follow up on any responses submitted by BRI External Parties (related to their capacity to carry out inspection and supervision activities).
- e. Monitoring improvement follow-up on the findings of External Parties adequately.

In order to assist the Board of Commissioners in the oversight and monitoring the follow up improvements on IAU findings, the BRI IAU conducts regular communication with the Audit Committee through Quarterly Report submission.

Audit Quality Management System

To ensure the audit quality, the quality assurance is carried out by internal and external parties. The quality assessment by internal parties is carried out through supervision, peer review, and internal quality assurance. Whereas the quality assessment by external parties is carried out through ISO 9001:2015 certification and surveillance, and to ensure that the compliance of internal audit function with SPFAIB, the assessment is carried out every 3 years by an independent consultant.

In 2018 ISO 9001:2015 re-certification and surveillance have been carried out. Based on 2 (two) visits carried out by the Certification Agency, there were no minor or major non-conformities.

The review by the Public Accountant Office has been carried out as follows:

1. Review the appropriateness of the internal audit activities carried out by the BRI IAU towards PBI No. 1/6/PBI/1999 concerning the Standards for the Implementation of the Bank's Internal Audit Function (SPFAIB) with Generally Comply conclusions toward PBI No. 1/6/PBI/1999 on the Implementation of the Bank's Internal Audit Function Standards. The assessment quality target of the Internal Audit function appropriateness with SPFAIB by external parties is generally in accordance with SPFAIB.
2. Review the appropriateness of the internal audit activities carried out by BRI Information System Technology Audit (TSI) on the regulations set by the Financial Services Authority No. 38/POJK.03/2016 and SEOJK No. 21/SEOJK.03/2017, concerning the Implementation of the Bank's IT Internal Audit Function Standards for the improvement of the BRI TSI Audit work process with the conclusions of Generally Complied (Generally Comply) toward the Financial Services Authority Regulation (OJK) No. 38/POJK.03/2016 and OJK Circular Letter No. 21/SEOJK.03/2017 (Chapter VIII-IT Internal Audit).

The conformity analysis of BRI Internal Audit activities implementation towards the International Standards for the Professional Practice of Internal Auditing (ISPPA) issued by the Institute of Internal Auditors (IIA) is concluded as Generally Comply with the International Standards of Professional Practice of Internal Audit from The Institute of Internal Auditors, and the IAU has carried out its duties in accordance with the Internal Audit Charter.

Internal Audit Unit

2018 Audit Findings and Follow Up

The IAU regularly monitors the implementation of management's commitment to correct the internal control weaknesses and provides an opinion on the adequacy of the follow-up actions taken by management. The results of monitoring the implementation of management commitments up to December 31, 2018 are as follows:

Monitoring Result and Management Commitment

No	RPM Monitoring Result	%
1	Adequate	95,46%
2	Under Review Process	3,31%
3	In-adequate	1,23%
Total		100%

In addition to monitoring the follow-up of IAU findings, monitoring of follow-up progress and improvement is carried out based on the findings of the External Auditor and Supervisor. The results of monitoring management commitment to the findings of External Auditors and Supervisors as of December 31, 2018 are as follows:

No	External Auditors / Supervisors	Total Findings	Follow Up			
			Completed		Under Monitoring	
			Total	%	Total	%
1	Financial Services Authority	168	153	91,10%	15	8,9%
2	Bank Indonesia	156	153	98,1%	3	1,9%
3	BPK RI	354	237	66,9%	117	33,1%
4	Public Accounting Office	182	164	90,1%	18	9,9%

Public Accountant

External Auditor Function

The Financial Services Authority Regulation No. 32/POJK.03/2016 concerning the Amendment to POJK.6/POJK.03/2015 on the Transparency and Publication of Bank Report regulates that bank is required to state the name of Public Accountant that audit the annual financial statements along with name of Public Accountant that responsible for the audit (partner in charge) accompanied by the opinion given.

Appointment Process of External Auditor

The procurement procedure for the Public Accountant Firm is as follows:

- The procurement process of Public Accountant Firm audit services is carried out by the Technical Team, HPS Preparation Team, and Procurement Team.
- The Audit Committee is in charge of the Technical Team Coordinator, HPS Preparation Team, and Procurement Team, and is responsible for reporting all Public Accountant Firm audit service procurement activities to the Board of Commissioners.
- The procurement method of Public Accountant Firm audit services is undertaken by Direct Selection Method based on the requirements and procedures for the procurement of goods and services that apply at BRI.

Public Accountant Firm, Public Accountant and Audit Services Fees

Company's Accountant Name and Address

Name of Accountant Firm:

Drs. Hari Purwantono (Public Accountant Registration No. AP.0684) / Danil Setiadi Handaja, CPA (Public Accountant Registration No. AP.1008)

Office Address

Indonesian Stock Exchange Building Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Telp. (62-21) 5289 5000
Fax. (62-21) 5289 4100

Name of Public Accountant Firm and Address

Public Accountant Firm Name:

Purwantono, Sungkoro & Surja (Ernst & Young)

Public Accountant Firm Address:

Indonesian Stock Exchange Building Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Telp. (62-21) 5289 5000
Fax. (62-21) 5289 4100
www.ey.com/id

Public Accountant Firm, Name of Accountant and Fee for the Last 5 Years

Year	Name of Public Accountant	Accountant	Fee
2014	Purwantono, Sungkoro & Surja	Sinarta	6.775.000.000,-
2015	Purwantono, Sungkoro & Surja	Sinarta	6.950.000.000,-
2016	Purwantono, Sungkoro & Surja	Sinarta	6.950.000.000,-
2017	Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA	7.300.000.000,-
2018	Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA	8.200.000.000,-

Public Accountant

Other Services Fee

Other audit services being used is limited reviews of the interim consolidated financial statements of BRI and subsidiaries for period of 3 (three) months ended March 31, 2018.

The amount of the limited audit review service fee given to the Public Accounting Firm is Rp5,600,000,000 (five billion six hundred million rupiah).

Opinion on the Results of Audit of Financial Statements

Opinions on the results of auditing BRI financial statements for the past 5 years are as follows:

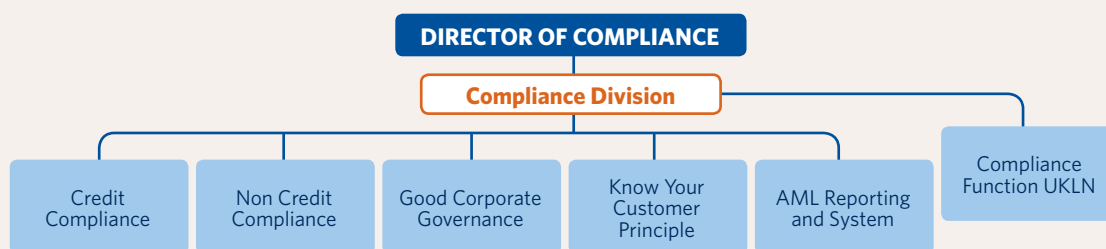
Year	Opini atas hasil pemeriksaan laporan keuangan
2014	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2015	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2016	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2017	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2018	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia

Compliance Function

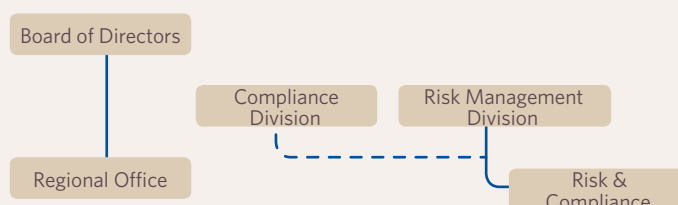
In order to mitigate risks with preventive (ex-ante) efforts and manage Compliance Risk in line with the implementation of current risk management in the bank as a whole, BRI has implemented the Compliance function by referring to the Financial Services Authority Regulation No. 46/POJK.03/2017 dated July 12, 2017 concerning the Implementation of Compliance Function of Commercial Banks.

The Compliance Function in BRI is carried out by a compliance unit consisting of the Compliance Director, the Head Office Compliance Division and the regional office compliance function under the supervision of the Regional Office's Risk & Compliance Management and the Overseas Unit's compliance function under the coordination line of Head Office Compliance Division. The compliance unit is independent and separate from business functions, operational functions and other supporting functions in BRI's business activities.

Organization Structure of BRI Compliance



Organizational Structure of BRI Regional Office Compliance Line



Duties and Responsibilities of Compliance Director

The BRI Compliance Director is currently served by Ahmad Solichin Lutfiyanto since March 22, 2018 (based on the appointment of the GMS), replacing Susy Liestiowaty who has served as Compliance Director since October 18, 2017. The Compliance Director has fulfilled the independency requirement and other criteria as determined by the Financial Services Authority.

The duties and responsibilities of BRI Compliance Director in carrying out the Compliance Function refer to the Financial Services Authority Regulation No. 46/POJK.03/2017 dated July 12, 2017 on the Implementation of Compliance Function of Commercial Banks, which are:

1. Formulate a strategy to encourage the creation of a Compliance Culture;
2. Propose the compliance policies or compliance principles that will be determined by BRI Board of Directors;
3. Establish the compliance systems and procedures used to develop BRI's internal rules and guidelines;
4. Ensure that all policies, provisions, systems and procedures, as well as business activities carried out by BRI are in accordance with the Financial Services Authority rules and laws and regulations;
5. Minimizing Compliance Risk faced by BRI;

Compliance Function

6. Take preventive measures so that the policies and/or decisions taken by the BRI Board of Directors do not deviate from the Financial Services Authority rules and laws and regulations;
7. Perform other duties related to the Compliance Function.

Independency of Compliance Director

The independency of the Compliance Director shall meet the independence requirements with reference to OJK Regulation No. 46/POJK.03/2017 dated July 12, 2017 as follows:

1. No multiple positions and affiliations.
2. Has no financial relationship, management relationship, share ownership, and/or family relationship with members of the Board of Commissioners, Board of Directors, and controlling shareholder.
3. The Compliance Director does not oversee the functions of:
 - a. Business and operations.
 - b. Risk management that makes decisions for the Bank's business activities.
 - c. Treasury.
 - d. Finance and Accounting.
 - e. Logistics and procurement of goods & services.
 - f. Technology and information.
 - g. Internal Audit.

Compliance Unit

The Compliance Unit is independent and separate from business, operational and other supporting function in BRI's business activities. The compliance unit shall be free from influence or pressure from other work units, free from conflict of interest, acting professionally and objectively.

Duties and Responsibilities of Compliance Unit

The duties and responsibilities of the BRI Compliance Division include:

1. Developing measures to support the creation of a Compliance Culture in all BRI business activities at every level of the organization.
2. Identifying, measuring, monitoring and controlling the Compliance Risk by referring to the Financial Services Authority Regulation concerning the Implementation of Risk Management for Commercial Banks.
3. Assess and evaluate the effectiveness, adequacy and conformity of policies, regulations, systems and procedures owned by BRI with the laws and regulations.
4. Conducting a review and/or providing recommendation on the update and refinement of policies, regulations, systems and procedures owned by BRI in accordance with the Financial Services Authority rules and laws and regulations.
5. Make efforts to ensure that BRI's policies, rules, systems and procedures and business activities are in accordance with the provisions of the Financial Services Authority rules and/or prevailing laws and regulations.
6. Perform other duties related to the implementation of the Compliance Function, including:
 - a. Ensure BRI's compliance with commitments made by BRI to Bank Indonesia and/or other authorized regulators.
 - b. Disseminate information to all BRI personnel regarding matters related to the Compliance Function, especially on the applicable regulations.
 - c. Acting as a contact person for the Bank compliance issues for internal and external parties.

Compliance Function

Profile of BRI Compliance Division Head



Sumihar Manullang
Compliance Division Head

Born in Bakara, October 22, 1962. Graduated with a Bachelor of Economics in Accounting from Padjadjaran University and Masters in Financial Management at Atmajaya Catholic University Jakarta.

Professional experience

1. Head of the ALCO Supporting Group (1998-2005)
2. Deputy of BRI Inspector of Padang (2008-2010)
3. Deputy of BRI Inspector for Yogyakarta (2010-2011)
4. Jakarta 2 BRI Deputy Inspector (2011)
5. Jakarta 3 Deputy BRI Inspector (2011-2014)
6. BRI Inspector Jayapura (2015-2018)
7. Manado Inspector (2015-2017)
8. Medan Inspector (2017)

Training

1. IIA International Seminar, Sydney (IIA)
2. QIA Education (YPIA)
3. Training for Money & Performance Auditing, Hong Kong (MiTs)
4. SIBOS, SWIFT Seminar, Dubai (SIBOS)
5. Excellent for High Performance (GMCL) Leadership Training

Certification

1. Level 3 Risk Management Certification (BSMR)
2. International Certificate in Banking Risk and Regulation (Garp)
3. Qualified Internal Audit (YPIA)

Compliance Charter

To ensure the performance of compliance function and compliance unit, BRI has in the place the guidelines for the Compliance Function implementation in BRI as stated in the Compliance Charter. The scope of Compliance Charter is as follows:

1. Bank Compliance Function and General Rules regarding the Compliance Unit, including the Compliance Unit Independence, Authority and Composition.
2. Duties and Responsibilities of the Board of Commissioners, Board of Directors, Compliance Director and Compliance Division.
3. The Compliance Function Reporting.

1. Trainings, short courses, seminars and/or workshops in supporting the compliance function implementation of duties.
2. In house trainings for the Regional Offices' compliance function.
3. Compliance certification held by the Banking Professional Certification Institute (LSPP).

Compliance Certification

Compliance certification in the compliance function line during 2018 was 60 BRI employees.

Compliance Function Work Programs in 2018

In accordance with the 2018-2020 Bank Business Plan (RBB), the Compliance Division has 8 (eight) main work programs, including:

1. Approach/ RBA
2. Development of identification application and risk assessment of AML and CTF through a risk-based approach (RBA)
3. Development of monitoring application of AML and CTF program at the BRI Selindo Branch Office.
4. CRS reporting system development.

Competency Development Program

Education / Competency Development

Throughout 2018, the employees of compliance unit regularly attend the educational programs for competencies development, including:

Compliance Function

5. Initiate the development of One Door New Product and Activities Reporting.
6. Development of a digital GCG reporting system.
7. Implementation of Prudential Principle Testing through the application of prudential principles testing.
8. Development of Compliance culture:
 - a. Formulate the compliance culture values.
 - b. Develop the framework for internalizing Compliance culture.
 - c. Develop the Compliance culture effectiveness assessment concept.

In 2018, the Compliance Division has implemented several main work programs to support the realization of an effective and efficient compliance function, including:

1. The AML&CTF sector through the development of AML&CTF implementation based on Risk Based Approach (RBA), which can be used to determine the risk profile of AML &CTF bankwide as well as branch offices and regional offices.
2. Application of GCG online system application used by employees in all work units to submit conflict of interest reports, codes of ethics, commitments and gratuities.

Compliance Risk Management

The management of compliance risk includes:

1. Review and update the internal bank policies in order to synchronize with the applicable regulatory.
2. Identification of compliance risk with the policies and decrees of the Board of Directors is not deviated from the prevailing OJK/ regulator/ laws and regulations through prudential principle testing.
3. Risk measurement and monitoring based on the Incident Management data on the violations of rules.
4. Monitoring and follow-up of Bank compliance on the commitments to the regulators and/or other regulators in charge.

Implementation of Other Compliance Activities

1. Prudential Principle Test Implementation
In order to prevent deviations from the prudential rules in both the credit and non-credit, the BRI Compliance Director has tested the Prudential Principle on the Policy, Decisions and Agreements Plans with the third parties determined by the Board of Directors.

2. Test Results Follow-Up Monitoring
A follow up of the Prudential Principle Testing activities carried out to ensure that there are no deviations in the follow-up of policy plans and/ or decisions that have been stated to fulfill the compliance principle.
3. Compliance Aspect Response
The Compliance Division submits responses/ opinions on the compliance aspects to the relevant work units. The response to compliance aspects can be provided in the event that there is a policy plan/ decision of the Board of Directors, a plan to change the operational mechanism, a plan to issue new products and/ or activities and other matters that have issues related to the compliance risk.
4. External Policies Resume
Both the resume and the continuation of external policies are carried out on new policies and policy changes determined by the external regulators. This activity is carried out as part of policy socialization so that the intended external policy can be immediately used as a reference by the relevant work units in their field of work.
5. External Policies Impact Analysis
Conducted to determine the influence of external rules applicable to BRI's current internal policies while ensuring that BRI's current internal policies are in accordance with external regulations..
6. New Products and/or Activities Reporting.
New products and/or activities reporting to the regulators (ie the Financial Services Authority and Bank Indonesia) to obtain a one door regulatory approval through the Compliance Division.
7. Monitoring Commitment
Monitoring of BRI's commitment to regulators/ other authorized regulatory authorities. The Compliance Division monitors the fulfillment of all commitments from the work unit according to a predetermined time limit.

Anti Money Laundering & Counter Terrorism Financing Program

The current national, regional and global dynamics and the increasingly complex products, activities and financial services including marketing (multi channel marketing) and information technology, has led to the increase of AML and CTF risk encountered by the Company. In response to these conditions and in accordance with the laws and regulatory, the Company undertakes the adequate AML and CTF Program.

Legal Basis

External Provisions

1. Republic of Indonesia Law No.8 of 2010 dated 22 October 2010 concerning the Prevention and Eradication of Money Laundering Crime.
2. Republic of Indonesia Law No. 9 of 2013 dated 13 March 2013 on the Prevention and Eradication of Criminal Acts of Terrorism Financing.
3. Financial Services Authority Regulation No. 12/POJK.01/2017 dated 21 March 2017 on the Implementation of Anti-Money Laundering and Counter Terrorism Financing Program in the Financial Services Sector.
4. The Joint Regulation of the Minister of Foreign Affairs of the Republic of Indonesia, the Chief of the Indonesian National Police (Kapolri), the Head of the Financial Transaction Reporting and Analysis Center (Head of PPATK), and Head of the Nuclear Energy Supervisory Agency (Bapeten Head) No. 4 of 2017, No. 1 of 2017, No. 9 of 2017, No. 5 of 2017 dated 16 May 2017 Concerning the Inclusion of Person and Corporate Identity in the Proliferation of Mass Destruction Weapons and the Immediate Blocking Funding List on the People or Corporate Owned Funds Stated In the List.
5. Financial Services Authority Circular Letter No. 32/SEOJK.03/2017 dated 22 June 2017 concerning the Implementation of Anti Money Laundering and Counter Terrorism Financing Program in the Banking Sector.
6. Financial Services Authority Circular Letter No. 38/SEOJK.01/2017 dated 18 July 2017 concerning the Guidelines for Immediate Blocking of Customer Funds in the Financial Services Sector whose Identity Is Listed In the Alleged Terrorist and Terrorist Organization List (DTTOT).
7. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No: PER- 11/1.02/PPATK/09/2012 dated 4 September 2012 regarding the Cash Advance Transactions that are Excluded from the Reporting Obligations.
8. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER-11/1.02/PPATK/06/2013 dated 26 June 2013 on the Identification of Suspicious Financial Transactions for Providers of Financial Services Jo. Regulation of the Head of Financial Transaction Reporting and Analysis Center (PPATK) No PER-04/1.02/PPATK/03/2014 dated 28 March 2014 on the Identification of Suspicious Financial Transactions for the Financial Services Providers.
9. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER-12/1.02/PPATK/06/2013 dated 26 June 2013 on the Procedures for the Submission of Financial Transaction Reports of Fund Transfers from and to Abroad for the Financial Services Providers.
10. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No: PER-21/1.02/PPATK/11/2013 dated 29 November 2013 on the Cash Financial Transaction Identification for the Financial Services Providers.
11. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER02/1.02/PPATK/02/2014 dated 26 February 2014 on the Integrated Services User Information System.
12. Head of the Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER14/1.02/PPATK/11/2014 dated 19 November 2014 on the Imposition of Administrative Sanctions for Reporting Obligations.
13. Head of the Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER-02/1.02/PPATK/02/2015 dated 3 February 2015 on the Users Categories that Potentially Performing Money Laundering Crime Acts.
14. Circular Letter of PPATK No. 8 of 2016 dated 7 December 2016 concerning the Integrated Users Information Submission Procedures through an Integrated Services Users Information System Reporting Application (SIPESAT).

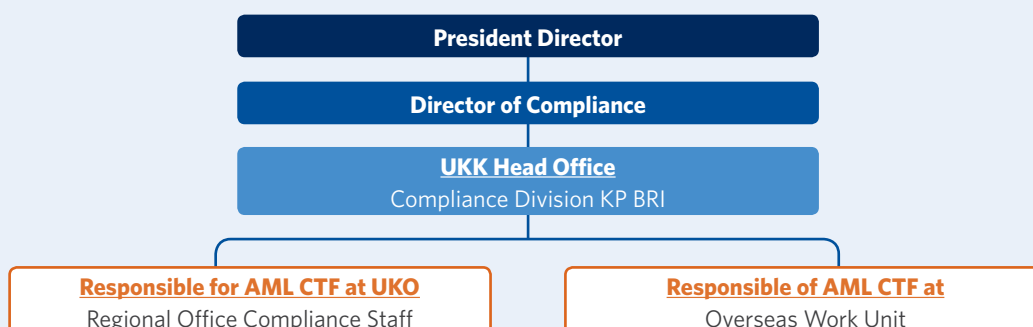
Anti Money Laundering & Counter Terrorism Financing Program

Internal Terms

1. BRI Board of Directors Decree No.PP.01-DIR/KPT08/2018 dated 31 August 2018 on the Policies and Procedures of the BRI Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) Implementation.
2. Decree No. S.001-DIR/LYN/01/2014 dated 30 January 2014 on the BPO of Operating Units.

AML-CTF Unit In Charge

The unit in charge of the AML and CTF Program is held by the Special Work Unit located at every level of the organization. The Special Work Unit at BRI Head Office is undertaken by the Compliance Division of BRI Head Office, which is a structural unit within the BRI organizational structure. In performing its duties, the Compliance Division of BRI Head Office reports and is responsible to the BRI Compliance Director. While the person in charge of the AML-CTF Program in the Operating Unit is the Managing Officer of the AML-CTF Operating Unit. In this case is held by the Regional Office Compliance Staff, where the person reports and is responsible to the BRI Head Office Compliance Division.



Duties and Responsibilities of AML-CTF Unit

The Duties and Responsibilities of BRI Head Office Special Work Unit cq. BRI's Compliance Division for the implementation of the AML and CFT Program are as follows:

1. Periodically analyze the risk assessment of Money Laundering criminal offenses and/or criminal acts of Terrorism Financing related to the Customer, country or geographical areas, products, services, transactions or delivery channels;
2. Develop, update, and propose the policies and procedures of the AML and CFT programs
3. Ensure a system that can effectively identify, analyze, monitor and provide reports on the transactions characteristics carried out by the Customer;
4. Ensure that the policies and procedures prepared are in accordance with the changes and developments which include products, services, and technology in the financial services sector, activities and business complexity, transaction volume, and the mode of Money Laundering and/or Terrorism Funding;
5. Ensure that the forms related to the Customer have accommodated the required data in the AML and CFT program;
6. Monitor the Customers' accounts and Customers' transactions;
7. Evaluate the results of monitoring and analysis of Customers' transactions to ensure the presence or absence of Suspicious Financial Transactions (TKM), Cash Financial Transactions (TKT) and/or financial transactions offunds transfer from and to foreign countries (TKL);
8. Administer the monitoring and evaluation results;

Anti Money Laundering & Counter Terrorism Financing Program

9. Coordinate the Customer data and profiles update as well as Customer transaction data and profiles;
 10. Monitor securities accounts and the implementation of custodian customer transactions;
 11. Administer the results of monitoring and evaluation of securities transactions;
 12. Ensure that business activities that are at high risk of money laundering and/or Terrorism Funding criminal acts are effectively identified in accordance with the Bank policies and procedures as well as regulatory;
 13. Ensure the existence of a good communication mechanism from each relevant work unit to a special work unit or executive in charge of the AML and CTF program by maintaining the confidentiality of information and paying attention to anti-tipping-off rules;
 14. Conduct supervision regarding the the AML and CTF program towards the relevant work units;
 15. Ensure the identification of high risk areas related to the implementation of the AML and CTF program by referring to the regulatory and adequate sources of information;
 16. Receiving, conducting analysis, and preparing reports on Suspicious Financial Transactions and/or financial transactions carried out in cash delivered by the work unit;
 17. Prepare reports on Suspicious Financial Transactions, Cash Financial Transactions, and/or financial transactions of funds transfer from and to foreign countries to be submitted to PPATK;
 18. Ensure that all activities in the framework of AML and CTF program are properly implemented;
 19. Monitor, analyze and recommend training needs regarding the AML and CTF programs for executives and/or employees of CHD; and
 20. Acting as a contact person for the competent authorities related to the AML and CTF Program (including Bank Indonesia, the Financial Services Authority, PPATK, and Law Enforcement Officials).
1. Monitor the Customer accounts and carry out the Customer transactions in the Operating Units under the supervision of the Regional Offices.
 2. Evaluate the results of monitoring and analysis of the Customer transactions to ensure the presence or absence of Suspicious Financial Transactions, and Cash Financial Transactions.
 3. Monitor the Customer data and profiles update as well as Customer transaction data and profiles.
 4. Ensure the availability of a good communication mechanism from each relevant work unit to a special work unit or executives in charge of the AML and CTF program by maintaining the confidentiality of information and paying attention to the Anti Tipping Off rules.
 5. Conduct supervision regarding the AML and CTF program towards operating units under the supervision of the Regional Offices.
 6. Receiving, and verifying reports of Suspicious Financial Transactions and/or financial transactions carried out in cash delivered by operating units under the supervision of the Regional Offices.
 7. Monitor, analyze, and recommend training needs regarding the AML and CTF program for executives and/or employees of operating units under the supervision of the Regional Offices.
 8. Act as a contact person for the competent authorities related to the implementation of the AML and CTF Program (including Bank Indonesia, the Financial Services Authority, PPATK, and Law Enforcement Officials).

AML-CTF Socialization

In improving employees' understanding of the implementation of the AML CTF in BRI, the AMLCTF Unit conduct the following socialization:

1. In House Training to all Compliance Officers, Auditor representatives of BRI Inspection Offices throughout Indonesia and related Division by presenting the speakers from external parties such as BNN, KPK and Densus 88.
2. The implementation of e-learning with AML CTF material for 2 times with the material of Customer Due Diligence (CDD) and Enhance Due Diligence (EDD) and the BRI AML System.

The Duties Implmentation and Responsibilities of Executives In Charge of the AML and CTF Program in the Operating Unit are as follows:

Anti Money Laundering & Counter Terrorism Financing Program

2018 AML-CTF Implementation

The application of the AML and CTF Program is based on 5 (five) pillars, as follows:

1. Active supervision of the Board of Directors and Board of Commissioners.
 - a. Active supervision by the Board of Directors, as follows:
 - 1) Ensure BRI has the AML and CTF program policies and procedures;
 - 2) Establish policies and procedures regarding the technical application of AML and CTF programs, such as the determination of Customers categorization as Politically Exposed Person (PEP) and prospective Customer groupings, Customers, and/or Walk In Customers (WIC) based on the risk level of money laundering and/or Terrorism Funding;
 - 3) Propose the strategic policies and written procedures for the AML and CTF Program to the Board of Commissioners, such as changes in the organizational structure related to the implementation of the AML and CTF program;
 - 4) Ensure that the implementation of the AML and CTF Program is implemented in accordance with the established written policies and procedures and the development of the AML and CTF Program support systems;
 - 5) Provide recommendations to the President Director regarding the executives who will lead the Special Work Unit or executives in charge for implementing the AML and CTF Program;
 - 6) Establish a Special Work Unit and/or appoint the executives in charge for the AML and CTF Program;
 - 7) Supervise the compliance of work units in implementing the AML and CTF program;
 - 8) Ensure that the written policies and procedures regarding the AML and CTF Program are in line with the changes and development of products, services and technology in the financial services sector and in accordance with the development of the mode of Money Laundering and/or Terrorism Funding;
 - 9) Provide approval and/or delegation of approval to executives of the BRI Head Office Compliance Division for Suspicious Transaction Reports (STR), obligations of other AML and CTF Program reports, and disclosure on customer data regarding the AML and CTF program to regulator;
 - 10) Ensure that all employees, especially employees of the relevant work units and new employees, have been regularly trained in the AML and CTF program. The intended employees are employees who directly or indirectly deal with the Customers and/or WIC, such as frontliners, marketing officers, executives in charge of the AML and CTF program.
 - b. Active supervision by the Board of Commissioners, as follows:
 - 1) Provide approval for the policies and procedures of strategic AML and CTF Programs proposed by the Board of Directors;
 - 2) Supervise the implementation of the BOD's responsibility towards the implementation of the AML and CTF Program; and
 - 3) Ensure that there are discussions related to Money Laundering and/or Terrorism Funding at the Board of Directors and Board of Commissioners meetings. The frequency of discussions is carried out according to BRI's needs and risk assessment.
2. Policies and Procedures of the AML and CTF Program Implementation
 - a. The risk management for Money Laundering and/or Terrorism Funding based on a risk-based approach related to the Customer, geographical country/area, products, services and transactions, and distribution channels;

Anti Money Laundering & Counter Terrorism Financing Program

- b. Customer Due Diligence (CDD) and/or Customer's Advanced Test/Enhanced Due Diligence (EDD) toward prospective Customers, Customers, and Walk In Customers (WIC);
 - c. Closing of business relations or transactions rejection;
 - d. Maintenance of accurate data related to transactions, administration of CDD processes, and administration of policies and procedures;
 - e. Update and monitoring;
 - f. Reporting to senior executives, Board of Directors and Board of Commissioners regarding the implementation of policies and procedures of the AML and CTF program;
 - g. Reporting to PPATK.
- 3. Internal Control
 - a. Availability of adequate internal policies, procedures and monitoring;
 - b. A limit of authority and responsibility of the work unit related to the implementation of AML and CTF; and
 - c. The examination is carried out independently to ensure the effectiveness of the AML and CTF program implementation.
- 4. Management Information System (MIS)
The AML and CTF Program Supporting App
 - a. The AML and CTF system, which is used to identify Suspicious Financial Transactions (TKM), Cash Financial Transactions (TKT), Financial Transactions from and to Foreign Transfers (TKL).
 - b. Data availability app for an Integrated Service User Information System (SIPESAT) reporting.
 - c. Mutation account app that provides counterparty transaction information.
 - d. Profile recording and transaction app of Walk In Customer (WIC).
 - e. Reporting app for Suspicious Transaction Report (STR) and WIC Cash Transaction Report (CTR) online.
 - f. Integrated customer financial data search app.
- 5. Human Resources (HR) and Training
Human Sources (HR)
In order to prevent the use of BRI as a medium or the purpose of money laundering and terrorism funding, BRI is obliged to carry out: Pre-employee screening procedures at the time of recruitment of new employees as part of the implementation of Know Your Employee (KYE).

Training

- a. Training can be done electronically (online base) or through face-to-face meetings.
- b. Electronic training (online base) can use e-learning media both provided by the authorized authorities such as PPATK or provided by BRI with certain materials every year. In 2018 the e-learning related to the Implementation of Customer Due Diligent (CDD) & Enhance Due Diligent Customers and e-learning related to the Introduction of Anti Money Laundering Systems has been implemented.
- c. Face-to-face training is carried out by using an interactive approach (e.g In House Training / IHT) approach with the topic of Certain AML and CTF Programs in according to the needs of employees, with detailed activities as follows:
 - 1) AML-CTF In House Training in 2018 has been conducted in all BRI Regional Offices and Special Branch Offices. The schedule that has been implemented is as follows::

Anti Money Laundering & Counter Terrorism Financing Program

No	Regional Offices	Date of Implementation	Venue
1	KCK & Jakarta 1	16-17 Apr'18	Regional Offices BRI Jakarta 1
2	Jakarta 3	23-24 Apr'18	Regional Offices BRI Jakarta 3
3	Jakarta 2	03-04 May'18	Hotel Cipta Mampang
4	Yogyakarta	07-08 May'18	Campus BRI Yogyakarta
5	Padang	05-06 Jul'18	Campus BRI Padang
6	Aceh	9-10 Jul'18	Hotel Grand Arabia Aceh
7	Lampung	12-13 Jul'18	Hotel Amalia Lampung
8	Banjarmasin	16-17 Jul'18	Rattan Inn Banjarmasin
9	Malang	19-20 Jul'18	Hotel Aria Gajayana
10	Denpasar	26-27 Jul'18	Haris Pop Hotel Denpasar
11	Bandung	6-7 Aug'18	Sub Branches BRI Bandung
12	Pekanbaru	9-10 Aug'18	Campus BRI Padang
13	Medan	13-14 Aug'18	Hotel Grandhika Medan
14	Makassar	27-28 Aug'18	Ibis Hotel Makassar
15	Manado	13-14 Sept'18	Swiss Bell Hotel Manado
16	Surabaya	24-25 Sept'18	Ayola La Lisa Hotel
17	Palembang	27-28 Sept'18	Fave Hotel Palembang
18	Jayapura	8-9 Oct'18	Fave Hotel Jayapura
19	Semarang	11-12 Oct'18	Hotel Patra Jasa

- 2) Has implemented an InHouse Training that also invites all Subsidiaries to participate in the Education Enhancement Program Special Request of AML and CTFProgram Implementation Related to Reporting Obligations and Fulfillment of Information/ Data to PPATK or Law Enforcement Official dated 25-26 April 2018 at BRI Corporate University, with Spoke Persons from PPATK.
- 3) Has implemented the Workshop on Rules Adjustment on the AML and CTFProgram, by inviting all subsidiaries and related Divisions on 28 February to 2 March 2018 at the BRI Regional Office in Bandung.

Risk Management

Risk Management plays a role in safeguarding the capital and optimizing return toward an extensive operations scales and increasing business volume, as such this led BRI to implement an integrated risk management pattern for identification, measurement, monitoring and controlling of the entire risk exposures.

To advance into a leading bank, BRI develops its business through continuous product and service innovation as well as supported by digital technology and reliable networks through satellites to optimize banking services throughout the country.

BRI consistently applies the Risk Management process in every business activities and operations process that enable BRI to accomplish as a sound bank and continuously progressing.

Legal Basis

1. Financial Services Authority (POJK) Regulation No. 18/POJK.03/2016 dated March 22, 2016 concerning the Application of Risk Management for Commercial Banks.
2. Financial Services Authority Circular Letter No. 34/POJK.03/2016 dated 1 September 2016 concerning the Application of Risk Management for Commercial Banks.
3. Financial Services Authority Regulation No. 17/POJK.03/2014 dated 19 November 2014 concerning the Application of Integrated Risk Management for Financial Conglomerations.
4. Bank Indonesia Circular Letter No. 13/23/DPNP dated 25 October 2011 concerning the Amendments to Bank Indonesia Circular Letter No. 5/21/DPNP dated 29 September 2003 concerning the Application of Risk Management for Commercial Banks.
5. Financial Services Authority Circular Letter No. 14/SEOJK.03/2015 dated 25 May 2015 concerning the Application of Integrated Risk Management for Financial Conglomerations.
6. Decree Nokep: 72-DIR/DMR/12/2016 dated 29 December 2016 concerning the Risk Management General Policy of PT Bank Rakyat Indonesia (Persero) Tbk
7. Decree Nose: 04-DIR/DMR/03/2017 dated 21 March 2017 concerning the Banks Rating Assessment Procedures of PT Bank Rakyat Indonesia (Persero) Tbk.

Determination of Risk Management Policies and Procedures

1. BRI Risk Management General Policy (KUMR BRI) is the highest rule in the implementation of risk management in all individual or integrated business activities of BRI (Decree of the BOD of BRI No: S.72DIR/DMR/12/2016 regarding Risk Management General Policy of PT Bank Rakyat Indonesia (Persero) Tbk that has been evaluated in 2017 referring to Evaluation Letter of KUMR No. B.1625-DIR/ERM/12/2017 dated 20 December 2017.
2. Guidelines on Implementation of Risk Management Implementation:
 - a. Guidelines on Operational Risk Management Implementation.
 - b. Guidelines on Credit Risk Management Implementation.
 - c. Guidelines on Market Risk Management Implementation.
 - d. Guidelines on Liquidity Risk Management Implementation.
 - e. Guidelines on Enterprise Risk Management Risk Management.

Risk Management System

Risk Management Implementation Pillar

The integrated Risk Management system of BRI is implemented by 4 pillars as follows:

Pillar 1: Active supervision of the BOC and BOD

Supervision of the BOC

The BOC established the Risk Management Monitoring Committee as set forth in the Charter of the Risk Management Monitoring Committee. The committee's duties are among others:

1. Periodically evaluate and analyze the adequacy of risk management policies.
2. Evaluate and analyze the risk profile report on a quarterly basis.
3. To supervise and evaluate the implementation of the Risk Management Committee and Risk Management Division.

Risk Management

In relation thereto, the Risk Management Monitoring Committee periodically holds meetings and provide recommendation for improvements submitted in the minutes. The meeting discussion the risk profile and implementation of risk management has been conducted 3 (three) times on 17 April 2018, 17 July 2018, and 13 November 2018.

Supervision of the BOD

1. Risk Management Committee shall be conducted at quarterly period and has been implemented during 2018 as follows:
 - a. RMC I dated 21 February 2018.
 - b. RMC II dated 30 May 2018.
 - c. RMC III dated 28 September 2018.
2. The ALCO Forum related with macroeconomic discussion as well as the condition and achievement of assets and liabilities held at least once a month or 12 times during the period of 2018.
3. Business Performance Review (BPR) monitoring and evaluation activities on the achievement of BRI national performance, performance of all business units (Regional Offices and KCK and all Business Divisions of Head Office) and strategic work programs were held once a month to achieve performance of Directors, SEVPs, District Leaders, Inspectors, Division Heads. The implementation of the BPR during 2016 is as follows:
 - a. BPR for February period on 19 March 2018;
 - b. BPR for March period on 9 April 2018;
 - c. BPR for April period on 25 May 2018;
 - d. BPR for May period on 28 June 2018.
 - e. BPR for June period on 18 July 2018.
 - f. BPR for July Period on 10 August 2018;
 - g. BPR for September period on 17 October 2018;
 - h. BPR for October period on 14 November 2018
 - i. BPR for October period on 21 December 2018

Pillar 2: Adequacy of Procedures and Limit Setting

Formulation of Adequacy of Policy, Limit Procedures and Setting is available and in line with the overall objectives of the bank's strategy and business as stipulated in Circular S. 04 - DIR / DMR / 03/2017 concerning Risk Based Bank Rating Procedure of PT. Bank Rakyat Indonesia (Persero) Tbk.

Pillar 3: Adequacy of Risk Management Information System

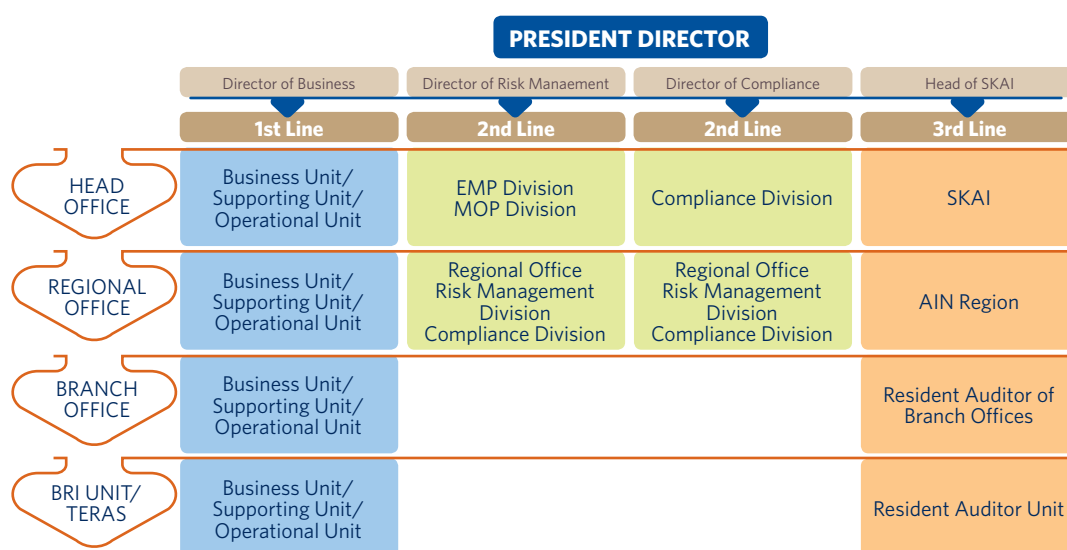
1. Risk Management Reporting
Risk Management Reporting to certain parties should at least consider the following matters:
 - a. The frequency of report submission is tailored to the needs of the interested parties so as to provide sufficient information for decision makers.
 - b. The report contains information on total risk exposure, monitoring of material risks, limit setting, compliance with policies and procedures, business performance achievement and implementation of risk management.
2. Risk Data Management
Risk data management is the management of data risk being used to ensure the level of availability, accuracy and timeliness of distribution of risk management information / report and interested parties to Risk management report.

Information Systems include: BRINETs, DWH portal, Cognos, Dashboard of Risk Profile (bank wide), Liquidity Risk Profile Dashboard, Market Risk Profile Dashboard and Risk Profile Dashboard Per Office Area and others.

Risk Management

Pillar 4: Internal Control System

BRI internal control system is implemented with Three Line of Defense concept, with the following details:



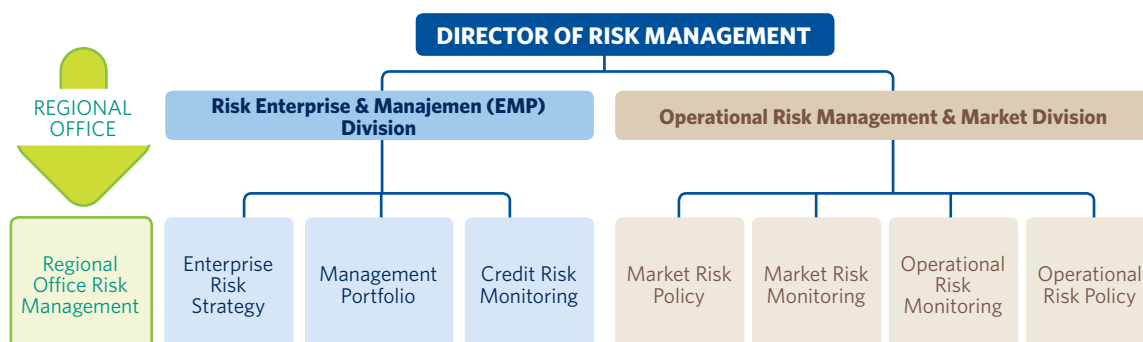
Information System Implementation Effectiveness

The overview regarding the effectiveness of Information System Implementation includes:

1. The availability of accurate, complete, informative, timely and reliable information to be utilized by the Board of Commissioners, Board of Directors and related working units in the implementation of Risk Management to assess, monitor and mitigate overall as well as each type of risk as encountered by BRI.
2. The effectiveness of Risk Management implementation includes policies, procedures and risk limits.
3. Availability of information on the outcome (realization) of Risk Management implementation compared to the target set by BRI is in accordance with the risk management implementation policy and strategy.

Risk Management Organization Structure

In 2018, the structure of Risk Management function is under the Director of Risk Management as per following details:



Risk Management

Head of Risk Management Function Profiles



Bintoro Nurcahyo

Head of the Enterprise Risk Division and Portfolio Management

Born in Jakarta on October 3, 1963 graduating from Gadjah Mada University in Yogyakarta in 1988 and MBA from The Weatherhead School of Management, Case Western Reserve University, Cleveland, OHIO - USA 1998.

Professional Experience:

4. Head of Accounting Policy Section, BRI Management and Finance Accounting division.
5. Deputy Chief of Operational Area, Banjarmasin Regional Office
6. Deputy Chief of Operational Area, Surabaya Regional Office
7. Chairperson of the Implementation Team of PSAK 71
8. Head of the Enterprise Risk Division and Portfolio Management

Certification:

3. Risk Management Certification Level 1, Level 2 and Level 3 at the Risk Management Certification Agency
4. Level 4 Risk Management Certification at the Indonesian Banking Professional Certification Institute



Heri Supriyadi

Operational & Market Risk Head Division

Born in Purbalingga, October 10, 1965, obtained his bachelor's degree from the Faculty of Animal Husbandry, General Sudirman University and Master of Management in Gadjah Mada University, and the Gatton Collage of Business and Economic MBA, University of Kentucky. Served as Head of BRI's Enterprise & Risk Management Portfolio Division since July 1, 2017. Previously served as Deputy Head of the Division of Credit Risk since March 1, 2016.

Professional Experience:

1. Head of Operational Risk Management Methodology Section
2. BRI Branch Leader
3. Deputy Head of BRI Regional Denpasar
4. Deputy Head of BRI's Risk Management Division
5. Head of BRI's Operations & Market Risk Division

Training:

1. Integration of GRC – Governance Risk Management Compliance, International Public Course by CRMS, New Zealand.
2. Refocusing on Credit Risk Management, Credit Risk Model, Pricing and Being Prepared for Upcoming Regulations. Risk Management Certification Refresher Program by BARa. Jakarta
3. Market Innovation for Sustainable Finance: 2016 International Sustainable Finance Forum by OJK and IFC. Denpasar
4. Developing and Applying an Integrated Stress Testing Framework. Seminar by KPMG and SAS Institute. Jakarta
5. Crisis Management. Public Course. Held by IBN International. Jakarta
6. A Symbiotic Relationship to Achieve the Effective Risk Management. Internal Audit and Risk Management Seminar. Held by IBI, IAIB and BARa

Certification:

1. Level 1 and 2 Risk Management Certification by BSMR
2. Level 3 and 4 Risk Management Certification by LSPP
3. Certification of BRI Assessor for Worker Competition

Risk Management

Risk Management Duties and Responsibilities

Risk management is carried out in all bank activities by referring to the provisions of management standards set by the regulator. The process of risk management implementation in which includes identification, measurement, monitoring and risk control, is carried out continuously by the three line of defense, namely all risk taking units as first line, compliance and risk management units as the second line and internal audit unit as the third line. The result of the risk profile assessment in the third quarter of 2018, the rating of the BRI risk profile is at the level of low to moderate, this indicates that the bank is able to maintain the level of risk management along with the development of business and competition of banks in Indonesia.

The duties and responsibilities of the Risk Management function are:

1. Compilation of integrated enterprise risk management and risk management methodologies.
2. Preparation and analysis of risk profiles, bank soundness, capital adequacy, credit risk rating & scoring and credit risk methodology validation.
3. Preparation of Risk Appetite Statement (RAS).
4. Preparation of the Recovery Plan.
5. Compilation and analysis of the guideline portfolio, sustainability finance, risk-based pricing, and stress testing.
6. Compile, improve and implement risk management processes / procedures / methodologies and methodologies (identification, measurement, monitoring and control including data validation, risk management strategies, risk profiles, stress testing, and monitoring risks (market risk, liquidity risk, risk operational and other risks) Business Continuity Management (MKU) / Business Continuity Management (BCM).
7. Assess the adequacy of risk management for new products and or assets proposed by the work unit.
8. Implementation of Committee Risk Management (RMC).
2. Cyber Risk Management Fundamentals.
3. Training on Environmental Analysis from OJK.
4. Risk Management Certification.
5. Public Course at the Risk Management and Risk Management Division of the Regional Office.

The implementation of the Certification and Officials who have risk management certification at BRI in 2018 are as follows:

Level of Certification	Participant
1	107
2	86
3	12
4	28
5	6
Kom-1	1
TOTAL	240

Risk Types & Management

In implementing the Risk management function, Bank BRI manages 10 risks in the financial conglomerate, namely:

CREDIT RISK

Is a risk due to the failure of the debtor and/or other parties to fulfill obligations to the Bank. Credit risk can be sourced from various bank business activities.

1st Pillar

Active Supervisor of BOC and BOD

- a. The process on credit decision beyond certain nominal, required through the BOD Credit Committee and consultation with the BOC.
- b. Monitoring follow-up actions by the BOC and BOD, in the event of exceeded risk limit.
- c. The implementation of the quarterly RMC forum which discusses strategic issues related to managing company risk, especially credit risk.
- d. Quarterly risk profile reporting from the Risk Management Work Unit to the Directors.

Competency Development & Education On Risk Management

The education and competency development program during 2018 is as follows:

1. Introduction to Risk Management and Risk Management Tools.

Risk Management

2nd Pillar

Adequacy of Procedures and Limit Setting

- a. Target Market Provisions
- b. Determination of risk levels at the corporate level (risk appetite statement) regarding NPL, and NPL Coverage
- c. Provisions for tiered PDWK

3rd Pillar

Risk Management Process and Information System

- a. **Credit risk identification** is carried out by using a Credit Risk Rating (CRR) and Credit Risk Scoring (CRS) system since 2001. Internal ratings (Credit Risk Rating / Credit Risk Scoring) used at BRI are currently compiled based on empirical / historical data from existing BRI debtors by using statistical methodology. This internal rating is regularly reviewed on the accuracy of the models and assumptions used to project failures, and adjustments to assumptions are made if there are changes to the provisions of both external (regulator) and internal. In order to overcome the weakness that may arise from the use of the internal rating model, validation has been carried out by a work unit that is independent of the work unit that applies the model. The process of validation or review of the credit risk measurement model is done by the backtesting method.
- b. **Credit risk measurement** is carried out with an internal model with standard method by calculating the probability of default and loss given default for each business segment based on the shift in credit collectibility. Currently, BRI is also in the stage of developing an Internal Rating Based Approach (IRBA). In addition, a series of Stress Tests are also conducted to measure the maximum potential loss in the event of a stressful condition. The stress test is based on several hypotheses and assumptions, among others: economic growth, inflation, world oil prices and changes in the Rupiah exchange rate. Another thing that is done is with guidance through the Loan Portfolio Guidelines (LPG), which in the presence of LPG will make lending more targeted according to the potential of each work unit.

- c. **Credit risk monitoring** is carried out through a process of monitoring the credit portfolio which is the responsibility of the credit risk monitoring unit at the head office. Portfolio monitoring is carried out based on credit quality, economic sector, credit usage, the geography of the initiating work unit, and so on. Monitoring also applies to credit risk limits, including: NPL, CL, composition of Loan at Risk, Credit Cost, NPL Coverage ratio, PH, Recovery income, and Recovery Rate.
- d. **Credit risk control** is carried out through:
 - 1) Credit decisions shall consider the aspects of Collateral analysis, which must comply with the minimum loan to value or minimum coverage of loans.
 - 2) Assessment of collateral becomes more directed through the Collateral Data Management (CODAM) application.
 - 3) Credit risk becomes more controlled through sustainable finance (Green Banking) that integrates Social Environment and Governance risks into the economic / business aspects that have been going on so far, so that the financing provided can pay attention to business practices that do not damage the environment, pay attention to social aspects and good governance.
 - 4) Procedure for improving credit quality through restructuring.
 - 5) Procedure to minimize credit risk loss through credit settlement and billing optimization.
 - 6) Procedure for write off non-performing loans.

4th Pillar

Internal Control System

- a. Four Eyes Principles: separation of the function of the credit initiator with the breaker
- b. Separation of credit initiator work units (business) with credit risk analysis work units for the Corporate segment
- c. Use of the Loan Approval System (LAS) application which includes identification of credit risk through the calculation of CRR and CRS and credit decisions that are in accordance with the tiered PDWK provisions.
- d. Automatic determination of CKPN based on internal model to calculate the adequacy of credit risk backup based on credit portfolio per segment.

Risk Management

- e. Integration between exceeding credit risk limits and evaluating the performance of business and individual work units.

MARKET RISK

A risk due to the movement of market variables (adverse movement) from the portfolio owned by the Bank, which can harm the Bank. Market variables in this case are interest rates and exchange rates.

1st Pillar

Active Supervisor of BOC and BOD

- a. Monitoring follow-up actions by the Board of Commissioners and Directors if there is a risk limit exceeding.
- b. Implementation of quarterly RMC forums that discuss strategic issues related to market risk management.
- c. Monthly risk profile reporting from the Risk Management Work Unit to the Directors.

2nd Pillar

Adequacy of Procedures and Limit Setting

Market risk policy, procedures and limit have been compiled and contained in the Treasury Policy and the Market Risk Management Implementation Policy (KUMR and P3MRP). The limit as listed in the policy included open limit position for trading, dealer transaction limit, cut loss and stop loss limit, uncommitted credit line limit, counterparty limits, and Value at Risk (VaR) limits.

3rd Pillar

Risk Management Process and Information System

- a. Identification
 - 1) Calculation of Interest Rate Risk using the standard method is carried out on the position of all BRI financial instruments classified as Trading Book exposed to Interest Rate Risk and Calculation of Risk of Exchange Rate with the standard method performed on BRI foreign exchange positions in the Trading Book and Banking Book exposed to Value Risk Exchange.
 - 2) Risk factors calculated in interest rate risk in the standard method, namely:

- a. Specific Risk (Specific Risk) of any securities or financial instruments, without regard to long positions or short positions. Thus, the offset process is not possible unless the position is identical;
 - b. General Risk (General Market Risk) of the entire portfolio, where long positions or short positions in securities or different instruments can be done offsetting.
- 3) The market value of securities used in the calculation of Specific Risk and General Risk is a dirty price, namely the market value of securities (clean price) plus the present value of accrued interest. Calculation of the present value of accrued interest can not be done if based on the coupon payment period, the present value of the value does not cause material differences. Exchange Rate Risk calculations are performed on all BRI positions both Trading Book and Banking Book in foreign currencies including gold, with reference to the calculation of the Net Open Position (NOP). The position of an instrument that has a denomination in foreign exchange, other than being exposed to Exchange Rate Risk, can also cause Interest Rate Risk (for example for cross-currency swaps instruments). In that case, then the Interest Rate Risk exposure must also be taken into account.

The portfolio coverage calculated in the Minimum Capital Requirement (KPMR) includes:

- a) Position held for resale in the short term.
- b) Position held for the purpose of obtaining short-term profits from actual and / or potential price movements.
- c) Position held for the purpose of maintaining locking in arbitrage profit.
- d) Derivative instruments related to securities or interest rates include Forward Bonds, Bond Options, Interest Rate Swaps, Cross Currency Swaps, Foreign Exchange Forwarding, Interest Rate Options, and Forward Rate Agreements / FRA.

Risk Management

- e) All debt securities with fixed or floating interest rates, and all financial instruments that have similar characteristics, including Negotiable Certificates of Deposits and securities sold by BRI with repurchase terms (Repo / Securities Lending).
 - f) BRI's foreign exchange position in the trading book and banking book exposed to exchange rate risk.
- b. Measurement
- 1) Calculation of Interest Rate Risk using the standard method is carried out on the position of all BRI financial instruments classified as Trading Book exposed to Interest Rate Risk and Calculation of Risk of Exchange Rate with the standard method performed on BRI foreign exchange positions in the Trading Book and Banking Book exposed to Value Risk Exchange.
 - 2) Market risk measurement is carried out periodically (daily, weekly and monthly), among others, calculating market risk using the standardized measurement method approach and internal model measurement (VaR) through the GUAVA application, conducting NII simulations every time a market interest rate changes and arranging the maturity profile of the letter valuable.
 - 3) The valuation of the trading book and banking book portfolios is carried out by using quoted market prices from actively traded instruments (mark to market). These market prices reflect actual and routine transactions that are carried out fairly. Valuation results based on market value (mark to market) are periodically validated to ensure consistency and fairness of market prices used. If the market price is not available because the instrument is not actively traded, the valuation of fair value determination uses a mark-to-model simulation approach.
- c. Monitoring and Control
- In carrying out market risk management, the Board of Directors periodically evaluates market risk through a

daily report on Net Open Position, the Asset & Liability Committee (ALCO) forum, and reports on market risk exposure in the market Risk Profile.

4th Pillar

Internal Control System

- a. Separation of front, middle and back office functions. BRI's market risk management functions consist of front office work units (Treasury Division), middle office (EMP & MOP Division), and back office (Operations Center Division) with each having different authorities.
 - 1) Front office ranks are authorized to conduct financial instrument transactions and are responsible for monitoring market price movements.
 - 2) Middle office ranks establish and monitor market risk limits and periodically ensure market data used for mark-to-market (MTM).
 - 3) The back office ranks settlement of treasury transactions and daily sets the market price (MTM) at the end of the day. The implementation of the delegation of authority is realized through the setting of a tiered transaction limit in accordance with competence and experience.
- b. Market risk control system that is integrated with front office functions.
- c. BRI has implemented a treasury and market risk (GUAVA) application system which is an integrated system used by front office, middle office and back office functions. Through this application, BRI can measure market risk that is integrated with the daily transaction process. In addition to monitoring instrument risk exposures, BRI also monitors market risk limits and transaction limits including dealer transaction nominal limits, open position limits, Limit Uncommitted Credit Line (UCL), cut loss limits, and stop loss limits. Monitoring is carried out on a daily basis so as to accelerate the provision of up-to-date information that supports decision making by line officials and management in a timely manner, especially for instruments included in the trading / trading classification.
- d. Integration between exceeding market risk limits and evaluating the performance of business units.

Risk Management

LIQUIDITY RISK

A risk due to the Bank being unable to fulfill obligations that have fallen due.

1st Pillar

Active Supervisor of BOC and BOD

- Implementation of ALCO ad-hoc mini meetings and weekly Board of Directors Meetings when market liquidity conditions or BRI are tight.
- Monitoring follow-up actions by the Board of Commissioners and Directors if there is a risk limit exceeding.
- The implementation of the quarterly RMC forum that discusses strategic issues related to the management of corporate risk
- Monthly risk profile reporting from the Risk Management Work Unit to the Directors.

2nd Pillar

Adequacy of Procedures and Limit Setting

- Determination of LCR minimum limit (Risk Appetite Statement)
- Determination of NSFT minimum limit
- Other liquidity limits established through policies, procedures and liquidity risk limits are included in the Asset and Liability Management Policy, as well as Kebijakan Penerapan Manajemen Resiko (KUMR), and the Pedoman Pelaksanaan Penerapan Manajemen Risiko Likuiditas (P3MRP).

3rd Pillar

Risk Management Process and Information System

- Risks Identification, Measurement and Monitoring through the dashboard of daily liquidity profiles.
- Risk control through the liquidity contingency plan protocol.

4th Pillar

Internal Control System

- Daily liquidity position monitoring system.
- Integration between exceeding liquidity risk limits and performance evaluation.

OPERATIONAL RISK

A risk that is caused partly by insufficient or non-functioning internal process, human error, system failure, or the presence of external problem that affect the Bank's operation.

1st Pillar

Active Supervisor of BOC and BOD

- Monitoring follow-up actions by the Board of Commissioners and Directors if there is a risk limit exceeding.
- The quarterly Risk Management Committee (RMC) forum which discusses strategic issues related to corporate risk management and the implementation of the Operational Risk Management Committee (ORMC) which is held when necessary (incidental) discusses risk issues based on the assessment of operational risk issues and other risks and Current loss events and control effectiveness of business and operational processes.

2nd Pillar

Adequacy of Procedures and Limit Setting

- Limit approval for tiered transaction given.
- Parameters and limits of operational and other risk profiles.

3rd Pillar

Risk Management Process and Information System

- Operational risk identification is carried out through the RCSA tool which includes 7 bank functional activities, namely: Credit activity, Treasury and investment, Operation and service, Trade financing, Debt funding and instrument, Information system technology and Management Information, and Management of human resources.
- Measurement of operational risk is carried out using the Basic Indicator Approach (BIA) methodology. Currently, BRI is preparing for the calculation using the Standardized Approach (SA) method in stages, which will be continued with the Advanced Measurement Approach (AMA) method.

Risk Management

- c. Risk profile monitoring is carried out through the Main Risk Indicator (IRU) tool, based on the risk profile assessment and operational loss data managed through the Incident Management (MI) platform.
- d. Risk control through:
 - 1) New Product and Activity assessment procedure for each new product or service, where each product must go through a review by the Risk Management Work Unit and Compliance Work Unit and the Legal Work Unit (if needed) before being registered with the regulator.
 - 2) Protocol for Business Continuity Management for catastrophic events. In this case, BRI has a Crisis Management Team (TMK) which plays an important role in the event of a disruption or disaster and is responsible for taking steps that need to be taken including managing reputation risk. The TMK structure is formed in all BRI Work Units namely Head Office TMK, Regional Office TMK, Branch Office TMK. The strategic aspect that must be considered in managing reputation risk during a crisis is maintaining customer trust, share ownership, and the surrounding community towards BRI's good name.

4th Pillar Internal Control System

- a. Separation of the Checker-Signer Maker function in banking operational activities, where the approval of most operational processes is embedded in the Core Banking, Asset Management and MIS HR system.
- b. Complaint Handling procedure with certain SLA.
- c. Implementation of SOP (Standard Operational Procedure) related to AML and CTF to protect BRI from the targets of money laundering and terrorism crimes. As well as the AML system (anti money laundering) to monitor suspicious transactions (CTR and STR).

- d. Integration between exceeding operational, legal, strategic risk limits and compliance with the performance of business and individual work units.

LAW RISK

A risk that causes a weakness in the juridical aspect. The weakness of the juridical aspect is caused by lawsuit, the absence of law and regulations that support or weakness in the engagement, such as not fulfilling the requirements for the validity of contracts and imperfect binding.

1st Pillar

Active Supervisor of BOC and BOD

Discussions on material legal cases, legal risk management and follow-up are discussed in RMC, KPMR Meetings, and Audit Committee Meetings.

2nd Pillar

Adequacy of Procedures and Limit Setting

- a. Legal guidelines are prepared by the Legal Division in the Head Office and being socialized throughout the Operational Work Unit.
- b. Division of authority to assist legal cases in the Legal Division of the Head Office and Legal Officer at the Regional Office.

3rd Pillar

Risk Management Process and Information System

- a. Every transaction process and new product and activity with potential legal risk is first reviewed by the Legal Division.
- b. Legal Risk Monitoring of all Operational Units in Indonesia is carried out by a Legal Officer in the Regional Office through the mechanism of reporting and documentation of legal cases.
- c. The Legal Officer at the Regional Office and Head Office will carry out legal assistance in accordance with their authority if there are legal cases in the Operational Work Unit.

Risk Management

4th Pillar

Internal Control System

The Legal Division actively disseminate the mode of operation of crime along with legal handling procedures to minimize legal risk in the Operational Unit.

Legal Risk Control is carried out in several ways including:

- a. Legal division as the Legal Risks Coordinator in BRI reviewed changes in laws and regulations to ensure that BRI's internal provisions do not deviate from the provisions of applicable laws.
- b. The Legal Division provides legal advices/opinions on perjanjian kerja sama (PKS)/agreements between BRI and other parties, to protect BRI's legal interests before the agreement is signed by authorized BRI officials.
- c. Every banking transaction at BRI which includes operations, credit and employment relations has been carried out in accordance with the applicable legal provisions and supported by adequate legal documents.
- d. The Legal Division cooperates with a legal officer (LO) at the Regional Office to monitor legal risk in all BRI Work Units with the mechanism of reporting and documenting legal cases as well as socializing the mode of operation of crime along with legal handling procedures to minimize legal risk.
- e. The legal division prepares legal guidelines such as guidelines for the preparation of PKS and legal pocket books for both the operational and credit fields.
- f. Fostering staff in the Unit Kerja Operasional (UKO) in Regional Offices is conducted by increasing competence in controlling legal risk in the relevant work area including in the form of socialization, discussion of opinions on an event from the side of the applicable law.
- g. The legal officer (LO) at the Regional Office provides legal assistance in accordance with his authority to the UKO if there is a legal case in the UKO and coordinates with the Legal Division.

- h. The Legal Division provides legal assistance in corresponding with its authority when cases occur.
- i. If needed, the UKO can consult with the Legal Division regarding technical legal issues.
- j. In case of lawsuits that have a very significant potential loss for the Bank and / or lawsuits that could significantly have a negative impact on BRI's reputation, then as a contingency plan measures must be taken to reduce legal risk, including through: the use of lawyer services and reporting on developments to the Directors.
- k. As part of monitoring legal risk, the Legal Division coordinates with the MOP Division regarding with monthly BRI legal risk profile reporting to the Directors through the Risk Profile Dashboard.

Other efforts carried out in order to increase awareness of legal risk, the Legal Division has issued a Compilation of Resume provisions issued by the Legal Division. The compilation contains a resume of the provisions / guidelines issued by the Legal Division which include: Credit and Collateral Activities, Operational Activities, Legal Manuals and Legal Pocket Books. The compilation can be used by the Operational Unit to always pay attention to the provisions in order to protect BRI from legal risks.

STRATEGIC RISK

A risk that is caused, amongst others by the establishment and implementation of an improper Bank strategy, inappropriate business decision making or the Bank's lack of responsiveness to external changes.

1st Pillar

Active Supervisor of BOC and BOD

Discussions on strategic planning, monitoring target achievement and strategy evaluation are discussed at the Joint Meeting of the BOC and BOD (Radirkom) during discussions on RBB approval, RKAP approval, and discussion of quarterly financial performance.

Risk Management

The material for National Working Meeting (Rakernas) which is held annually to support the strategy formulation process is also discussed in the BOD. In addition, The BOD Committee Meetings such as ALCO also discuss performance achievement and efforts to achieve financial performance.

2nd Pillar

Adequacy of Procedures and Limit Setting

The process with regards to planning, monitoring and company's strategy evaluation is stipulated in the DUJ and BPO of the Corporate Development and Strategy Division as well as Accounting and Financial Management Division.

3rd Pillar

Risk Management Process and Information System

Implementation of a Joint Planning session during the RBB drafting for business strategies along with the work program plans of each Division Work Unit at the Head Office.

Implementation of Alignment Workshop Strategic work program plan between Head Office Work Units in order to achieve targets in the RKAP and RBB.

Implementation of BRI Performance Management with the Balanced Scorecard approach, through the establishment of Key Performance Indicators (KPI) with the principle of vertical and horizontal synergy.

Strategic Initiatives Monitoring Company by Project Management Office Work Unit. The Strategic Initiative is a strategic and critical non-routine work program, which must be done to achieve the target.

Establishment of Corporate Plan Team in preparing BRI Long Term Plan for the period of 2018-2022.

At the Regional Office level, BRI has an Operation, Network, Service & Performance Management Division with the role of monitoring business target achievement in its working area.

Monitoring and reviewing the achievement of performance target as set out in the RKAP, RBB and CPR is conducted at the corporate level by the Corporate Development and Strategy Division on a regular basis. A review is also conducted on the achievement of work programs (Functional Work Plan - RKF) of a Uker in KP that are carried out to achieve the performance targets of the Budget Work Plan - RKA.

4th Pillar

Internal Control System

In the event of work program realization at a working unit which falls under category of behind schedule, due to the connection with other working unit, the work program will be synchronized/ accelerated to working unit which is requested for support. The alignment and acceleration of the work program is monitored by the Corporate Development and Strategy Division.

REPUTATION RISK

This is a risk due to negative publication related to the Bank's business activities or negative perceptions of the Bank.

1st Pillar

Active Supervisor of BOC and BOD

Discussion of reputation risk profile and reputation risk management and its follow-up are discussed in RMC, and KPMR Meeting.

2nd Pillar

Adequacy of Procedures and Limit Setting

In the framework of reputation risk control, the SKP Division has been appointed to handle any negative information. The reputation risk management process is contained in the DUJ and BPO of the Corporate Secretariat Division. Complaint Handling procedures with certain SLA.

3rd Pillar

Risk Management Process and Information System

- a. Periodic reputation risk identification activity is carried out by the SKP Division by looking at the

Risk Management

number of negative report on BRI, the number of customer complaints in the mass media both print and electronic, call centers and company ratings.

- b. Reputation risk measurement aims to estimate the reputation risk faced by BRI. After the identification process, reputation risk will be measured to assess the reputation risk category by using several parameters in accordance with the parameter limits in the reputation Risk Profile Report.
- c. Risk monitoring as carried out by the SKP Division is by periodic monitor on the number of complaints and negative reporting in the mass media and reporting on reputation risk profiles.
- d. Monitoring of reputation risk in Regional Office is carried out by the OJL Service Division of each Regional Office, namely by regularly monitoring the quality of services at the respective Kanca, KCP and BRI units, where quarterly reporting is carried out regarding compilation of handling reports customer complaints at LKPBU.
- e. BRI's reputation risk control includes amongst other, the Circular Letter regarding Information Services and Management policy, and the SKP Division controlling risks by coordinating with the relevant Service and working unit Division to resolve negative reporting and customer complaints in accordance with the established SLA.

4th Pillar Internal Control System

The independent review by the Internal Audit Unit (SKAI) is conducted periodically on the Quality of Reputation Risk Management Implementation.

COMPLIANCE RISK

Risk caused by incompliance of Bank law and regulations and other applicable provisions. Compliance risk management is carried out through the application of a consistent internal control system.

1st Pillar

Active Supervisor of BOC and BOD

Discussion on compliance risk profile and compliance risk management as well as follow-ups are discussed in RMC, and KPMR Meetings.

2nd Pillar

Adequacy of Procedures and Limit Setting

Compliance Risk management policies and procedures include:

- a. Compliance Charter
- b. Implementation of Compliance Function for BRI's Policy and / or Decision Plans by Compliance Director and Line of Compliance of PT Bank Rakyat Indonesia (Persero), Tbk
- c. Application of Compliance Culture in Work Units
- d. Anti Money Laundering (AML) Policy and Procedure and Counter-Terrorism Funding (CTF) Policy and Procedure
- e. Policy on Conflict of Interest
- f. Code of Ethic Policy
- g. Policy on Gratification Control Programs
- h. Policy about Whistleblowing System
- i. The Compliance Division as a compliance risk coordinator carries out a prudential principle test of all BRI internal policies stipulated by the Board of Directors.

3rd Pillar

Risk Management Process and Information System

- a. To Identify compliance risk through compliance risk profile reports submitted by the Regional Office based on compilation from UKO, to the Compliance Division
- b. Process of compliance risk supported by the adequate information system, as follows:
 - 1) AML (Anti Money Laundering) application that being used to monitoring suspicious transactions.
 - 2) Automatic Compliance Testing application that being used to compliance process and monitoring the compliance progress.

Risk Management

- 3) GCG Online Application that being used for commitment, gratification, ethical code, conflict of interest and annual disclosure reporting by Working Units.
- c. Determination of Special Work Units both at the Regional Office and at the Head Office to coordinate compliance risk management, especially those related to the AML and CTF programs.
- d. Compliance risk management is part of the duties and responsibilities of the Risk Management Function that coordinates the implementation of Risk Management for 8 types of risks including compliance risk.
- e. Human resources appointed to manage compliance risk have adequate competence and obtain education in corresponding with the level of position.
- c. The BOC is responsible for the effectiveness of the implementation of Integrated Risk Management and is responsible for:
 - 1) Directing, approving and evaluating Integrated Risk Management policies.
 - 2) Evaluate and provide direction for improvement on the implementation of the Integrated Risk Management Policy periodically.
- d. The Integrated Risk Management Unit has held a forum with Subsidiaries on a regular basis to discuss the Intra-Group Risk Profile.

4th Pillar

Internal Control System

The independent review by the Internal Audit Unit (SKAI) is carried out regularly on the Quality of Implementation of Compliance Risk Management. The Compliance Division actively promotes the impact of new regulations on business and company operations.

INTRA GROUP TRANSACTION RISK

Is a risk due to the dependence of an entity both directly and indirectly on other entities in a financial conglomerate in order to fulfill written and unwritten agreement obligation which is followed by transfer of funds and / or not followed by transfer of funds.

1st Pillar

Active Supervisor of BOC and BOD

- a. BRI Compliance Director as Director who oversees the Integrated Risk Management function for the BRI Financial Conglomerate.
- b. The BOD of BRI form an Integrated Risk Management Committee and have held an Integrated RMC Forum to discuss Intra-Group Risk and Intra-Group Risk Policy in BRI Financial Conglomeration.

2nd Pillar

Adequacy of Procedures and Limit Setting

There are policies that have regulated Integrated Risk Management including:

- a. Decree No: DIR 313-DIR/DMR/06/2015 dated June 30, 2016 on the Integrated Risk Management Policy of PTBank Rakyat Indonesia (Persero) Tbk and Subsidiary Companies.
- b. Circular Letter S. 18-DIR/DMR/07/2015 concerning Guidelines for Risk-Based Bank Rating at PT Bank Rakyat Indonesia (Persero) Tbk dated 24 July 2015 which regulates the Intra-Group Risk Profile and Integrated Governance.
- c. Risk Management Committee Decree Integrated No: 137-DIR/DMR/12/2016 dated 30 December 2016.

3rd Pillar

Risk Management Process and Information System

- a. Integrated Intra-Group Risk Identification is carried out by the Integrated Risk Management Work Unit, both quantitative and qualitative with significant effect on the condition of the BRI Financial Conglomerate.
- b. Inherent Intra-Group Risk Measurement and Intra-Group Risk Management Implementation Quality through the Integrated Risk Profile Report.
- c. Risk Monitoring and Control through the Subsidiary's Risk Profile Discussion Forum which is held regularly to discuss the Intra-Group Risk Risk Issues and follow-up plan.

Risk Management

- d. The process of managing intra-group transaction risk is adequate. In order to control the risk of intra-group transactions, the Investment Service Division has been appointed as a work unit that manages the subsidiaries.

4th Pillar

Internal Control System

- a. Intra-Group Risk Conscious culture effectiveness at the BRI Financial Conglomerate.
- b. The independent review of the quality of the Implementation of Intra-Group Risk Management by the Internal Audit Unit is carried out periodically at least once a year.

INSURANCE RISK

It is a risk due to the failure of insurance companies to fulfill obligations to policyholders as a result of insufficient risk selection (underwriting) process, pricing, reinsurance usage, and/or claim handling.

1st Pillar

Active Supervisor of BOC and BOD

- a. BRI Compliance Director as Director who oversees the Integrated Risk Management function for the BRI Financial Conglomerate.
- b. BOD of BOD establish an Integrated Risk Management Committee and have held an Integrated RMC Forum to discuss Insurance Risk and Insurance Risk policies in the BRI Financial Conglomerate
- c. The BOC is responsible for the effectiveness of the implementation of Integrated Risk Management and is responsible for:
 - 1) Directing, approving and evaluating Integrated Risk Management policies.
 - 2) Evaluate and provide direction for improvement on the implementation of the Integrated Risk Management Policy periodically.
- d. The Integrated Risk Management Unit has held a forum with Subsidiaries on a regular basis to discuss the Insurance Risk Profile.

2nd Pillar

Adequacy of Procedures and Limit Setting

There are policies that have regulated Integrated Risk Management including:

- a. Decree No: DIR-313-DIR/DMR/06/2015 dated June 30, 2016 on the Integrated Risk Management Policy of PT. Bank Rakyat Indonesia (Persero), Tbk and Subsidiary Companies.
- b. Circular Letter S.04-DIR/DMR/03/2017 concerning Risk Based Bank Rating Procedure of PT. Bank Rakyat Indonesia (Persero) Tbk dated March 21, 2017 which regulates the Risk Profile of Integrated Insurance and Integrated Governance.
- c. Risk Management Committee Decree Integrated Nokep: 137-DIR/DMR/12/2016 dated 30 December 2016.

3rd Pillar

Risk Management Process and Information System

- a. Integrated Insurance Risk Identification is carried out by the Integrated Risk Management Unit, both quantitative and qualitative, has a significant effect on the condition of the BRI Financial Conglomerate.
- b. Insurance Inherent Risk Measurement and Quality of Application of Insurance Risk Management through Integrated Risk Profile Report.
- c. Risk Monitoring and Control through the Subsidiary's Risk Profile Discussion Forum that is held regularly to discuss the Risk Insurance Issues and their follow-up plans.

4th Pillar

Internal Control System

- a. Effectiveness of Conscious on Insurance Risk culture at the BRI Financial Conglomerate
- b. The independent review on the quality of the Application of Insurance Risk Management by the Internal Audit Unit is conducted periodically at least once a year.

Risk Management

2018 RISK IMPLEMENTATION TARGET

Working Activities of Risk Work Program

1. Preparation of the Risk Appetite Statement

In the preparation of Risk Management policy and strategy, the BOD of BRI provide clear direction on the level of Risk Appetite, Risk Tolerance and BRI Risk limit that can be used to effectively carry out risk control. Determination of risk tolerance and risk limit is carried out by taking into account the level of risk to be taken and the overall strategy of BRI.

Risk Appetite is defined in the form of quantitative, qualitative, and zero tolerance statement related to BRI business goal and objectives. Risk Appetite is reviewed annually or at any time by taking into account changes in BRI's business plan and objective and changes in business environment conditions.

Determination of Risk Appetite is used as an objective guide in making strategic decisions related to Risk management, as a tool for Management in implementing good business governance and as a guide from Management to Work Units regarding the types and amounts of risks that can be accepted and managed.

2. Preparation of a Recovery Plan

As one of the banks that has been designated as a Domestic-Systemically Important Banks (D-SIB or Systemic Bank) in Indonesia, BRI has an obligation to prepare an Action Plan document regulated in POJK No. 14 / POJK.03 / 2017 concerning the Action Plan.

The prepared Action Plan document contains various mechanism that is expected to prevent, restore, and / or improve the financial condition of BRI as a result of the financial crisis or other financial market disruptions that could endanger the business continuity of Systemic Banks.

In General Overview of Banks, BRI has conducted materiality analysis and ratings to rank business lines, office networks and subsidiaries. The analysis is carried out by using the materiality scorecard based on the quantitative and qualitative indicators that are determined. The results of ranking business lines are as follows (1) Micro, (2) Retail, (3) Corporations and (4) Investment Services. Life, (2) BRI Syariah, (3) BRI Multifinance, and (4) BRI Agro. The materiality rating of the Office Network is based on Regional Offices (Kanwil) namely Bandung, Yogyakarta, Makassar, Malang, and Jakarta 2. For external business linkages, BRI perform analysis based on aspects (1) Intra-financial system assets, (2) Intra-financial system liabilities, and (3) securities outstanding and 10 (Ten) significant counterparties (Obligors, Depositors, Treasury Counterparties) in accordance with common practice. For the analysis of the scenario of the impact of systemic changes, BRI conducts Stress Testing activities which are divided into 2 (two) parts of the scenario, namely the Idiosyncratic scenario and the Market-wide scenario. For the Idiosyncratic scenario BRI develops scenarios related to the concentration of the obligor and the existing industry. For the Market-wide scenario, BRI uses the Regulatory Stress Testing Financial Stress Assessment Program (or abbreviated as FSAP) based on the scenario set by FSAP as a representation of crisis conditions that can happen.

3. Adequacy Assessment of New Product and Activity Risk Management (PAB)

In the context of issuing new products an/or activities (PAB) at BRI, a risk management process is carried out which includes risk assessment by the product owner for each type of risk that may arise from the issuing of PAB, including the determination of controls and controls aimed at mitigating the risk of the intended PAB. Satuan Kerja Manajemen Resiko (SKMR) is tasked to evaluate the adequacy of PAB's risk management and recommending the results of the assessment to obtain BRI's Risk Management Director's approvals.

Risk Management

4. Implementation of Risk-Conscious Culture

The application of the Risk Conscious Culture reflects the values and commitment of the BRI Directors in order to increase BRI employees' awareness of risk management. Risk Conscious Cultural Elements are the basic aspects of Risk Conscious Culture that underlie the application of Risk Conscious Culture which consists of; Commitment, Performance Management, Risk Management, Communication, Training and Development, Reporting and Monitoring.

Risk Conscious Culture started from the management commitment contained in the company's strategy, initiative strategy, and risk strategy to establish a risk appetite statement. Risk Conscious Culture is reflected in Adanta's determination of risk-based performance management in the form of KPI (Key Performance Indicator) which is derived from management commitment.

Risk Conscious Culture has a good risk management in all levels of risk management organizations starting from the first line of defense (Operational and Business Work Unit), the second line of defense (Risk and Compliance Management Work Unit) and the third line of defense (Audit Work Unit) Internal).

Consistent and continuous communication between management and employees can also build a Risk Awareness Culture. Every employee can comfortably speak openly and honestly regarding to the risks and problems that they are facing. Training and development activities can improve employees understanding of the importance of implementing risk management for company.

BRI has had the materials to develop a risk awareness culture that packed in the form of interactive games, which are planned to be implemented in the Forum Peningkatan Kinerja (FPK) at Uker Selindo. In addition, the risk reporting and monitoring system through operational risk management tools creates a culture of mutual feedback that can be received positively to bring the company to a better direction.

5. Improvement of Bussiness Continuity Management (BCM) Policy

The improvement of BCM policies was conducted through the updating of the Business Impact Analysis (BIA) document, the implementation of Risk and Threat Assessment (RSA), the preparation of the Emergency Response Plan (ERP) and Business Continuity Plan (BCP), the implementation of BCP trials, and updating of the Tim Manajemen Krisis (TMK).

6. Improvement of Integrated Operational Risk Management Tools

The development of Operational Risk Management Tools will be integrated with the risk monitoring application that has been owned by BRI, one of which is sourced from the data warehouse. Improvements to operational risk management tools include the development of RCSA modules, KRI, LED, Risk Management Forum, Maturity, and the addition of other modules which include automation of updating BCM documents, Fraud Risk Assessment, and IT Risk Assessment.

7. Development of Early Warning System Modeling

The development of this model includes the Know Your Employee (KYE) module which aims to find out the risk profile of employees in each work unit, and the Know Your Customer (KYC) module which aims to determine the risk profile of BRI customers.

Credit Risk Monitoring Activities

1. Credit Activities

- a. Healthy and profitable expansion. The growth of NPL and DPK in 2018 was higher than the growth of OS loans. OS Increase was not followed by an increase in Loan Yield, and there was a gap in the achievement of BRI interest income of Rp. 33.87T compared to the RKA December target 2018, hence the Strategy will be directed to credit expansion focusing on high yields, Expansion Strategy by taking into account on prospective industrial sectors according to the Loan Portfolio Guidelines (LPG),

Risk Management

as well as improving strategy in dealing with the KUR budget expiration and decrease in KUR OS (Micro / Small) to December 2018.

- b. High Credit With Low Quality at BRI
The cause of deteriorating credit quality due to insufficient credit analysis processes and lack of monitoring, so credit proponents must sharpen the analysis of lending by increasing knowledge in conducting 5C analysis including utilization of the Portfolio Guideline (LPG), and monitoring on site and off site until credit is paid off.
- c. The high NPL of the construction sector credit
Over the past 3 years BRI's NPLs in the Construction sector were quite high at an average of 6.44% and BRI NPLs in the Construction sector were higher than the national banking NPLs, so there was a need for a WA KMK Register & Credit disbursement system that included compliance document compliance checklists credit disbursement, and Socialization related to KMK Construction procedures (KMK WA) through E-Learning and PKL compulsory education material.
- d. Double Financing on Retail Briguna Credit
There are 2,373 BRI Briguna Retail debtors (Rp. 132M) who obtain employee loan facilities by other banks (double financing), From Briguna Retail, the double financing is Rp. 78.1 M (59.51%) at NPL collectibility (rupiah), Most BRI Briitel Retail debtors with double financing are non-payroll debtors, RPC policy and time period at other banks are higher than BRI (RPC BRI: BRI payroll 75% and BRI non-payroll 70%, with a maximum period of 15 years), so it is necessary to propose to OJK to regulate consumer loan, especially salary base loan, among others: Banks must not provide double financing, establish standardization of RPC arrangement and time period, for example the KPR is regulated regarding the standardization of LTV, and specifically the salary base loan is assessed by credit quality using one obligor taking into account that the source of payment is only based on one source (salary).

2. Credit Awareness Risk

- a. PH of Accounts is conducted less than or equal to 12 months from the date of realization.
- b. Increased CKPN due to small arrears (IDR 15 thousand).
- c. Procedure for validating KTP.
- d. Credit balance loans.
- e. The restruk interest rate of the consumptive retail segment does not comply with the provisions.
- f. The interest rate is restruk the commercial retail segment under the counter rate.
- g. Administration of credit applications is incomplete or not followed up according to the provisions.
- h. Off site guidance and monitoring are not carried out according to the provisions.
- i. Determination of Structures, Types and Credit Terms Not In Accordance with Credit Analysis Results / Not In Accordance with Provisions.
- j. Impact of Loan Status 3 (Maturity but Not Closed) Account.

3. Compilation of the Handbook Credit Risk Management

The CRM handbook is a pocket book that contains the critical points of credit procedures, Risk Issue & Control in the Ritkom business segment, which is prepared by policy.

4. Preparation of the BRI Credit Performance Report (ERM Report)

BRI Credit Performance Report conducted every month in order to monitor and analyze credit performance achievement as a report to the BOD and Business Division.

5. Regulatory Report

- a. LBBUK Form 5 (LLL Violation)
- b. LBBUK Form 6 (Exceeding the LLL)
- c. LBBUK Form 7 (LLL of Related Parties)
- d. LBBUK Form 8 (Credit Restructuring)
- e. LBBUK Form 10 (Top 25 debtors)
- f. Progress Report on Credit Restructuring to OJK

Risk Management

6. Monthly Routine Report

- a. Credit Reactivation Report.
- b. LLL to BOD and Commissioner.
- c. Credit Restructuring Report to BOD and Commissioner.

Green Banking Policy Development

Economic growth throughout the world has caused negative impact on the environment. The attention to the environment has been intensified by various parties, both at the global and local level. It is realized that the role of bank is very significant in encouraging investments that are environmentally responsible as banks provide loan channel to various sectors. Therefore, the Financial Services Authority (OJK) encourages the implementation of Sustainable Finance (SF) in banking or often called green banking (Green Banking).

Reasons for green banking implementation for BRI is because the Green banking is considered to have a positive impact, as follows:

1. It is a real contribution of BRI's role in the economic impact that is balanced with the social and natural environment.
2. Increase BRI reputation hence can ultimately increase BRI's value for stakeholders.
3. As part of the implementation on social environmental and governance risk management (LST) that is in line with banking prudential principle.
4. Open business opportunities, cooperation and funding related to green funds both with national and international institutions.

BRI's greenbanking Roadmap will be adjusted in accordance with POJK No. 51 / POJK.03 / 2017 on Sustainable Financial Implementation for Financial Service Institutions, Issuers and Public Companies. According to the POJK, BRI as Bank IV BOOK is required to apply SF as of January 1, 2019. The roadmap in general is: 2017 is the stage for policy formulation, capacity building and socialization. 2018 adjusts POJK, aligns BRI's internal provisions and develops action plans for 2019. 2019 adjusts to derivative policies and implements the 2019 sustainable financial action plan and prepares Sustainability Reports.

In order to become a champion of green banking and preparation for the implementation of POJK, BRI has implemented SF in stages, including:

1. Following the pilot project "First Step To Be A Sustainable Finance" as a result of collaboration and WWF Indonesia.
2. Developing policy related to sustainability, namely: Sustainability General Policy, Sustainability Implementation Strategy and ESG Risk Management Policy Palm oil sub-sector.
3. Prepare an annual Sustainability Report.
4. Capacity building for BRI Workers, especially credit analysts.
5. Internal campaign to provide awareness for BRI employees in particular and BRI debtors in general.
6. Participation and active participation in various activities held by regulators and related parties / agencies.
7. Following the award event related to sustainable finance, including the Sustainable Finance Award organized by OJK.

Loan Portofolio Guideline (LPG)

LPG is a tool in Credit Portfolio Management to direct the growth of credit portfolios in prospective industries with acceptable risk levels and to diversify portfolios optimally.

The LPG component is divided into 2 (two), including:

1. Target Market, directing financing to prospective industry sectors.
2. Criteria for Acceptable Risk, selecting prospective debtors / debtors to be financed.

Sorted by the lowest risk level to the highest nationally, the economic sub-sector in PS is divided into 4 (four) colors, namely:

1. Green, Very Prospective, highly recommended by meeting the General KRD.
2. Blue, Prospective, recommended by meeting the General KRD.
3. Yellow, Selective, can be recommended by meeting the General & Special KRD.
4. Red, Very Selective, can be recommended by meeting the General & Special KRD.

Risk Management

The General KRD is a List of Criteria that must be met for all prospective debtors that are deemed feasible to be financed. The conditions apply in general, or for all economic sub-sectors in the Target Market, while the Special KRD is a List of Criteria that must be met for all prospective debtors who have the Market color selective (yellow) or very selective (red).

The EMP Division has established a prospective industrial sector in each regional office. The prospective industrial sector is a potential industrial sector in each region that work units can use as a reference in expansion.

Compilation of BRI's Market Code of Conduct

In order to build a credible, resilient, stable Indonesian Financial Market, continue to grow and be conducive to supporting national economic development, Bank Indonesia has issued PBI Number 19/5 /PBI /2017 dated 13 April 2017 about Treasury Certification and Implementation of the Market Code of Ethics, and Regulation of the Board of Governors (PADG) Number 19/5/PADG/2017 dated 28 April 2017 about the Implementation of Treasury Certification and Implementation of the Market Code of Ethics. The application of PBI and PADG is intended to increase the competency standards of Market Players, standards for implementing Treasury Certification by Professional Certification Institutions; integrity of Market Players, Directors and Employees; and the application of the precautionary principles.

The Market Ethics Code is a professional moral norm about actions that must be done and that must be avoided that has become the guidelines to act in the Money Market and Foreign Exchange Market along with their derivatives. BRI Directors and Employees must implement the Market Ethics Code in implementing Treasury Activities. The Market Ethics Code guides the Directors and Workers based on conventional principles that refer to the code of ethics issued by professional associations and / or financial service industry associations / committees. The Indonesian Foreign Exchange Market Committee (IFEMC) as a professional association in Indonesia has issued a Code of Ethics for Market Players in the Book Market Code of Conduct (Guideline to Market Practices in the Financial

Markets), 3rd Edition. Based on this, BRI has developed a market code of conduct in treasury activities that aims to:

1. To provide the guidance on how to behave, act, improve discipline and integrity for every BRI Management and employees in transacting in domestic and foreign financial markets, including Senior Management, Management, and Dealers involved in financial market transactions.
2. Minimum standards of behavior that can be used as a reference in the market best practices for BRI Management and Employees. The implementation of this Market Code of Ethics was adjusted to the complexity of BRI's business while referring to the applicable regulations.

Preparation of Early Warning Indicators for Liquidity

Liquidity risk is a risk that is very dangerous for the core of a bank. The regulator requires the Bank to be able to have High Quality Liquid Assets that are able to cover net cash outflows in stress conditions for a minimum of 30 days. BRI develops an early warning indicator mechanism which is an indicator to determine the potential for increased liquidity risk and gives a signal to management so that it can take the necessary follow-up and mitigation measures, so that the Bank has a longer time to overcome potential liquidity tightening in the future . The early warning indicators include internal and external indicators that are monitored by the Assets & Liabilities Management Division and the Treasury Division as a liquidity risk management work unit, as well as the Operational & Market Risk Management Division.

BASEL IMPLEMENTATION

The Company has implemented several Basel Pillars in the implementation of Risk Management, including:

1. Capital
In accordance with POJK No. 11/POJK.03/2016 on Minimum Capital Requirement for Commercial Banks, BRI has ensured that BRI capital has fulfilled the minimum capital requirement in accordance with the risk profile, and forms additional capital as a buffer, which includes Capital Conversation Buffer, Countercyclical Buffer and Capital Surcharge

Risk Management

for Domestic Important Bank (D-SIB), besides that, BRI has fulfilled the minimum Leverage Ratio requirements that have been reported to the regulator on a quarterly basis.

2. Operations
Calculation of minimum capital for operational risk using the Basic Indicator Approach in accordance with SEOJK No. 24 / SEOJK.03/2016 concerning Calculation of Risk Weighted Assets for Operational Risk using the Basic Indicator Approach.
3. Market and Liquidity
 - a. Calculation of minimum capital for market risk using the Standardized Model in accordance with POJK No. 38 / SEOJK.03 / 2016 concerning Guidelines for Using Standard Methods in calculating the Minimum Capital Requirement for Commercial Banks by Taking into account Market Risk.
 - b. Measurement of Bank Liquidity resilience using Basel III Approach: Liquidity Coverage Ratio & Net Stable Funding Ratio, in accordance with POJK No. 42 / POJK.03 / 2015 concerning Obligation to Fulfill Liquidity Coverage Ratio for Commercial Banks and POJK No. 50 / POJK.03 / 2017 concerning Obligations to Fulfill the Net Stable Funding Ratio for Commercial Banks.

RISK PROFILE ASSESSMENT

Risk management is carried out in all bank activities by referring to the provisions of management standard set by the regulator. The process risk management implementation which includes identification, measurement, monitoring and risk control is carried out continuously by the three line of defense, namely all risk taking units as first line, compliance and risk management units as the second line and internal audit unit as the third line. The results of the risk profile assessment in the third quarter of 2018, the rating of the BRI risk profile is at the level of low to moderate, this indicates that the bank is able to maintain the level of risk management along with the development of business and competition in Indonesian banks.

Self Assessment

1. Risk Profile Ranking
BRI Risk Position Quarter III - 2018 was prepared based on data from December 2018 (unaudited). Overall, the BRI Risk Profile ranks are Low to Moderate (2nd Position) with Low to Moderate risk levels including: Credit, market, liquidity, legal, strategic and reputation risks, while the level of risk Moderate includes: operational & compliance risk.
2. Risk of Inherent
Composite predicate Risk Inherent is Low to Moderate with risk rating details Low to Moderate for credit, market, liquidity, legal, strategic and reputation risks while Moderate risk rating is operational & compliance risk.
3. Quality of Risk Management Implementation
The composite predicate of the quality of the application of Risk Management is Satisfactory with the details of Satisfactory rankings covering credit, market, liquidity, legal, strategic, compliance and reputation Risk, as well as Fair ratings for operational risk.

Analysis

BRI's Risk Profile Ranking is Low to **Moderate (2nd Position)** does not change risk rating compared to December 2016 (Low to Moderate/2nd Position) but has improved risk score from 2.02 in December 2016 to 2,14 in September 2018.

REVIEW ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM

Periodic testing on effectiveness of the risk management system is conducted through risk management review by a separate unit with the Risk Management Unit to maintain objectivity and independence in assessing the effectiveness of the risk management system.

Risk Management

IMPLEMENTATION OF INTEGRATED RISK MANAGEMENT

The implementation of integrated risk management at BRI includes 4 stages, namely identification, measurement, monitoring and control in accordance with applicable regulations. The implementation was carried out on all factors (qualitative and quantitative) which had a significant impact on the financial condition of the BRI Financial Conglomerate.

The application of integrated Risk Management in risk management at BRI includes:

1. Integrated Risk Limit Determination

Preparation of risk limit is carried out by considering input from members of the BRI Financial Conglomerate. Determination of the risk limit covers the overall limit, the limit of each type of risk and the limit of each member of the Financial conglomerate that has a risk exposure. The risk limit will be periodically reviewed by the BRI Enterprise Risk & Portfolio Management Division on changes in conditions that occur. BRI's Enterprise Risk & Portfolio Management Division delivers the results of limit monitoring periodically to the BRI Directors or BRI Risk Management Committee.

2. Integrated Risk Profile Report.

The integrated risk profile report is prepared every semester for the end of June position and December, delivered comparatively to the previous semester's position. Ranking of the risk profile of the BRI Financial Conglomerate in December 2018 is Low to Moderate.

3. Capital Adequacy of the Financial Conglomerate

Capital adequacy is carried out through monitoring the risk profile and calculating the integrated Kewajiban Penyediaan Modal Minimum (KPMM). BRI prepares and reports the Integrated KPMM Calculation Report to OJK every semester.

BRI and Subsidiary Integrated KPMM Ratios in December 2018 position amounted to 225.95%. The Integrated KPMM Ratio value is above the minimum limit of 100%.

4. Consolidated Liquidity Management

The consolidated position of BRI Liquidity Coverage Ratio (LCR) in December 2018 was 217.97%.

5. Monitoring of Intragroup Transactions

Total intra-group transactions of total assets, calculated all on balance sheet transactions (borrow and placement money market) either from BRI to the Subsidiary Company or vice versa in the amount of Rp. 16.64 trillion or 1.28% of BRI's total assets.

6. Integrated Risk Management Committee

(RMC) The Integrated Risk Management Committee (RMC) is the highest committee in the BRI Financial Conglomerate risk management system. In 2018, BRI has implemented an integrated RMC twice, 28 March 2018 and 5 November 2018.

Risk Management

CALCULATION OF LIABILITIES OF CAPITAL ADEQUACY RATIO (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Description	
I.	Core Capital (Tier 1)
1.	Common Equity Tier-1 (CET 1)
1.1.	Paid-in Capital (less Treasury Stock)
a.	Common Stock
b.	Preference Stock
1.2.	Disclosed Reserves *)
1.2.1.	Factor enhancers :
1.2.1.1.	Other Comprehensive Income
1.2.1.1.1.	Differences arising from translation of foreign currencies in financial statement
1.2.1.1.2.	Potential gain from increase of fair value of financial assets available for sale
1.2.1.1.3.	Balance of fixed asset revaluation surplus
1.2.1.2.	Other disclosed reserves
1.2.1.1.1.	Premium
1.2.1.1.2.	General reserves
1.2.1.1.3.	Prior year profits
a.	Last year profits
b.	Increase/decrease of fair value of financial liabilities
c.	Gain on sale of assets in securitization transaction
1.2.1.1.4.	Profit for the year
a.	Profit for the year
b.	Increase/decrease of fair value of financial liabilities
c.	Gain on sale of assets in securitization transaction
1.2.1.1.5.	Stock options
1.2.1.1.6.	Others
1.2.2.	Deduction factors :
1.2.2.1.	Other Comprehensive Income
1.2.2.1.1.	Differences arising from translation of foreign currencies in financial statement
1.2.2.1.2.	Potential loss from increase of fair value of financial assets available for sale
1.2.2.2.	Other disclosed reserves
1.2.2.2.1.	Premium
1.2.2.2.2.	Last year losses
1.2.2.2.3.	Losses for the year
1.2.2.2.4.	Differences on Allowances for Uncollectible Assets (PPA) and Allowances for Impairment Losses (CKPN) on Earning Assets
1.2.2.2.5.	Differences on adjustment of fair value of financial instruments in Trading Book
1.2.1.1.6.	Required PPA on non-earning assets
1.2.1.1.6.	Others

Risk Management

(In million rupiah)

	31 December 18		31 December 17	
	Bank	Consolidated	Bank	Consolidated
	164,924,546	172,358,004	154,668,699	159,087,145
	164,924,546	172,358,004	154,668,699	159,087,145
	6,111,861	6,111,861	6,111,861	6,111,861
	6,111,861	6,111,861	6,111,861	6,111,861
	173,305,084	172,705,455	158,200,691	157,400,369
	175,257,520	174,797,797	158,230,228	157,443,602
	13,873,912	13,873,912	15,500,155	15,500,155
	49,220	49,220	54,202	54,202
	0	0	1,621,261	1,621,261
	13,824,692	13,824,692	13,824,692	13,824,692
	161,383,608	160,923,885	142,730,073	141,943,447
	410,340	410,340	410,340	410,340
	3,022,685	3,022,685	3,022,685	3,022,685
	126,248,608	125,608,444	110,827,813	109,844,759
	126,248,608	125,608,444	110,827,813	109,844,759
	0	0	0	0
	0	0	0	0
	31,701,975	31,882,415	28,469,235	28,665,396
	31,701,975	31,882,415	28,469,235	28,665,396
	0	0	0	0
	0	0	0	0
	0	0	0	267
	0	0	0	0
	1,952,436	2,092,342	29,537	43,233
	1,919,488	1,971,392	0	0
	0	0	0	0
	1,919,488	1,971,392	0	0
	32,948	120,950	29,537	43,233
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	71,755	0	0
	0	0	0	0
	32,948	36,851	29,537	33,890
	0	12,344	0	9,343

Risk Management

CALCULATION OF LIABILITIES OF CAPITAL ADEQUACY RATIO (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Description	
1.3.	Non-controlling interest
1.4.	Deduction factors of CET 1 *)
1.4.1.	Calculation of deferred tax
1.4.2.	Goodwill
1.4.3.	Differences in other intangible assets
1.4.4.	Investments calculated as deduction factor
1.4.5.	Equity deficiency in insurance subsidiary
1.4.6.	Securitization Exposure
1.4.7.	Other deduction factor of CET 1
1.4.7.1	Fund placement in AT1 instruments and/or Tier 2 in other banks
1.4.7.2	Cross ownership in other entities acquired by transfer due to legal, grant or fair grant
2.	Additional Tier 1 (AT 1) *)
2.1.	Instruments eligible as AT1
2.2.	Agio/Disagio
2.3.	Deduction factor: Investment on AT1 and Tier 2 instruments in other banks *)
2.3.1.	Fund placement on AT1 and Tier 2 instruments in other banks
2.3.2.	Cross ownership in other entities acquired by transfer due to legal, grant or fair grant
II.	COMPLEMENTARY CAPITAL (Tier 2)
1.	Capital instruments such as stocks or others eligible as Tier 2
a.	Preference stock (perpetual cumulative, non perpetual), less repurchase
b.	Subordinated securities (perpetual cumulative, non perpetual), less repurchases
c.	Subordinated borrowings (perpetual cumulative, non perpetual), less repurchases
d.	Mandatory convertible bond
e.	Tier 2 issuance by subsidiaries (bank and non-bank) purchased by third parties (consolidated)
f.	Amortization in remaining period (-/-)
2.	Agio / disagio
3.	General reservers for required PPA on earning assets (maximum 1,25% of Credit Risk RWA).
4.	Deduction factor of Complementary Capital *)
4.1.	Sinking Fund
4.2.	Fund placement on Tier 2 instruments in other banks
4.3.	Cross ownership in other entities acquired by transfer due to legal, grant or fair grant

Risk Management

CALCULATION OF LIABILITIES OF CAPITAL ADEQUACY RATIO (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Description
TOTAL CAPITAL
RISK WEIGHTED ASSET
RWA CREDIT RISK
RWA MARKET RISK
RWA OPERATIONAL RISK
TOTAL RWA
CAR BASED ON RISK PROFILE (%)
CAR ALLOCATION
From CET 1 (%)
From AT1 (%)
From Tier 2 (%)
CAR
CET 1 ratio (%)
Rasio Tier 1 (%)
Rasio Tier 2 (%)
Total ratio (%)
CET FOR BUFFER (%)
REQUIRED BUFFER PERCENTAGE (%)
Capital Conversion Buffer (%)
Countercyclical Buffer (%)
Capital Surcharge untuk D-SIB (%)
1) Details presentation can be omitted for nil value.

Risk Management

(In million rupiah)

	31 December 18		31 December 17	
	Bank	Consolidated	Bank	Consolidated
	173,618,421	182,387,311	161,751,939	167,394,135
	659,319,661	690,764,915	566,659,194	591,391,731
	11,078,731	11,229,322	6,889,063	6,986,505
	148,209,848	152,229,031	130,967,728	134,420,827
	818,608,240	854,223,268	704,515,985	732,799,063
	9.53%	9.53%	9.57%	9.57%
	8.47%	8.36%	8.56%	8.44%
	0.00%	0.00%	0.00%	0.00%
	1.06%	1.17%	1.01%	1.13%
	20.15%	20.18%	21.95%	21.71%
	20.15%	20.18%	21.95%	21.71%
	1.06%	1.17%	1.01%	1.13%
	21.21%	21.35%	22.96%	22.84%
	11.68%	11.82%	13.39%	13.27%
	3.750%	3.750%	2.250%	2.250%
	1.875%	1.875%	1.250%	1.250%
	0.000%	0.000%	0.000%	0.000%
	1.875%	1.875%	1.000%	1.000%

Risk Management

Table 1.a.1 : Disclosure of Net Receivables Based on Region - Bank Only

No.	Portfolio Category		
		Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Government Receivables	290,583,943	0
2	Public Sector Entity Receivables	72,258,144	3,354,518
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	87,019,078	0
5	Mortgage Loan	9,371	14,537
6	Commercial Property Loan	2,140,176	482,526
7	Employee/Pensioners Loan	19,930,508	63,958,293
8	Micro Enterprise and Retail Portfolio Receivables	40,669,961	75,876,544
9	Corporate Receivables	143,431,672	25,555,693
10	Past Due Receivables	896,689	2,162,631
11	Other Assets	36,120,610	11,638,859
	Total	693,060,153	183,043,601

Table 1.a.1 : Disclosure of Net Receivables Based on Region - Bank Only

No.	Portfolio Category		
		Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Government Receivables	274,065,941	0
2	Public Sector Entity Receivables	75,635,998	2,219,593
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	52,673,654	0
5	Mortgage Loan	23,813	44,750
6	Commercial Property Loan	2,351,274	758,088
7	Employee/Pensioners Loan	18,030,820	58,642,051
8	Micro Enterprise and Retail Portfolio Receivables	34,281,678	65,631,646
9	Corporate Receivables	108,934,329	22,295,636
10	Past Due Receivables	1,022,695	1,571,674
11	Other Assets	34,555,430	11,095,309
	Total	601,575,632	162,258,747

Risk Management

(In million rupiah)

31 December 2018

Net Receivables by Region

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
0	0	0	0	2,544,738	293,128,681
4,904,531	0	3,216,100	3,693,366	1,106,464	88,533,123
0	0	0	0	0	0
0	0	0	0	107,850	87,126,928
3,444	2,794	2,834	6,887	7,006	46,873
16,391	57,950	143,632	76,280	3,518	2,920,473
13,815,174	11,081,194	15,237,800	25,163,911	5,646,570	154,833,450
29,242,575	56,117,337	44,701,934	52,022,747	10,552,347	309,183,445
11,514,390	15,733,269	18,699,369	27,634,569	8,574,864	251,143,826
665,473	768,692	1,055,156	1,776,402	262,667	7,587,710
5,326,231	5,571,022	4,643,038	7,295,083	2,783,561	73,378,404
65,488,209	89,332,258	87,699,863	117,669,245	31,589,585	1,267,882,914

(In million rupiah)

31 December 2017

Net Receivables by Region

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(12)
0	0	0	0	37,291	274,103,232
9,877,247	0	2,335,915	2,225,157	4,442,045	96,735,955
0	0	0	0	0	-
0	0	0	0	101,756	52,775,410
16,531	20,145	12,900	25,067	18,862	162,068
13,867	75,553	652,844	73,984	2,922	3,928,532
12,416,629	10,239,161	14,014,404	22,827,945	5,176,110	141,347,120
25,855,084	48,070,214	39,313,421	45,966,277	9,595,949	268,714,269
7,902,463	12,280,345	16,483,355	23,329,523	6,624,076	197,849,727
613,021	652,615	831,297	1,680,664	288,375	6,660,341
3,777,567	6,356,381	5,090,304	8,641,280	3,092,350	72,608,621
60,472,409	77,694,414	78,734,440	104,769,897	29,379,736	1,114,885,275

Risk Management

Table 1.b.1 : Disclosure of Net Receivables Based on Region - Bank Consolidated with Subsidiaries

No.	Portfolio Category		
		Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Government Receivables	295,046,870	0
2	Public Sector Entity Receivables	73,096,095	3,354,518
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	89,564,987	0
5	Mortgage Loan	171,586	40,451
6	Commercial Property Loan	2,327,659	482,526
7	Employee/Pensioners Loan	20,024,749	63,969,537
8	Micro Enterprise and Retail Portfolio Receivables	41,958,732	76,309,001
9	Corporate Receivables	153,813,861	25,590,431
10	Past Due Receivables	908,236	2,178,450
11	Other Assets	36,367,039	11,642,769
	Total	713,279,813	183,567,684

Table 1.b.2 : Disclosure of Net Receivables Based on Region - Bank Consolidated with Subsidiaries

No.	Portfolio Category		
		Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Government Receivables	279,060,280	0
2	Public Sector Entity Receivables	76,063,264	2,219,593
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	52,742,768	20
5	Mortgage Loan	132,788	62,445
6	Commercial Property Loan	2,561,082	758,088
7	Employee/Pensioners Loan	18,112,880	58,650,657
8	Micro Enterprise and Retail Portfolio Receivables	35,475,815	66,038,867
9	Corporate Receivables	114,625,271	22,347,460
10	Past Due Receivables	1,030,150	1,584,418
11	Other Assets	34,796,484	11,097,792
	Total	614,600,782	162,759,340

Risk Management

(In million rupiah)

31 December 2018

Net Receivables by Region

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
0	0	0	0	2,544,738	297,591,608
4,904,531	0	3,216,100	3,693,366	1,106,464	89,371,074
0	0	0	0	0	0
0	0	0	479	107,850	89,673,316
31,724	15,592	18,126	64,939	7,006	349,423
16,391	57,950	184,447	92,022	3,518	3,164,513
13,885,650	11,084,898	15,243,663	25,441,297	5,646,570	155,296,364
29,298,307	56,235,213	44,814,558	52,860,562	10,552,347	312,028,719
11,541,715	15,928,427	18,957,279	28,083,166	8,574,864	262,489,743
779,680	808,993	1,061,360	1,846,370	262,667	7,845,756
5,334,637	5,574,613	4,648,206	7,331,352	2,783,561	73,682,177
65,792,635	89,705,686	88,143,738	119,413,552	31,589,585	1,291,492,694

(In million rupiah)

31 December 2017

Net Receivables by Region

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(12)
0	0	0	0	37,291	279,097,571
9,877,247	0	2,335,915	2,316,381	4,442,045	97,254,445
0	0	0	0	0	-
11	20	261	20,258	101,756	52,865,094
48,882	28,734	25,255	74,484	18,862	391,450
221,340	75,553	708,234	94,261	2,922	4,421,480
12,491,617	10,244,403	14,020,867	22,987,699	5,176,110	141,684,234
25,891,978	48,195,257	39,417,630	46,913,057	9,595,949	271,528,553
7,950,524	12,456,133	16,967,491	23,568,111	6,624,076	204,539,065
616,849	672,233	833,018	1,747,868	288,375	6,772,911
3,786,614	6,360,838	5,097,228	8,675,416	3,092,350	72,906,721
60,885,061	78,033,171	79,405,899	106,397,535	29,379,736	1,131,461,522

Risk Management

Table 2.a.1 : Disclosure of Net Receivables by Remaining Contract Term - Bank Only

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(3)	(4)
1	Government Receivables	18,757	1,134
2	Public Sector Entity Receivables	23,646,149	14,395,282
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	38,326,561	3,432,907
5	Mortgage Loan	-	9
6	Commercial Property Loan	982	25,773
7	Employee/Pensioners Loan	136,137	4,460,772
8	Micro Enterprise and Retail Portfolio Receivables	34,968,490	142,616,334
9	Corporate Receivables	30,420,947	46,750,034
10	Past Due Receivables	472,096	1,909,628
11	Other Assets	-	-
	Total	127,990,119	213,591,873

Table 2.a.1 : Disclosure of Net Receivables by Remaining Contract Term - Bank Only

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(9)	(10)
1	Government Receivables	149	1,743,686
2	Public Sector Entity Receivables	21,283,761	9,557,608
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	20,254,866	3,702,778
5	Mortgage Loan	-	392
6	Commercial Property Loan	-	26,795
7	Employee/Pensioners Loan	175,735	4,789,265
8	Micro Enterprise and Retail Portfolio Receivables	31,408,918	129,779,138
9	Corporate Receivables	23,984,791	38,621,552
10	Past Due Receivables	406,220	1,648,073
11	Other Assets	-	-
	Total	97,514,440	189,869,287

Risk Management

(In million rupiah)

31 December 2018
Net Receivables based on the balance of contract due

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(5)	(6)	(7)	(8)
	288	14,431,524	278,676,978	293,128,681
	6,337,035	38,115,319	6,039,338	88,533,123
	-	-	-	-
	6,271,376	5,995,574	33,100,510	87,126,928
	1,868	44,996	-	46,873
	1,080,345	1,813,373	-	2,920,473
	19,625,346	130,610,791	404	154,833,450
	79,540,586	49,878,711	2,179,324	309,183,445
	33,940,432	114,682,144	25,350,269	251,143,826
	1,883,136	3,322,850	-	7,587,710
	-	-	73,378,404	73,378,404
	148,680,412	358,895,282	418,725,227	1,267,882,913

(In million rupiah)

31 December 2017
Net Receivables based on the balance of contract due

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(11)	(12)	(13)	(14)
	6,696	23,113,429	249,239,272	274,103,232
	4,773,132	45,818,897	15,302,557	96,735,955
	-	-	-	-
	5,690,279	5,641,366	17,486,121	52,775,410
	7,856	153,820	-	162,068
	1,453,068	2,448,669	-	3,928,532
	20,357,873	116,023,777	470	141,347,120
	61,895,883	43,955,700	1,674,630	268,714,269
	30,306,063	99,932,771	5,004,550	197,849,727
	1,544,792	3,061,256	-	6,660,341
	-	-	72,608,621	72,608,621
	126,035,642	340,149,685	361,316,221	1,114,885,275

Risk Management

**Table 2.b.1 : Disclosure of Net Receivables by Remaining Contract Term
Bank Consolidated with Subsidiaries**

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(3)	(4)
1	Government Receivables	4,481,684	1,134
2	Public Sector Entity Receivables	24,086,354	14,793,028
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	40,822,308	3,436,907
5	Mortgage Loan	949	17,095
6	Commercial Property Loan	11,320	165,812
7	Employee/Pensioners Loan	153,408	4,548,386
8	Micro Enterprise and Retail Portfolio Receivables	36,034,647	142,795,884
9	Corporate Receivables	34,272,654	47,332,992
10	Past Due Receivables	570,739	1,923,484
11	Other Assets	-	-
	Total	140,434,062	215,014,722

**Table 2.b.2 : Disclosure of Net Receivables by Remaining Contract Term
Bank Consolidated with Subsidiaries**

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(9)	(10)
1	Government Receivables	4,994,488	1,743,686
2	Public Sector Entity Receivables	21,679,086	9,599,355
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	20,330,145	3,702,778
5	Mortgage Loan	1,538	16,691
6	Commercial Property Loan	38,130	146,006
7	Employee/Pensioners Loan	194,092	4,903,022
8	Micro Enterprise and Retail Portfolio Receivables	32,278,827	129,992,951
9	Corporate Receivables	26,453,520	39,175,288
10	Past Due Receivables	466,030	1,660,359
11	Other Assets	-	-
	Total	106,435,856	190,940,138

Risk Management

(In million rupiah)

31 December 2018**Net Receivables based on the balance of contract due**

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(5)	(6)	(7)	(8)
	288	14,431,524	278,676,978	297,591,608
	6,337,035	38,115,319	6,039,338	89,371,074
	-	-	-	-
	6,318,018	5,995,574	33,100,510	89,673,316
	41,578	289,801	-	349,423
	1,172,515	1,814,867	-	3,164,513
	19,809,064	130,785,102	404	155,296,364
	79,770,520	51,248,345	2,179,324	312,028,719
	35,632,751	119,901,078	25,350,268	262,489,742
	1,893,397	3,458,136	-	7,845,756
	-	-	73,682,177	73,682,177
	150,975,167	366,039,745	419,028,999	1,291,492,695

(In million rupiah)

31 December 2017**Net Receivables based on the balance of contract due**

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(11)	(12)	(13)	(14)
	6,696	23,113,429	249,239,272	279,097,571
	4,840,279	45,833,168	15,302,557	97,254,445
	-	-	-	-
	5,694,279	5,651,771	17,486,121	52,865,094
	25,135	348,086	-	391,450
	1,531,746	2,705,597	-	4,421,480
	20,500,138	116,086,511	470	141,684,234
	62,079,351	45,502,794	1,674,630	271,528,553
	30,809,090	103,096,616	5,004,550	204,539,065
	1,557,678	3,088,844	-	6,772,911
	-	-	72,906,720	72,906,720
	127,044,391	345,426,818	361,614,320	1,131,461,522

Risk Management

Table 3.a. : Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 December 2018				
1	Agriculture, Hunting and Forestry	-	3,820,702	-
2	Fishery	-	-	-
3	Mining and Excavation	-	517,088	-
4	Manufacturing	-	10,564,119	-
5	Electricity, Gas and Water	-	25,677,691	-
6	Construction	-	5,638,043	-
7	Wholesale and Retail Trading	-	18,908,256	-
8	Accommodation and Food and Beverage	-	-	-
9	Transportation, Warehouse and Communication	-	5,102,956	-
10	Financial Brokerage	276,042,591	6,724,830	-
11	Real Estate, Leasing and Corporate Services	-	65,598	-
12	Public Administration, Defense, and Compulsory Social Security	2,544,738	274,638	-
13	Education Services	-	-	-
14	Health and Social Services	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	3,252,296	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	-	-
18	Undefined Activities	14,431,525	1,058,150	-
19	Non-Business Activity	-	-	-
20	Others	109,827	6,928,756	-
	Total	293,128,681	88,533,123	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee / Retirement Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	5,305	293,476	41,974,011	41,311,686	502,480	-
-	-	-	6,951	3,089,367	627,694	46,403	-
-	-	-	15,198	419,554	4,420,289	24,718	-
495,372	-	-	31,841	11,239,009	40,197,836	242,813	-
-	-	-	12,084	371,314	11,296,833	6,199	-
12,138	-	-	134,256	1,127,507	26,156,427	147,898	-
4,033	459	-	44,534	173,558,973	79,101,759	4,899,766	-
1,257	-	1,761,048	2,540	3,511,141	1,870,727	77,046	-
-	-	1,092,289	20,420	4,754,217	10,135,951	107,978	-
38,465,024	-	-	28,035	342,074	2,593,033	7,977	-
6,028	3,216	61,831	73,316	3,995,938	4,721,188	98,232	-
-	-	-	2,374,201	176,936	68,752	2,943	-
-	-	-	564,943	406,996	291,972	3,089	-
-	-	-	393,839	1,074,865	2,162,998	23,576	-
-	-	-	917,893	15,873,841	5,607,298	204,583	-
-	-	-	26,626	1,554,049	234,286	26,112	-
-	-	-	-	-	-	-	-
2,598,510	1,468	-	7,911,725	11,511,770	3,365,632	221,087	-
-	41,730	-	141,981,572	34,177,355	10,322,632	944,810	-
45,544,566	-	-	-	24,528	6,656,833	-	73,378,404
87,126,928	46,873	2,920,473	154,833,450	309,183,445	251,143,826	7,587,710	73,378,404

Risk Management

Table 3.a. : Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 December 2017				
1	Agriculture, Hunting and Forestry	-	4,246,842	-
2	Fishery	-	-	-
3	Mining and Excavation	-	23,584	-
4	Manufacturing	-	12,885,828	-
5	Electricity, Gas and Water	-	29,810,910	-
6	Construction	-	6,541,688	-
7	Wholesale and Retail Trading	149	12,045,369	-
8	Accommodation and Food and Beverage	-	271,350	-
9	Transportation, Warehouse and Communication	-	8,327,719	-
10	Financial Brokerage	249,319,593	7,934,090	-
11	Real Estate, Leasing and Corporate Services	-	81,466	-
12	Public Administration, Defense, and Compulsory Social Security	-	3,353,842	-
13	Education Services	-	-	-
14	Health and Social Services	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	37,291	6,115,000	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	-	-
18	Undefined Activities	24,730,089	1,426,623	-
19	Non-Business Activity	-	-	-
20	Others	16,110	3,671,644	-
	Total	274,103,232	96,735,955	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee / Retirement Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	1,895	15,383	36,903,446	37,550,975	429,644	
-	-	-	1,334	2,487,130	782,415	46,864	
390,625	-	-	143	249,345	4,663,200	18,134	
1,150,753	-	-	1,337	9,075,398	41,136,702	192,484	
-	-	-	5,060	255,204	6,397,946	7,239	
10,649	-	-	4,992	957,689	17,741,137	400,174	
80,400	844	-	10,186	155,927,876	49,682,755	4,004,878	
2,884	-	1,918,036	2,775	3,498,399	1,500,412	55,659	
-	-	1,960,954	2,604	3,994,959	6,229,046	91,618	
22,790,662	-	-	5,656	160,664	2,434,927	10,258	
2,981	10,670	47,647	8,502	3,641,377	4,079,952	107,348	
-	-	-	173,941	33,577	40,776	1,923	
-	-	-	99,248	282,723	245,144	7,270	
-	471	-	188,841	807,208	1,450,130	17,054	
-	266	-	102,627	12,926,217	4,976,085	157,220	
-	-	-	2,520	1,768,842	170,087	22,370	
21	-	-	-	-	-	-	
3,207,572	3,620	-	12,363,288	6,620,095	8,840,972	299,189	
-	146,197	-	128,358,683	29,119,927	6,891,413	791,015	
25,138,863	-	-	-	4,193	3,035,653	-	72,608,621
52,775,410	162,068	3,928,532	141,347,120	268,714,269	197,849,727	6,660,341	72,608,621

Risk Management

Table 3.b. : Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 December 2018				
1	Agriculture, Hunting and Forestry	-	4,526,297	-
2	Fishery	-	-	-
3	Mining and Excavation	-	517,088	-
4	Manufacturing	-	10,564,119	-
5	Electricity, Gas and Water	-	25,677,691	-
6	Construction	-	5,638,043	-
7	Wholesale and Retail Trading	-	18,908,256	-
8	Accommodation and Food and Beverage	-	-	-
9	Transportation, Warehouse and Communication	-	5,102,956	-
10	Financial Brokerage	276,042,591	6,857,186	-
11	<i>Real Estate</i> , Leasing and Corporate Services	-	65,598	-
12	Public Administration, Defense, and Compulsory Social Security	2,544,738	274,638	-
13	Education Services	-	-	-
14	Health and Social Services	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	3,252,296	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	-	-
18	Undefined Activities	14,431,525	1,058,150	-
19	Non-Business Activity	-	-	-
20	Others	4,572,754	6,928,756	-
	Total	297,591,608	89,371,074	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee/ Pensioners Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	18,498	293,476	43,380,974	47,817,401	524,478	-
-	-	-	6,951	3,100,203	627,694	47,364	-
-	-	-	15,198	451,088	4,421,789	25,307	-
495,372	-	-	31,841	11,334,022	42,378,653	253,780	-
-	-	-	12,084	380,248	11,699,130	6,382	-
12,138	-	115,920	134,256	1,274,444	26,418,531	158,588	-
4,033	1,234	1,209	44,534	174,244,783	80,260,562	4,956,243	-
1,257	-	1,789,311	2,540	3,593,816	1,911,700	156,940	-
-	-	1,092,289	20,420	4,810,445	10,305,448	111,122	-
41,011,412	-	-	28,035	390,538	3,173,027	7,977	-
6,028	3,216	123,840	73,316	4,132,577	4,738,670	139,327	-
-	-	-	2,374,201	176,936	68,752	2,943	-
-	-	-	564,943	408,048	291,972	3,089	-
-	-	-	393,839	1,099,422	2,162,998	23,576	-
-	-	-	917,893	15,957,472	5,634,033	211,464	-
-	-	23,445	26,626	1,557,072	234,286	26,112	-
-	-	-	-	-	-	-	-
2,598,510	303,243	-	8,374,639	11,534,747	3,365,632	246,253	303,773
-	41,730	-	141,981,572	34,177,356	10,322,632	944,810	-
45,544,566	-	-	-	24,528	6,656,832	-	73,378,404
89,673,316	349,423	3,164,513	155,296,364	312,028,720	262,489,742	7,845,756	73,682,177

Risk Management

Table 3.b. : Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 December 2017				
1	Agriculture, Hunting and Forestry	-	4,757,744	-
2	Fishery	-	-	-
3	Mining and Excavation	-	23,584	-
4	Manufacturing	-	12,893,416	-
5	Electricity, Gas and Water	-	29,810,910	-
6	Construction	-	6,541,688	-
7	Wholesale and Retail Trading	149	12,045,369	-
8	Accommodation and Food and Beverage	-	271,350	-
9	Transportation, Warehouse and Communication	-	8,327,719	-
10	Financial Brokerage	249,319,593	7,934,090	-
11	<i>Real Estate</i> , Leasing and Corporate Services	-	81,466	-
12	Public Administration, Defense, and Compulsory Social Security	-	3,353,842	-
13	Education Services	-	-	-
14	Health and Social Services	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	37,291	6,115,000	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	-	-
18	Undefined Activities	24,730,089	1,426,623	-
19	Non-Business Activity	-	-	-
20	Others	5,010,449	3,671,644	-
	Total	279,097,571	97,254,445	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee/ Pensioners Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	22,172	15,383	38,373,085	41,218,850	454,754	-
-	-	-	1,334	2,494,544	782,415	47,291	-
390,625	-	-	143	276,544	4,663,321	18,618	-
1,150,753	-	-	1,337	9,181,230	42,244,731	199,533	-
-	-	-	5,060	260,620	6,450,209	7,239	-
10,649	-	136,598	4,992	1,069,339	17,861,395	408,436	-
80,400	844	-	10,186	156,559,576	50,552,521	4,031,560	-
2,884	-	2,097,357	2,775	3,573,417	1,560,885	59,414	-
-	-	1,960,954	2,604	4,097,117	6,295,761	94,482	-
22,880,346	-	-	5,656	210,699	3,152,339	10,258	-
2,981	10,670	204,399	8,502	3,722,955	4,089,812	111,389	-
-	-	-	173,941	33,577	40,776	1,923	-
-	-	-	99,248	283,904	245,161	7,270	-
-	471	-	188,841	832,464	1,450,130	17,054	-
-	266	-	102,627	13,004,913	4,992,581	161,857	-
-	-	-	2,520	1,770,076	170,087	22,370	-
21	-	-	-	-	-	-	-
3,207,572	3,620	-	12,700,402	6,660,374	8,841,026	328,449	298,099
-	146,197	-	128,358,683	29,119,927	6,891,413	791,015	-
25,138,863	229,382	-	-	4,193	3,035,653	-	72,608,621
52,865,094	391,450	4,421,480	141,684,234	271,528,553	204,539,065	6,772,911	72,906,720

Table 7.a.1 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Only

Portfolio Category		Rating Agency		
		Standard and Poor's	AAA	AA+ - AA-
		Fitch Rating	AAA	AA+ - AA-
		Moody's	Aaa	Aa1 - Aa3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) - AA-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ - [Idr]AA-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ - idAA-
(1)	(2)	(3)	(4)	(5)
1	Government Receivables		-	-
2	Public Sector Entity Receivables		-	-
3	Multilateral Development Banks and International Institutions Receivables		-	-
4	Banks Receivables		1,375,519	578,088
5	Mortgage Loan			
6	Commercial Property Loan			
7	Employee/Pensioners Loan			
8	Micro Enterprise and Retail Portfolio Receivables			
9	Corporate Receivables		1,342,114	225,424
10	Past Due Receivables			
11	Other Assets			
	TOTAL		2,717,633	803,512

Table 7.a.2 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Only

Portfolio Category		Rating Agency		
		Standard and Poor's	AAA	AA+ - AA-
		Fitch Rating	AAA	AA+ - AA-
		Moody's	Aaa	Aa1 - Aa3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) - AA-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ - [Idr]AA-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ - idAA-
(1)	(2)	(3)	(4)	(5)
1	Government Receivables		-	-
2	Public Sector Entity Receivables		-	134,999
3	Multilateral Development Banks and International Institutions Receivables		-	-
4	Banks Receivables		1,180,549	492,276
5	Mortgage Loan			
6	Commercial Property Loan			
7	Employee/Pensioners Loan			
8	Micro Enterprise and Retail Portfolio Receivables			
9	Corporate Receivables		531,516	106,732
10	Past Due Receivables			
11	Other Assets			
	TOTAL		1,712,065	734,007

(In million rupiah)

31 December 2018

Net Receivable				
Long-Term Rating				
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A1 - A3	Baa1 - Baa3	Ba1 - Ba3	B1 - B3	Lower than B3
A+(idn) - A-(idn)	BBB+(idn) - BBB-(idn)	BB+(idn) - BB-(idn)	B+(idn) - B-(idn)	Lower than B-(idn)
[Idr]A+ - [Idr]A-	[Idr]BBB+ - [Idr]BBB-	[Idr]BB+ - [Idr]BB-	[Idr]B+ - [Idr]B-	Lower than [Idr]B-
idA+ - id A-	id BBB+ - id BBB-	id BB+ - id BB-	id B+ - id B-	Lower than idB-
(6)	(7)	(8)	(9)	(10)
-	11,893,144	2,439,499	-	-
-	-	-	-	-
-	-	-	-	-
1,160,841	5,225,366	3,607,572	-	-
121,900	2,326,340	1,076,092	-	-
1,282,741	19,444,850	7,123,163	-	-

(In million rupiah)

31 December 2017

Net Receivable				
Long-Term Rating				
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A1 - A3	Baa1 - Baa3	Ba1 - Ba3	B1 - B3	Lower than B3
A+(idn) - A-(idn)	BBB+(idn) - BBB-(idn)	BB+(idn) - BB-(idn)	B+(idn) - B-(idn)	Lower than B-(idn)
[Idr]A+ - [Idr]A-	[Idr]BBB+ - [Idr]BBB-	[Idr]BB+ - [Idr]BB-	[Idr]B+ - [Idr]B-	Lower than [Idr]B-
idA+ - id A-	id BBB+ - id BBB-	id BB+ - id BB-	id B+ - id B-	Lower than idB-
(6)	(7)	(8)	(9)	(10)
-	16,986,522	7,622,198	-	-
-	-	-	-	-
-	-	-	-	-
120,000	9,360,897	1,375,387	-	-
50,000	3,498,653	4,758,838	-	-
170,000	29,846,071	13,756,423	-	-

Table 7.b.1 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale-Bank Consolidated with Subsidiaries

Portfolio Category		Rating Agency		
		Standard and Poor's	AAA	AA+ - AA-
		Fitch Rating	AAA	AA+ - AA-
		Moody's	Aaa	Aa1 - Aa3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) - AA-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ - [Idr]AA-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ - idAA-
(1)	(2)	(3)	(4)	(5)
1	Government Receivables		-	-
2	Public Sector Entity Receivables		100,000	-
3	Multilateral Development Banks and International Institutions Receivables		-	-
4	Banks Receivables		1,389,254	578,088
5	Mortgage Loan			
6	Commercial Property Loan			
7	Employee/Pensioners Loan			
8	Micro Enterprise and Retail Portfolio Receivables			
9	Corporate Receivables		1,392,114	271,097
10	Past Due Receivables			
11	Other Assets			
	TOTAL		2,881,368	849,184

Table 7.b.2 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale-Bank Consolidated with Subsidiaries

Portfolio Category		Rating Agency		
		Standard and Poor's	AAA	AA+ - AA-
		Fitch Rating	AAA	AA+ - AA-
		Moody's	Aaa	Aa1 - Aa3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) - AA-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ - [Idr]AA-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ - idAA-
(1)	(2)	(3)	(4)	(5)
1	Government Receivables		-	-
2	Public Sector Entity Receivables		-	134,999
3	Multilateral Development Banks and International Institutions Receivables		-	-
4	Banks Receivables		1,180,549	506,681
5	Mortgage Loan			
6	Commercial Property Loan			
7	Employee/Pensioners Loan			
8	Micro Enterprise and Retail Portfolio Receivables			
9	Corporate Receivables		531,516	106,732
10	Past Due Receivables			
11	Other Assets			
	TOTAL		1,712,065	748,412

(In million rupiah)

31 December 2018

Net Receivable				
Long-Term Rating				
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A1 - A3	Baa1 - Baa3	Ba1 - Ba3	B1 - B3	Lower than B3
A+(idn) - A-(idn)	BBB+(idn) - BBB-(idn)	BB+(idn) - BB-(idn)	B+(idn) - B-(idn)	Lower than B-(idn)
[Idr]A+ - [Idr]A-	[Idr]BBB+ - [Idr]BBB-	[Idr]BB+ - [Idr]BB-	[Idr]B+ - [Idr]B-	Lower than [Idr]B-
idA+ - id A-	id BBB+ - id BBB-	id BB+ - id BB-	id B+ - id B-	Lower than idB-
(6)	(7)	(8)	(9)	(10)
-	11,893,144	2,439,499	-	-
-	31,068	-	-	-
-	-	-	-	-
1,160,841	5,262,213	3,607,572	-	-
121,900	2,326,340	1,076,092	-	-
1,282,741	19,512,765	7,123,162	-	-

(In million rupiah)

31 December 2017

Net Receivable				
Long-Term Rating				
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B-	Lower than B-
A1 - A3	Baa1 - Baa3	Ba1 - Ba3	B1 - B3	Lower than B3
A+(idn) - A-(idn)	BBB+(idn) - BBB-(idn)	BB+(idn) - BB-(idn)	B+(idn) - B-(idn)	Lower than B-(idn)
[Idr]A+ - [Idr]A-	[Idr]BBB+ - [Idr]BBB-	[Idr]BB+ - [Idr]BB-	[Idr]B+ - [Idr]B-	Lower than [Idr]B-
idA+ - id A-	id BBB+ - id BBB-	id BB+ - id BB-	id B+ - id B-	Lower than idB-
(6)	(7)	(8)	(9)	(10)
-	16,986,522	7,622,198	-	-
-	-	-	-	-
-	-	-	-	-
120,000	9,360,897	1,375,387	-	-
50,000	3,498,653	4,758,838	-	-
170,000	29,846,071	13,756,423	-	-

Table 7.a.1 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Only

Portfolio Category		A-1	A-2
		F1+ - F1	F2
		P-1	P-2
		F1+(idn) - F1(idn)	F2(idn)
		[Idr]A1+ - [Idr]A1	[Idr]A2+ - [Idr]A2
		idA1	idA2
(1)	(2)	(11)	(12)
1	Government Receivables	-	-
2	Public Sector Entity Receivables	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	-	-
5	Mortgage Loan		
6	Commercial Property Loan		
7	Employee/Pensioners Loan		
8	Micro Enterprise and Retail Portfolio Receivables		
9	Corporate Receivables	-	-
10	Past Due Receivables		
11	Other Assets		
	TOTAL	-	-

Table 7.a.2 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Only

Portfolio Category		A-1	A-2
		F1+ - F1	F2
		P-1	P-2
		F1+(idn) - F1(idn)	F2(idn)
		[Idr]A1+ - [Idr]A1	[Idr]A2+ - [Idr]A2
		idA1	idA2
(1)	(2)	(11)	(12)
1	Government Receivables	-	-
2	Public Sector Entity Receivables	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	-	-
5	Mortgage Loan		
6	Commercial Property Loan		
7	Employee/Pensioners Loan		
8	Micro Enterprise and Retail Portfolio Receivables		
9	Corporate Receivables	-	-
10	Past Due Receivables		
11	Other Assets		
	TOTAL	-	-

(In million rupiah)

31 December 2018**Net Receivable**

	Short Term Rating		Unrated	Total
	A-3	Lower than A-3		
	F3	Lower than F3		
	P-3	Lower than P-3		
	F3(idn)	Lower than F3(idn)		
	[Idr]A3+ - [Idr] A3 idA3 - id A4	Lower than [Idr]A3 Lower than idA4		
(13)	(14)		(15)	(16)
-	-	-	278,796,038	293,128,681
-	-	-	88,533,123	88,533,123
-	-	-	-	-
-	-	-	75,179,542	87,126,928
-	-	-	246,051,957	251,143,827
-	-	-	688,560,660	719,932,559

(In million rupiah)

31 December 2017**Net Receivable**

	Short Term Rating		Unrated	Total
	A-3	Lower than A-3		
	F3	Lower than F3		
	P-3	Lower than P-3		
	F3(idn)	Lower than F3(idn)		
	[Idr]A3+ - [Idr] A3 idA3 - id A4	Lower than [Idr]A3 Lower than idA4		
(13)	(14)		(15)	(16)
-	-	-	249,494,512	274,103,232
-	-	-	96,600,956	96,735,955
-	-	-	-	-
-	-	-	40,246,301	52,775,410
-	-	-	188,903,988	197,849,727
-	-	-	575,245,757	621,464,324

Table 7.b.1 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale-Bank Consolidated with Subsidiaries

Portfolio Category		A-1	A-2
		F1+ - F1	F2
		P-1	P-2
		F1+(idn) - F1(idn)	F2(idn)
		[Idr]A1+ - [Idr]A1	[Idr]A2+ - [Idr]A2
		idA1	idA2
(1)	(2)	(11)	(12)
1	Government Receivables	-	-
2	Public Sector Entity Receivables	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	-	-
5	Mortgage Loan		
6	Commercial Property Loan		
7	Employee/Pensioners Loan		
8	Micro Enterprise and Retail Portfolio Receivables		
9	Corporate Receivables	-	-
10	Past Due Receivables		
11	Other Assets		
	TOTAL	-	-

Table 7.b.2 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale-Bank Consolidated with Subsidiaries

Portfolio Category		A-1	A-2
		F1+ - F1	F2
		P-1	P-2
		F1+(idn) - F1(idn)	F2(idn)
		[Idr]A1+ - [Idr]A1	[Idr]A2+ - [Idr]A2
		idA1	idA2
(1)	(2)	(11)	(12)
1	Government Receivables	-	-
2	Public Sector Entity Receivables	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	-	-
5	Mortgage Loan		
6	Commercial Property Loan		
7	Employee/Pensioners Loan		
8	Micro Enterprise and Retail Portfolio Receivables		
9	Corporate Receivables	-	-
10	Past Due Receivables		
11	Other Assets		
	TOTAL	-	-

(In million rupiah)

31 December 2018
Net Receivable

	Short Term Rating		Unrated	Total
	A-3	Lower than A-3		
	F3	Lower than F3		
	P-3	Lower than P-3		
	F3(idn)	Lower than F3(idn)		
	[Idr]A3+ - [Idr] A3	Lower than [Idr]A3		
	idA3 - id A4	Lower than idA4		
	(13)	(14)	(15)	(16)
	-	-	283,258,965	297,591,608
	-	-	89,240,006	89,371,074
	-	-	-	-
	-	-	77,675,348	89,673,316
	-	-	257,302,200	262,489,743
	-	-	707,476,519	739,125,740

(In million rupiah)

31 December 2017
Net Receivable

	Short Term Rating		Unrated	Total
	A-3	Lower than A-3		
	F3	Lower than F3		
	P-3	Lower than P-3		
	F3(idn)	Lower than F3(idn)		
	[Idr]A3+ - [Idr] A3	Lower than [Idr]A3		
	idA3 - id A4	Lower than idA4		
	(13)	(14)	(15)	(16)
	-	-	254,488,852	279,097,571
	-	-	97,119,446	97,254,445
	-	-	-	-
	-	-	40,321,580	52,865,094
	-	-	195,593,326	204,539,065
	-	-	587,523,204	633,756,176

Risk Management

Table 8.a: Disclosure of Counterparty Credit Risk : Derivative Transactions

(In million rupiah)

(in million rupees)

No	Variables Basis	31 December 2018							
		Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable after CRM
		< 1 Year	> 1 Year - < 5 Year	> 5 Year					
Bank Only									
1	Interest Rate	4,797,216	2,321,766	3,593,581	69,307	91,211	127,252	-	127,252
2	Foreign Exchange	36,686,066	164,766	1,303,205	374,364	168,737	1,104,707	-	1,104,707
3	Others	-	-	-	25,671	67,944	45,095	-	45,095
	TOTAL	41,483,282	2,486,532	4,896,786	469,342	327,892	1,277,054	-	1,277,054
Bank In Consolidation									
1	Interest Rate	4,797,216	2,321,766	3,593,581	69,307	91,211	127,252	-	127,252
2	Foreign Exchange	36,686,066	164,766	1,303,205	374,364	168,737	1,104,707	-	1,104,707
3	Stock	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	-	-	-	25,671	67,944	45,095	-	45,095
	TOTAL	41,483,282	2,486,532	4,896,786	469,342	327,892	1,277,054	-	1,277,054

Risk Management

Table 8.a: Disclosure of Counterparty Credit Risk : Derivative Transactions

(In million rupiah)

No	Variables Basis	31 December 2017							
		Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable after CRM
		< 1 Year	> 1 Year - < 5 Year	> 5 Year					
Bank Only									
1	Interest Rate	7,294,765	2,698,900	3,390,536	60,475	54,261	124,828	-	124,828
2	Foreign Exchange	22,527,732	1,681,337	-	20,745	27,391	330,089	-	330,089
3	Others	-	-	-	64,708	115,981	64,708	-	64,708
	TOTAL	29,822,497	4,380,237	3,390,536	145,928	197,633	519,625	-	519,625
Bank In Consolidation									
1	Interest Rate	7,294,765	2,698,900	3,390,536	60,475	54,261	124,828	-	124,828
2	Foreign Exchange	22,527,732	1,681,337	-	20,745	27,391	330,089	-	330,089
3	Stock	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	-	-	-	64,708	115,981	64,708	-	64,708
	TOTAL	29,822,497	4,380,237	3,390,536	145,928	197,633	519,625	-	519,625

Risk Management

Table 8.b.1 : Disclosure of Counterparty Credit Risk : Transaksi Repo Bank Only

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Table 8.b.2 : Disclosure of Counterparty Credit Risk : Transaksi Repo Bank Consolidated with Subsidiaries

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Risk Management

(In million rupiah)

	31 December 2018				31 December 2017			
	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	36,703,287	37,379,394	3,681,056	954,471	12,200,619	12,136,684	996,995	448,227
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	36,703,287	37,379,394	3,681,056	954,471	12,200,619	12,136,684	996,995	448,227

(In million rupiah)

	31 December 2018				31 December 2017			
	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	36,703,287	37,379,394	3,681,056	954,471	12,200,619	12,136,684	996,995	448,227
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	36,703,287	37,379,394	3,681,056	954,471	12,200,619	12,136,684	996,995	448,227

Risk Management

Table 8.c.1 : Disclosure of Counterparty Credit Risk : Transaction Reverse Repo Bank Only

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Table 8.c.2 : Disclosure of Counterparty Credit Risk : Transaction Reverse Repo Bank Consolidated with Subsidiaries

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Risk Management

(In million rupiah)

	31 December 2018				31 December 2017			
	Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM	Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	6,723,269	-	6,723,269	-	15,068,698	-	15,068,698	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	1,524,128	-	1,524,128	304,826	1,427,595	-	1,427,595	285,519
	-	-	-	-	-	-	-	-
	1,149,156	-	1,149,156	1,149,156	-	-	-	-
	9,396,553	-	9,396,553	1,453,981	16,496,292	-	16,496,292	285,519

(In million rupiah)

	31 December 2018				31 December 2017			
	Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM	Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	6,723,269	-	6,723,269	-	16,583,432	-	16,583,432	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	1,524,128	-	1,524,128	304,826	1,427,595	-	1,427,595	285,519
	-	-	-	-	-	-	-	-
	1,149,156	-	1,149,156	1,149,156	-	-	-	-
	9,396,553	-	9,396,553	1,453,981	18,011,026	-	18,011,026	285,519

Table 9.a.1 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Only

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	286,356,952	-	-	-	-
2	Public Sector Entity Receivables	1,627,557	3,699,540	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	40,361,304	-	-	-
5	Mortgage Loan	-	12,742	6,992	27,139	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	1,253,506	18,858,390	-	-	-
9	Corporate Receivables	20,303,139	2,545,800	-	-	-
10	Past Due Receivables	1,017	-	-	-	-
11	Other Assets	27,170,587	-	-	-	-
	Total Balance Sheet Exposure	336,712,758	65,477,776	6,992	27,139	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	24,449	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	478,171	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	-	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Eksposur TRA	24,449	478,171	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	6,747,281	-	-	-	-
2	Public Sector Entity Receivables	-	46,386	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	4,587,790	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Eksposur tertimbang dari <i>Credit Valuation Adjustment (CVA risk weighted assets)</i>	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	6,747,281	4,634,176	-	-	-

(In million rupiah)

31 December 2018						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	-	-	-	-	-	-	-
	-	69,674,646	-	-	-	35,577,231	2,846,178
	-	-	-	-	-	-	-
	-	23,927,858	-	-	-	20,036,190	1,602,895
	-	-	-	-	-	13,795	1,104
	-	-	-	2,920,473	-	2,920,473	233,638
	-	154,833,450	-	-	-	77,416,725	6,193,338
	-	-	288,723,154	-	-	220,314,044	17,625,124
	-	109,400	-	221,982,961	-	222,546,821	17,803,746
	-	-	-	1,014	7,585,679	11,379,533	910,363
	-	-	-	46,161,739	46,078	46,230,856	3,698,468
	-	248,545,354	288,723,154	271,066,187	7,631,757	- 636,435,668	50,914,853
	-	-	-	-	-	-	-
	-	13,140,348	-	-	-	6,570,174	525,614
	-	-	-	-	-	-	-
	-	16,482,138	-	-	-	8,336,703	666,936
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	348,395	-	-	261,296	20,904
	-	-	-	4,863,633	-	4,863,633	389,091
	-	-	-	-	-	-	-
	-	29,622,486	348,395	4,863,633	-	- 20,031,806	1,602,544
	-	-	-	-	-	-	-
	-	344,645	-	-	-	181,600	14,528
	-	-	-	-	-	-	-
	-	1,285,904	-	3,763	-	1,429,803	114,384
	-	-	-	-	-	-	-
	-	-	-	1,338,893	-	1,338,893	107,111
	-	-	-	-	-	92,268	7,381
	-	1,630,550	-	1,342,656	-	- 3,042,565	243,405

Table 9.b.1 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	290,819,879	-	-	-	-
2	Public Sector Entity Receivables	1,627,557	3,799,540	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	42,669,475	-	-	-
5	Mortgage Loan	-	12,742	82,397	254,282	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	1,477,403	18,858,390	-	-	-
9	Corporate Receivables	21,123,364	2,595,800	-	-	-
10	Past Due Receivables	1,017	-	-	-	-
11	Other Assets	27,189,913	-	-	-	-
	Total Balance Sheet Exposure	342,239,133	67,935,947	82,397	254,282	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	24,449	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	478,171	-	-	-
5	Mortgage Loan	-	-	-	2	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	9,466	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Eksposur TRA	33,915	478,171	-	2	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	6,747,281	-	-	-	-
2	Public Sector Entity Receivables	-	46,386	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	4,587,790	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Eksposur tertimbang dari <i>Credit Valuation Adjustment (CVA risk weighted assets)</i>	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	6,747,281	4,634,176	-	-	-

(In million rupiah)

31 December 2018						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	-	-	-	-	-	-	-
	-	70,410,397	-	-	-	35,965,106	2,877,208
	-	-	-	-	-	-	-
	-	24,165,695	-	-	-	20,616,743	1,649,339
	-	-	-	-	-	112,146	8,972
	-	-	-	3,140,274	-	3,140,274	251,222
	-	155,296,312	-	-	-	77,647,414	6,211,793
	-	-	291,290,197	-	-	222,239,325	17,779,146
	-	155,073	-	231,973,473	-	232,570,170	18,605,614
	-	-	-	16,783	7,826,032	11,755,832	940,467
	-	-	-	46,442,206	50,058	46,517,292	3,721,383
	-	250,027,477	291,290,197	281,572,736	7,876,090	- 650,564,302	52,045,144
	-	-	-	-	-	-	-
	-	13,142,548	-	-	-	6,571,273	525,702
	-	-	-	-	-	-	-
	-	16,482,518	-	-	-	8,336,893	666,951
	-	-	-	-	-	1	0
	-	-	-	24,239	-	24,239	1,939
	-	52	-	-	-	26	2
	-	-	402,729	-	-	301,599	24,128
	-	-	-	5,293,674	-	5,293,673	423,494
	-	-	-	-	1,924	2,886	231
	-	29,625,118	402,729	5,317,913	1,924	- 20,530,590	1,642,447
	-	-	-	-	-	-	-
	-	344,645	-	-	-	181,600	14,528
	-	-	-	-	-	-	-
	-	1,285,904	-	3,763	-	1,429,803	114,384
	-	-	-	-	-	-	-
	-	-	-	1,338,893	-	1,338,893	107,111
	-	-	-	-	-	92,268	7,381
	-	1,630,550	-	1,342,656	-	- 3,042,565	243,405

Risk Management

Table 9.a.2 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Only

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	259,015,604	-	-	-	-
2	Public Sector Entity Receivables	3,091,436	3,245,094	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	27,166,865	-	-	-
5	Mortgage Loan	-	-	-	162,068	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	729,439	19,071,021	-	-	-
9	Corporate Receivables	16,138,711	2,175,202	-	-	-
10	Past Due Receivables	197	-	-	-	-
11	Other Assets	24,437,574	-	-	-	-
	Total Balance Sheet Exposure	303,412,961	51,658,182	-	162,068	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	18,930	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	480,260	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	-	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Eksposur TRA	18,930	480,260	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	15,068,698	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	2,114,790	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Eksposur tertimbang dari <i>Credit Valuation Adjustment (CVA risk weighted assets)</i>	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	15,068,698	2,114,790	-	-	-

Risk Management

(In million rupiah)

31 December 2017						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	-	-	-	-	-	-	-
	-	80,234,060	-	-	-	40,766,049	3,261,284
	-	-	-	-	-	-	-
	-	11,223,940	-	-	-	11,045,343	883,627
	-	-	-	-	-	56,724	4,538
	-	-	-	3,928,532	-	3,928,532	314,283
	-	141,347,120	-	-	-	70,673,560	5,653,885
	-	-	248,812,007	-	-	190,423,209	15,233,857
	-	119,611	-	174,080,285	-	174,575,131	13,966,010
	-	-	-	6,846	6,653,298	9,986,793	798,943
	-	-	-	48,064,588	106,459	48,224,278	3,857,942
	-	232,924,731	248,812,007	226,080,251	6,759,757	- 549,679,619	43,974,370
	-	-	-	-	-	-	-
	-	10,165,365	-	-	-	5,082,683	406,615
	-	-	-	-	-	-	-
	-	10,960,130	-	-	-	5,576,117	446,089
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	101,802	-	-	76,352	6,108
	-	-	-	5,335,918	-	5,335,918	426,873
	-	-	-	-	-	-	-
	-	21,125,495	101,802	5,335,918	-	- 16,071,070	1,285,686
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	829,425	-	-	-	837,671	67,014
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	70,834	5,667
	-	829,425	-	-	-	-	72,680

Risk Management

Table 9.b.2 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	262,495,209	-	-	-	-
2	Public Sector Entity Receivables	3,091,436	3,245,094	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	27,245,728	-	-	-
5	Mortgage Loan	-	-	-	391,450	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	875,947	19,071,021	-	-	-
9	Corporate Receivables	16,342,136	2,175,202	-	-	-
10	Past Due Receivables	197	-	-	-	-
11	Other Assets	24,449,680	-	-	-	-
	Total Balance Sheet Exposure	307,254,605	51,737,045	-	391,450	-
B	Eksposur Liabilities Commitment/Kontinjensi pd Transaksi Rekening Administratif					
1	Government Receivables	18,930	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	490,736	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	36	-	-	-	-
9	Corporate Receivables	2,714	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Eksposur TRA	21,680	490,736	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	16,583,432	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	2,114,790	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Eksposur tertimbang dari Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	-	-
	Total Eksposur Counterparty Credit Risk	16,583,432	2,114,790	-	-	-

Risk Management

(In million rupiah)

31 December 2017						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	-	-	-	-	-	-	-
	-	80,747,283	-	-	-	41,022,661	3,281,813
	-	-	-	-	-	-	-
	-	11,224,095	-	-	-	11,061,194	884,896
	-	-	-	-	-	137,008	10,961
	-	-	-	4,349,537	-	4,349,537	347,963
	-	141,684,234	-	-	-	70,842,117	5,667,369
	-	-	251,424,670	-	-	192,382,706	15,390,616
	-	119,611	-	180,351,136	-	180,845,982	14,467,679
	-	-	-	26,002	6,746,712	10,146,070	811,686
	-	-	-	48,346,148	110,892	48,512,488	3,880,999
	-	233,775,223	251,424,670	233,072,823	6,857,604	- 559,299,763	44,743,981
	-	-	-	-	-	-	-
	-	10,170,632	-	-	-	5,085,317	406,825
	-	-	-	-	-	-	-
	-	10,960,320	-	-	-	5,578,308	446,265
	-	-	-	-	-	-	-
	-	-	-	71,943	-	71,943	5,755
	-	-	-	-	-	-	-
	-	-	156,879	-	-	117,659	9,413
	-	-	-	5,548,266	-	5,548,266	443,861
	-	-	-	-	-	-	-
	-	21,130,952	156,879	5,620,209	-	- 16,401,493	1,312,119
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	829,425	-	-	-	837,671	67,014
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	70,834	5,667
	-	829,425	-	-	-	-	72,680

Risk Management

(in million rupiah)

	31 December 2018							
	Region							
	Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	618,953,171	189,572,893	62,652,397	85,039,712	84,598,129	133,335,125	16,079,809	1,190,231,236
	16,181,395	7,323,333	1,311,365	1,414,084	2,190,480	4,918,281	2,045,055	35,383,993
	11,510,695	4,944,099	251,722	343,567	854,952	2,249,755	1,699,028	21,853,818
	4,670,700	2,379,234	1,059,643	1,070,517	1,335,528	2,668,526	346,027	13,530,175
	10,214,975	4,198,118	275,697	102,770	368,297	876,585	429,049	16,465,491
	3,884,640	4,471,467	1,765,999	2,330,120	1,906,639	3,019,311	726,213	18,104,389
	3,194,812	2,465,085	1,347,407	1,394,090	1,255,452	2,182,736	339,824	12,179,406

(in million rupiah)

	31 December 2017							
	Region							
	Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	486,312,630	164,490,857	58,252,311	72,368,597	74,717,427	116,718,289	62,367,709	1,035,227,820
	16,236,980	6,641,418	1,434,029	1,576,305	1,975,582	4,381,086	1,881,779	34,127,179
	11,390,967	4,720,845	458,467	612,594	986,741	2,031,268	1,583,401	21,784,283
	4,846,013	1,920,573	975,562	963,711	988,841	2,349,818	298,378	12,342,896
	7,174,103	3,758,889	275,906	237,393	390,282	888,625	106,215	12,831,413
	3,482,585	4,059,499	1,635,075	2,069,701	1,660,348	2,777,741	545,900	16,230,849
	2,167,823	2,075,684	1,003,485	1,115,392	1,104,708	1,739,682	321,915	9,528,689

Risk Management

Table 9.b.4.b Disclosure of Receivables and Loan-Loss Provisions by Region - Bank Consolidated with Subsidiaries

No	Description
(1)	(2)
1	Receivable
2	Impaired Assets
	a. Current
	b. Past Due
3	Individual Impairment Provision - Individual
4	Individual Impairment Provision - Collective
5	Write-off

No	Description
(1)	(2)
1	Receivable
2	Impaired Assets
	a. Current
	b. Past Due
3	Individual Impairment Provision - Individual
4	Individual Impairment Provision - Collective
5	Write-off

Risk Management

(in million rupiah)

	31 December 2018							
	Region							
	Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	667,817,635	193,563,352	67,094,334	87,626,848	87,347,822	138,469,337	16,081,844	1,258,001,172
	17,071,515	7,688,111	1,830,357	1,516,143	2,342,484	5,753,746	2,045,055	38,247,411
	12,247,815	5,185,717	448,558	383,700	966,611	2,828,325	1,699,028	23,759,754
	4,823,700	2,502,394	1,381,799	1,132,443	1,375,873	2,925,421	346,027	14,487,657
	10,305,307	4,205,111	393,016	105,388	394,164	994,142	429,049	16,826,177
	4,191,774	4,556,254	1,838,470	2,366,191	1,945,926	3,152,926	726,213	18,777,754
	3,458,110	2,476,722	1,373,974	1,414,545	1,267,525	2,228,284	339,824	12,558,984

(in million rupiah)

	31 December 2017							
	Region							
	Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	571,490,815	167,878,518	62,008,395	74,828,975	77,473,271	121,304,019	13,768,630	1,088,752,623
	16,993,917	6,885,341	1,861,497	1,649,050	2,099,366	5,074,355	1,881,779	36,445,305
	11,990,642	4,862,170	824,258	644,319	1,044,226	2,451,759	1,583,401	23,400,775
	5,003,275	2,023,171	1,037,239	1,004,731	1,055,140	2,622,596	298,378	13,044,530
	7,501,909	3,768,011	299,029	241,954	429,246	977,361	106,215	13,323,725
	3,737,983	4,128,800	1,677,761	2,108,036	1,695,911	2,886,829	545,900	16,781,220
	2,189,865	2,098,622	1,013,120	1,228,680	1,108,730	1,746,985	321,915	9,707,917

Risk Management

Table 9.b.5.a Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

No	Economy Sectors
(1)	(2)
31 December 2018	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	<i>Real Estate</i> , Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(in million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	90,322,491	4,172,975	981,602	2,274,175	2,590,457	1,120,830
	4,093,319	385,803	62,295	309,460	150,935	112,190
	6,367,847	1,663,220	67,020	1,216,628	77,797	22,689
	65,906,758	8,656,791	521,378	5,969,411	1,099,296	533,264
	35,882,017	171,504	571,780	589,948	606,707	106,259
	32,444,818	1,620,898	1,649,082	2,305,856	429,280	1,385,140
	280,801,375	1,854,189	6,375,291	1,249,151	8,152,207	6,555,642
	7,670,885	845,145	151,300	449,390	182,440	164,458
	22,495,723	481,977	1,182,672	1,308,424	452,742	377,776
	3,482,796	739	8,643	112	60,655	215,349
	10,678,809	179,105	224,636	153,209	220,801	153,740
	5,386,747	197	1,758	-	154,958	2,362
	1,236,835	2,550	3,063	-	29,776	10,397
	3,636,102	82,196	31,273	13,660	64,101	15,898
	26,346,366	1,476,990	270,099	576,695	774,710	427,070
	1,836,856	1,314	30,460	-	72,349	38,602
	-	-	-	-	-	-
	6,835,161	91,485	6,382	-	271,053	111,484
	198,913,527	166,740	1,391,441	49,372	2,714,125	826,256
	385,892,804	-	-	-	-	-
	1,190,231,236	21,853,818	13,530,175	16,465,491	18,104,389	12,179,406

Risk Management

Table 9.b.5.a Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

No	Economy Sectors
(1)	(2)
31 December 2017	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	<i>Real Estate</i> , Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(in million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	80,841,487	3,425,105	920,412	1,039,393	2,379,388	1,093,940
	3,345,548	15,365	57,904	677	132,595	130,805
	5,537,860	2,197,909	514,816	883,192	46,274	15,935
	62,795,635	7,999,558	442,759	4,808,591	1,007,663	1,097,405
	34,218,438	600,174	107,677	692,703	563,370	11,330
	25,406,212	1,686,184	1,432,348	1,656,859	343,726	161,092
	230,064,625	1,660,052	5,404,789	1,102,228	7,005,014	5,214,583
	7,729,740	1,750,512	102,773	345,636	193,250	100,433
	21,909,700	340,388	1,316,981	1,282,391	443,576	151,606
	5,754,946	213	190,555	180,288	84,318	13,568
	8,103,561	473,429	264,132	180,649	155,907	231,605
	3,604,239	258	1,604	-	47,403	2,830
	637,016	1,763	9,113	-	13,811	6,612
	2,473,050	71,105	19,413	4,641	39,615	15,245
	25,021,020	821,515	206,316	403,893	764,126	318,998
	1,974,334	1,962	27,339	-	82,013	55,502
	-					
	23,093,859	650,646	370,072	211,061	492,738	199,321
	165,489,775	88,145	953,893	39,211	2,436,062	707,879
	327,226,775	-	-	-	-	-
	1,035,227,820	21,784,283	12,342,896	12,831,413	16,230,849	9,528,689

Risk Management

Table 9.b.5.b Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Consolidated with Subsidiaries

No	Economy Sectors
(1)	(2)
31 December 2018	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	<i>Real Estate</i> , Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(in million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	100,304,211	4,559,813	1,061,959	2,357,085	2,657,871	1,130,716
	4,471,879	406,451	68,892	309,698	161,064	112,190
	7,367,188	1,663,896	67,859	1,216,628	79,445	22,689
	72,162,139	8,987,837	650,444	5,990,716	1,333,999	566,103
	36,423,545	172,719	572,233	589,948	610,611	106,259
	35,515,380	1,782,951	1,665,168	2,350,576	466,359	1,385,479
	286,402,199	2,220,519	6,475,274	1,276,711	8,260,154	6,573,719
	8,265,111	911,083	317,825	536,180	193,222	164,485
	23,942,802	552,637	1,190,474	1,313,633	468,561	378,200
	4,767,971	191,375	79,803	35,155	86,292	233,327
	11,540,137	262,793	330,116	192,077	229,562	154,735
	5,387,366	197	2,184	-	155,009	2,362
	1,467,963	6,810	3,633	786	32,122	10,397
	3,985,312	86,690	31,396	13,766	67,807	15,898
	27,091,126	1,496,357	283,512	577,183	786,752	427,074
	1,877,548	2,865	30,679	-	73,139	38,602
	-	-	-	-	-	-
	7,955,751	96,402	253,385	13,726	347,708	123,329
	199,116,733	182,896	1,392,814	50,708	2,716,845	826,256
	419,956,811	175,463	10,007	1,601	51,232	287,164
	1,258,001,172	23,759,754	14,487,657	16,826,177	18,777,754	12,558,984

Risk Management

Table 9.b.5.b Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Consolidated with Subsidiaries

No	Economy Sectors
(1)	(2)
31 December 2017	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	<i>Real Estate</i> , Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(in million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	87,716,464	3,694,642	1,007,878	1,108,476	2,467,989	1,096,921
	3,353,514	15,365	58,556	677	132,913	130,805
	5,744,546	2,198,837	522,540	883,192	47,184	15,935
	67,435,470	8,413,668	496,216	4,984,978	1,057,605	1,097,405
	34,391,709	600,727	107,901	692,703	565,346	11,330
	28,376,671	1,717,791	1,519,479	1,702,616	369,253	161,092
	235,717,047	1,988,571	5,569,892	1,130,410	7,131,734	5,231,532
	8,453,368	1,969,551	125,033	360,379	196,599	100,433
	23,013,956	355,819	1,325,316	1,387,685	451,650	151,606
	6,367,633	66,205	208,533	211,939	95,460	13,568
	9,758,800	563,445	311,349	192,878	184,426	231,605
	3,604,239	258	1,604	-	47,403	2,830
	638,169	1,763	9,113	-	13,823	6,612
	3,199,027	96,130	25,171	6,961	50,881	15,245
	25,122,455	821,515	212,967	403,893	767,675	318,998
	1,975,580	1,962	27,339	-	82,025	55,502
	-	-	-	-	-	-
	24,040,172	650,646	431,132	211,061	517,180	199,321
	165,489,775	88,145	953,893	39,211	2,436,062	707,879
	354,354,028	155,735	130,618	6,666	166,012	159,298
	1,088,752,623	23,400,775	13,044,530	13,323,725	16,781,220	9,707,917

Risk Management

Table 9.b.6.a Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details-Bank Only

(in milion rupiah)

No.	Description	31 December 2018	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	12,831,413	16,230,849
2	Charge/release of impairment provision for the current year (Net)	6,254,403	11,187,344
3	Impairment provision for write-off	(2,620,325)	(9,559,081)
4	Other charge/release for the current year	-	245,277
CKPN Ending Balance		16,465,491	18,104,389

(in milion rupiah)

No.	Description	31 December 2017	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	7,406,236	14,538,135
2	Charge/release of impairment provision for the current year (Net)	6,753,899	9,905,798
3	Impairment provision for write-off	(1,328,722)	(8,199,967)
4	Other charge/release for the current year	-	(13,117)
CKPN Ending Balance		12,831,413	16,230,849

Risk Management

Table 9.b.6.b Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details-Bank In Consolidation dengan Anak Perusahaan

(in million rupiah)

No.	Description	31 December 2018	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	13,323,725	16,781,220
2	Charge/release of impairment provision for the current year (Net)	6,163,892	11,648,849
3	Impairment provision for write-off	(2,661,440)	(9,897,544)
4	Other charge/release for the current year	-	245,229
CKPN Ending Balance		16,826,177	18,777,754

(in million rupiah)

No.	Description	31 December 2017	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	7,514,160	15,293,100
2	Charge/release of impairment provision for the current year (Net)	7,033,153	9,986,369
3	Impairment provision for write-off	(1,223,588)	(8,484,329)
4	Other charge/release for the current year	-	(13,920)
CKPN Ending Balance		13,323,725	16,781,220

Risk Management

Table 9.d.1.a Disclosure of Rupiah Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
1	Cash
2	Placement with BI
3	Placement with Other Bank
4	Marketable Securities
5	Loans
6	Receivable Others
7	Others
	Total Assets
	B. Liabilities
1	Third Party Funds
2	Liabilities to BI
3	Liabilities to Other Banks
4	Marketable Securities Issued
5	Fund Borrowings
6	Other Liabilities
7	Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
1	Commitment
2	Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
1	Commitment
2	Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cumulative

Risk Management

(in million rupiah)

	31 December 2018					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	25,922,039	25,922,039	-	-	-	-
	44,987,205	44,987,205	-	-	-	-
	6,927,459	6,607,459	120,000	200,000	-	-
	133,307,970	101,715,712	3,437,061	6,243,306	608,345	21,303,546
	690,303,000	9,387,391	5,173,406	10,523,649	44,367,713	620,850,841
	83,325,444	59,661,778	8,799,365	12,263,939	2,528,861	71,501
	57,409,715	10,221,479	4,665,947	142,556	9,454	42,370,279
	1,042,182,832	258,503,063	22,195,779	29,373,450	47,514,373	684,596,167
	781,715,291	534,708,143	227,999,440	8,945,457	3,024,348	7,037,903
	-	-	-	-	-	-
	6,611,613	6,568,603	43,010	-	-	-
	23,931,736	-	1,018,500	2,436,602	20,476,634	-
	28,528	85	6,381	-	-	22,062
	58,463,690	33,973,153	1,572,365	6,396,720	2,463,408	14,058,044
	5,542,456	1,079,782	3,534,245	415,959	12,311	500,159
	876,293,314	576,329,766	234,173,941	18,194,738	25,976,701	21,618,168
	165,889,518	(317,826,703)	(211,978,162)	11,178,712	21,537,672	662,977,999
	9,811,005	4,965,733	1,625,459	757,577	947,116	1,515,120
	3,823	-	-	-	-	3,823
	9,814,828	4,965,733	1,625,459	757,577	947,116	1,518,943
	108,366,650	14,705,558	10,767,016	21,081,712	13,723,501	48,088,863
	19,484,535	4,999,937	2,764,291	3,791,816	3,679,272	4,249,219
	127,851,185	19,705,495	13,531,307	24,873,528	17,402,773	52,338,082
	(118,036,357)	(14,739,762)	(11,905,848)	(24,115,951)	(16,455,657)	(50,819,139)
	47,853,161	(332,566,465)	(223,884,010)	(12,937,239)	5,082,015	612,158,860

Risk Management

Table 9.d.1.a Disclosure of Rupiah Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cumulative

Risk Management

(in million rupiah)

	31 December 2017					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	23,431,269	23,431,269	-	-	-	-
	22,645,124	22,645,124	-	-	-	-
	4,300,000	2,725,000	1,055,000	520,000	-	-
	140,050,518	110,158,782	4,586,446	-	2,566,300	22,738,991
	614,624,489	25,541,792	33,103,280	46,325,928	75,071,883	434,581,606
	52,714,976	46,228,627	2,842,611	3,573,119	10,818	59,801
	52,500,757	8,197,076	2,460,182	1,099,400	3,012,714	37,731,385
	910,267,133	238,927,670	44,047,519	51,518,447	80,661,715	495,111,783
	694,468,700	596,139,755	69,460,788	15,128,039	6,010,330	7,729,788
	-	-	-	-	-	-
	4,292,191	4,250,981	41,210	-	-	-
	23,543,419	-	808,000	1,131,758	2,135,633	19,468,028
	28,534	85	-	6,545	21,904	-
	30,974,606	9,128,724	2,338,864	1,261,543	447,665	17,797,810
	5,442,534	1,477,194	2,666,549	470,272	824,446	4,073
	758,749,984	610,996,739	75,315,411	17,998,157	9,439,978	44,999,699
	151,517,149	(372,069,069)	(31,267,892)	33,520,290	71,221,737	450,112,084
	5,515,119	2,726,475	418,454	2,326,283	43,907	-
	1,253	-	-	-	-	1,253
	5,516,372	2,726,475	418,454	2,326,283	43,907	1,253
	90,624,540	15,652,011	19,383,065	16,782,049	9,360,329	29,447,086
	15,886,078	4,823,106	2,243,619	1,949,848	3,957,061	2,912,444
	106,510,618	20,475,117	21,626,684	18,731,897	13,317,390	32,359,530
	(100,994,246)	(17,748,642)	(21,208,230)	(16,405,614)	(13,273,483)	(32,358,277)
	50,522,903	(389,817,711)	(52,476,122)	17,114,676	57,948,254	417,753,807

Risk Management

Table 9.d.1.b Disclosure of Foreign Currency Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I BALANCE SHEET	
A. Assets	
1 Cash	
2 Placement with BI	
3 Placement with Other Bank	
4 Marketable Securities	
5 Loans	
6 Receivable Others	
7 Others	
Total Assets	
B. Liabilities	
1 Third Party Funds	
2 Liabilities to BI	
3 Liabilities to Other Banks	
4 Marketable Securities Issued	
5 Fund Borrowings	
6 Other Liabilities	
7 Others	
Total Liabilities	
Assets and Liabilities Difference on Balance Sheet	
II OFF BALANCE SHEET	
A. Off Balance Sheet Receivables	
1 Commitment	
2 Contingencies	
Total Off Balance Sheet Receivable	
B. Off Balance Sheet Liabilities	
1 Commitment	
2 Contingencies	
Total Off Balance Sheet Liabilities	
Difference of Assets and Liabilities in Off Balance Sheet	
Difference [(IA-IB)+(IIA-IIB)]	
Difference Cumulative	

Risk Management

(in million rupiah)

	31 December 2018					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	1,248,545	1,248,545	-	-	-	-
	17,823,278	17,823,278	-	-	-	-
	12,943,658	11,029,264	1,575,207	339,187	-	-
	42,084,796	27,305,602	4,617,466	34,512	-	10,127,216
	79,465,552	2,179,107	15,449,333	1,625,843	1,415,439	58,795,830
	36,064,958	26,904,719	4,905,528	2,980,851	1,254,215	19,645
	2,386,420	70,938	688,240	1,275,423	324	351,495
	192,017,207	86,561,453	27,235,774	6,255,816	2,669,978	69,294,186
	116,317,273	49,214,097	47,429,866	7,172,277	12,490,042	10,991
	-	-	-	-	-	-
	2,492,761	2,492,761	-	-	-	-
	7,142,940	-	-	-	-	7,142,940
	39,344,382	830,193	3,637,058	7,912,167	-	26,964,964
	10,652,247	1,360,604	5,786,880	2,562,016	940,968	1,779
	938,542	68,315	404,267	326,687	-	139,273
	176,888,145	53,965,970	57,258,071	17,973,147	13,431,010	34,259,947
	15,129,062	32,595,483	(30,022,297)	(11,717,331)	(10,761,032)	35,034,239
	10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
	-	-	-	-	-	-
	10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
	51,879,148	6,996,912	19,372,370	6,799,297	6,544,059	12,166,510
	26,329,441	1,797,166	1,692,696	5,938,963	4,345,047	12,555,569
	78,208,589	8,794,078	21,065,066	12,738,260	10,889,106	24,722,079
	(67,819,209)	(5,097,433)	(16,315,375)	(12,043,949)	(9,805,139)	(24,557,313)
	(52,690,147)	27,498,050	(46,337,672)	(23,761,280)	(20,566,171)	10,476,926

Risk Management

Table 9.d.1.b Disclosure of Foreign Currency Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cumulative

Risk Management

(in million rupiah)

	31 December 2017					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	1,006,302	1,006,302	-	-	-	-
	18,992,969	18,857,781	135,188	-	-	-
	7,446,517	6,232,226	529,132	685,159	-	-
	50,843,265	33,624,771	206,371	-	3,291,221	13,720,901
	64,314,294	6,952,069	2,530,547	1,477,709	9,290,448	44,063,521
	20,093,583	18,190,664	1,213,421	639,799	49,699	-
	3,474,003	1,926,848	1,160,888	254,887	385	130,995
	166,170,933	86,790,661	5,775,547	3,057,554	12,631,753	57,915,417
	108,857,870	67,979,250	20,976,976	11,053,639	7,955,131	892,874
	-	-	-	-	-	-
	1,460,229	1,460,229	-	-	-	-
	6,780,383	-	6,780,383	-	-	-
	29,238,875	679,742	743,333	3,251,551	3,120,450	21,443,799
	5,359,097	1,271,528	936,748	517,671	2,562,717	70,433
	944,421	528,165	61,648	-	208,465	146,143
	152,640,875	71,918,914	29,499,088	14,822,861	13,846,763	22,553,249
	13,530,058	14,871,747	(23,723,541)	(11,765,307)	(1,215,010)	35,362,168
	6,227,490	237,454	1,542,132	1,700,900	1,065,667	1,681,337
	2,924	-	-	-	-	2,924
	6,230,414	237,454	1,542,132	1,700,900	1,065,667	1,684,261
	45,072,741	8,302,903	17,267,923	5,460,860	5,327,908	8,713,147
	17,995,548	992,318	1,467,945	3,088,909	3,059,431	9,386,945
	63,068,289	9,295,221	18,735,868	8,549,769	8,387,339	18,100,092
	(56,837,875)	(9,057,767)	(17,193,736)	(6,848,869)	(7,321,672)	(16,415,831)
	(43,307,817)	5,813,980	(40,917,277)	(18,614,176)	(8,536,682)	18,946,337

Risk Management

Table 9.d.1.c Disclosure of Rupiah Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cumulative

Risk Management

(in million rupiah)

	31 December 2018					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	26,155,113	26,155,113	-	-	-	-
	50,518,622	50,518,622	-	-	-	-
	6,071,680	5,751,680	120,000	200,000	-	-
	152,878,121	109,390,997	6,252,460	8,678,041	2,615,095	25,941,528
	728,003,382	10,805,131	8,787,727	12,158,135	47,482,455	648,769,933
	85,996,032	62,306,336	8,825,395	12,263,939	2,528,861	71,501
	53,216,461	10,691,497	4,665,947	142,556	383,087	37,333,374
	1,102,839,411	275,619,376	28,651,529	33,442,671	53,009,498	712,116,336
	826,222,359	564,139,784	241,112,477	10,877,707	3,054,488	7,037,903
	-	-	-	-	-	-
	6,743,526	6,692,865	50,661	-	-	-
	24,047,276	-	1,018,500	2,436,602	20,592,174	-
	483,123	50,085	-	406,382	-	26,656
	58,950,357	34,136,786	1,598,395	6,396,720	2,463,408	14,355,048
	16,016,772	1,746,135	3,574,501	912,616	23,290	9,760,230
	932,463,413	606,765,655	247,354,534	21,030,027	26,133,360	31,179,837
	170,375,998	(331,146,279)	(218,703,005)	12,412,645	26,876,138	680,936,500
	9,811,005	4,965,733	1,625,459	757,577	947,116	1,515,120
	112,273	17,154	21,751	5,949	20,277	47,142
	9,923,278	4,982,887	1,647,210	763,526	967,393	1,562,262
	110,132,763	14,886,748	11,073,660	21,460,727	14,156,806	48,554,822
	18,556,420	5,003,613	2,774,954	3,817,715	3,707,577	3,252,561
	128,689,183	19,890,361	13,848,614	25,278,442	17,864,383	51,807,383
	(118,765,905)	(14,907,474)	(12,201,404)	(24,514,916)	(16,896,990)	(50,245,121)
	51,610,093	(346,053,753)	(230,904,409)	(12,102,271)	9,979,148	630,691,379

Risk Management

Table 9.d.1.c Disclosure of Rupiah Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cumulative

Risk Management

(in million rupiah)

	31 December 2017					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	23,780,207	23,780,207	-	-	-	-
	26,052,984	26,052,984	-	-	-	-
	3,162,700	2,532,700	630,000	-	-	-
	157,161,887	117,147,147	7,943,906	-	3,653,527	28,417,307
	644,310,827	26,568,744	34,471,167	48,465,511	78,917,585	455,887,820
	55,418,835	48,932,486	2,842,611	3,573,119	10,818	59,801
	49,846,404	8,559,278	2,460,182	1,099,400	3,293,879	34,433,665
	959,733,844	253,573,546	48,347,866	53,138,030	85,875,809	518,798,593
	694,468,700	596,139,755	69,460,788	15,128,039	6,010,330	7,729,788
	-	-	-	-	-	-
	4,224,785	4,137,592	57,408	29,785	-	-
	30,619,658	-	7,588,383	1,131,758	2,135,633	19,763,884
	28,534	85	-	6,545	-	21,904
	31,374,738	9,240,167	2,338,864	1,264,768	447,665	18,083,274
	13,886,612	1,558,479	4,000,543	584,867	874,391	6,868,332
	774,603,027	611,076,078	83,445,986	18,145,762	9,468,019	52,467,182
	185,130,817	(357,502,532)	(35,098,120)	34,992,268	76,407,790	466,331,411
	5,515,119	2,726,475	418,454	2,326,283	43,907	-
	67,981	66,727	-	-	-	1,254
	5,583,100	2,793,202	418,454	2,326,283	43,907	1,254
	91,728,290	15,654,105	19,407,905	16,905,416	10,313,778	29,447,086
	16,033,717	4,860,902	2,260,660	1,960,113	4,006,409	2,945,633
	107,762,007	20,515,007	21,668,565	18,865,529	14,320,187	32,392,719
	(102,178,907)	(17,721,805)	(21,250,111)	(16,539,246)	(14,276,280)	(32,391,465)
	82,951,910	(375,224,337)	(56,348,231)	18,453,022	62,131,510	433,939,946

Risk Management

Table 9.d.1.d Disclosure of Foreign Currency Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cumulative

Risk Management

(in million rupiah)

	31 December 2018					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	1,266,512	1,266,512	-	-	-	-
	17,823,278	17,823,278	-	-	-	-
	12,604,471	11,029,264	1,575,207	-	-	-
	42,307,757	27,312,592	4,617,466	34,512	159,263	10,183,924
	79,991,899	2,179,822	15,449,335	1,656,501	1,428,068	59,278,173
	37,412,268	28,252,029	4,905,528	2,980,851	1,254,215	19,645
	2,652,696	71,012	688,256	1,538,892	957	353,579
	194,058,881	87,934,509	27,235,792	6,210,756	2,842,503	69,835,321
	118,046,378	49,441,160	48,914,840	7,189,170	12,490,217	10,991
	-	-	-	-	-	-
	2,387,632	2,387,632	-	-	-	-
	7,142,940	-	-	-	-	7,142,940
	39,974,306	830,193	3,637,058	8,542,091		26,964,964
	10,656,707	1,365,050	5,786,894	2,562,016	940,968	1,779
	951,585	76,831	404,267	326,687	2,083	141,717
	179,159,548	54,100,866	58,743,059	18,619,964	13,433,268	34,262,391
	14,899,333	33,833,643	(31,507,267)	(12,409,208)	(10,590,764)	35,572,930
	10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
	-	-	-	-	-	-
	10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
	51,887,669	7,003,440	19,372,702	6,799,297	6,545,720	12,166,510
	26,329,631	1,797,166	1,692,696	5,938,963	4,345,237	12,555,569
	78,217,300	8,800,606	21,065,398	12,738,260	10,890,957	24,722,079
	(67,827,920)	(5,103,961)	(16,315,707)	(12,043,949)	(9,806,990)	(24,557,313)
	(52,928,587)	28,729,682	(47,822,974)	(24,453,157)	(20,397,754)	11,015,617

Risk Management

Table 9.d.1.d Disclosure of Foreign Currency Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]

Risk Management

(in million rupiah)

	31 December 2017					
	Balance	Maturity				
		≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
	(3)	(4)	(5)	(6)	(7)	(8)
	1,017,575	1,017,575	-	-	-	-
	18,992,969	18,857,781	135,188	-	-	-
	6,897,034	6,150,822	407,025	339,187	-	-
	51,085,657	33,633,480	206,371	-	3,304,748	13,941,058
	64,921,556	6,952,489	2,534,906	1,534,056	9,371,140	44,528,965
	20,125,398	18,166,888	1,263,381	645,430	49,699	-
	3,474,409	1,926,014	1,160,888	254,887	385	132,235
	166,514,598	86,705,049	5,707,759	2,773,560	12,725,972	58,602,258
	147,187,750	106,307,123	20,978,983	11,053,639	7,955,131	892,874
	-	-	-	-	-	-
	1,368,582	1,368,582	-	-	-	-
	-	-	-	-	-	-
	29,374,475	679,742	743,333	3,251,551	3,120,450	21,579,399
	5,414,688	1,271,528	986,708	523,302	2,562,717	70,433
	952,426	533,529	61,648	2,489	208,617	146,143
	184,297,921	110,160,504	22,770,672	14,830,981	13,846,915	22,688,849
	(17,783,323)	(23,455,455)	(17,062,913)	(12,057,421)	(1,120,943)	35,913,409
	6,227,490	237,454	1,542,132	1,700,900	1,065,667	1,681,337
	2,924	-	-	-	-	2,924
	6,230,414	237,454	1,542,132	1,700,900	1,065,667	1,684,261
	45,159,416	8,303,609	17,277,854	5,460,860	5,403,946	8,713,147
	17,996,663	992,318	1,467,945	3,088,909	3,060,546	9,386,945
	63,156,079	9,295,927	18,745,799	8,549,769	8,464,492	18,100,092
	(56,925,665)	(9,058,473)	(17,203,667)	(6,848,869)	(7,398,825)	(16,415,831)
	(74,708,988)	(32,513,928)	(34,266,580)	(18,906,290)	(8,519,768)	19,497,578

Risk Management

Table 10.a : Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique - Bank Only

No.	Portfolio Category	31 December 2018				
		Net Receivables	Collaterals	Guarantees	Credit Insurance	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	286,356,952	-	-	-	-
2	Public Sector Entity Receivables	75,001,743	1,627,557	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	64,289,162	-	-	-	-
5	Mortgage Loan	46,873	-	-	-	-
6	Commercial Property Loan	2,920,473	-	-	-	-
7	Employee/Pensioners Loan	154,833,450	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	308,835,050	1,253,506	-	18,858,390	-
9	Corporate Receivables	244,941,300	20,303,139	-	-	-
10	Past Due Receivables	7,587,710	1,017	-	-	-
11	Other Assets	73,378,404	-	-	-	-
	Total Balance Sheet Exposure	1,218,191,117	23,185,219	-	18,858,390	-
B	Balance Sheet Exposure					
1	Government Receivables	24,449	-	-	-	-
2	Public Sector Entity Receivables	13,140,348	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	16,960,309	-	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	348,395	-	-	-	-
9	Corporate Receivables	4,863,633	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Eksposur Rekening Administratif	35,337,134	-	-	-	-
C	Eksposur Counterparty Credit Risk					
1	Government Receivables	6,747,281	-	-	-	-
2	Public Sector Entity Receivables	391,032	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	5,877,457	-	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	1,338,893	-	-	-	-
	Total Eksposure Counterparty Credit Risk	14,354,663	-	-	-	-
	Total (A+B+C)	1,267,882,914	23,185,219	-	18,858,390	-

Risk Management

(In million rupiah)

(in million Rupiah)

	Unsecured	31 December 2017					Unsecured
		Net Receivables	Guaranteed			Others	
			Collaterals	Guarantees	Credit Insurance		
	(8) = (3)- [(4)+(5)+(6)+(7)]	(9)	(10)	(11)	(12)	(13)	(14) = (9)- [(10)+(11)+(12)+(13)]
	286,356,952	259,015,604	-	-	-		259,015,604
	73,374,186	86,570,590	3,091,436	-	-		83,479,154
	-	-	-	-	-		-
	64,289,162	38,390,805	-	-	-		38,390,805
	46,873	162,068	-	-	-		162,068
	2,920,473	3,928,532	-	-	-		3,928,532
	154,833,450	141,347,120	-	-	-		141,347,120
	288,723,154	268,612,467	729,439	-	19,071,021		248,812,007
	224,638,161	192,513,809	16,138,711	-	-		176,375,098
	7,586,693	6,660,341	197	-	-		6,660,144
	73,378,404	72,608,621	-	-	-		72,608,621
	1,176,147,508	1,069,809,957	19,959,783	-	19,071,021	-	1,030,779,153
	24,449	18,930	-	-	-		18,930
	13,140,348	10,165,365	-	-	-		10,165,365
	-	-	-	-	-		-
	16,960,309	11,440,390	-	-	-		11,440,390
	-	-	-	-	-		-
	-	-	-	-	-		-
	-	-	-	-	-		-
	348,395	101,802	-	-	-		101,802
	4,863,633	5,335,918	-	-	-		5,335,918
	-	-	-	-	-		-
	35,337,134	27,062,405	-	-	-	-	27,062,405
	6,747,281	15,068,698	-	-	-		15,068,698
	391,032	-	-	-	-		-
	-	-	-	-	-		-
	5,877,457	2,944,215	-	-	-		2,944,215
	-	-	-	-	-		-
	1,338,893	-	-	-	-		-
	14,354,663	18,012,913	-	-	-	-	18,012,913
	1,225,839,305	1,114,885,275	19,959,783	-	19,071,021	-	1,075,854,471

Risk Management

Table 10.b. : Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique - Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2018				
		Net Receivables	Collaterals	Guarantees	Credit Insurance	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	290,819,879	-	-	-	
2	Public Sector Entity Receivables	75,837,494	1,627,557	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	
4	Banks Receivables	66,835,170	-	-	-	
5	Mortgage Loan	349,421	-	-	-	
6	Commercial Property Loan	3,140,274	-	-	-	
7	Employee/Pensioners Loan	155,296,312	1,485	-	-	
8	Micro Enterprise and Retail Portfolio Receivables	311,625,990	1,477,403	-	18,858,390	
9	Corporate Receivables	255,847,710	21,123,364	-	-	
10	Past Due Receivables	7,843,832	1,017	-	-	
11	Other Assets	73,682,177	-	-	-	
	Total Balance Sheet Exposure	1,241,278,259	24,230,826	-	18,858,390	-
B	Balance Sheet Exposure					
1	Government Receivables	24,449	-	-	-	
2	Public Sector Entity Receivables	13,142,548	-	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	
4	Banks Receivables	16,960,689	-	-	-	
5	Mortgage Loan	2	-	-	-	
6	Commercial Property Loan	24,239	-	-	-	
7	Employee/Pensioners Loan	52	-	-	-	
8	Micro Enterprise and Retail Portfolio Receivables	402,729	597	-	-	
9	Corporate Receivables	5,303,140	9,466	-	-	
10	Past Due Receivables	1,924	-	-	-	
	Total Eksposur Rekening Administratif	35,859,772	10,063	-	-	-
C	Eksposur Counterparty Credit Risk					
1	Government Receivables	6,747,281	-	-	-	
2	Public Sector Entity Receivables	391,032	-	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	
4	Banks Receivables	5,877,457	-	-	-	
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	
6	Corporate Receivables	1,338,893	-	-	-	
	Total Eksposur Counterparty Credit Risk	14,354,663	-	-	-	-
	Total (A+B+C)	1,291,492,694	24,240,889	-	18,858,390	-

Risk Management

(In million rupiah)

		31 December 2017					(in million rupees)
	Unsecured	Net Receivables	Guaranteed			Unsecured	
			Collaterals	Guarantees	Credit Insurance		Others
	(8) = (3)- [(4)+(5)+(6)+(7)]	(9)	(10)	(11)	(12)	(13)	(14) = (9)- [(10)+(11)+(12)+(13)]
	290,819,879	262,495,209	-	-	-		262,495,209
	74,209,937	87,083,813	3,091,436	-	-		83,992,377
	-	-	-	-	-		-
	66,835,170	38,469,823	-	-	-		38,469,823
	349,421	391,450	-	-	-		391,450
	3,140,274	4,349,537	-	-	-		4,349,537
	155,294,827	141,684,234	-	-	-		141,684,234
	291,290,197	271,371,637	875,947	-	19,071,021		251,424,669
	234,724,346	198,988,085	16,342,136	-	-		182,645,949
	7,842,815	6,772,910	197	-	-		6,772,713
	73,682,177	72,906,720	-	-	-		72,906,720
	1,198,189,043	1,084,513,418	20,309,716	-	19,071,021	-	1,045,132,681
	24,449	18,930	-	-	-		18,930
	13,142,548	10,170,632	-	-	-		10,170,632
	-	-	-	-	-		-
	16,960,689	11,451,056	-	-	-		11,451,056
	2	-	-	-	-		-
	24,239	71,943	-	-	-		71,943
	52	-	-	-	-		-
	402,132	156,915	36	-	-		156,879
	5,293,674	5,550,980	2,714	-	-		5,548,266
	1,924	-	-	-	-		-
	35,849,709	27,420,456	2,750	-	-	-	27,417,706
	6,747,281	16,583,432	-	-	-		16,583,432
	391,032	-	-	-	-		-
	-	-	-	-	-		-
	5,877,457	2,944,215	-	-	-		2,944,215
	-	-	-	-	-		-
	1,338,893	-	-	-	-		-
	14,354,663	19,527,647	-	-	-	-	19,527,647
	1,248,393,415	1,131,461,521	20,312,466	-	19,071,021	-	1,092,078,034

Risk Management

Table 11.a.1 : Disclosure of Securitization Exposure - Bank Only

(In million rupiah)

No.	Securitization Exposure	31 December 2018					
		Assets Value being securitized	Impaired Assets Value being securitized		Profit/ Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor				-		
	- Example of exposure type: Claim secured by residential property	-					
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility	-	-	-	-	-	
	- Example of exposure type: Claim secured by residential property						
	b. Second loss facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider						
	- Example of exposure type: Claim secured by residential property	-					
5	Bank acts as Custodian Bank						
	- Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche	-	-	-	-	-	-
	- Example of exposure type: Claim secured by residential property						
	b. Junior tranche						
	- Example of exposure type: Claim secured by residential property	-	-	-	-		-

Risk Management

Table 11.b.1 : Disclosure of Securitization Exposure - Bank Consolidated with Subsidiaries

(In million rupiah)

		31 December 2018					
No.	Securitization Exposure	Assets Value being securitized	Impaired Assets Value being securitized		Profit/ Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor				-		
	- Example of exposure type: Claim secured by residential property	-					
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility	-	-	-	-	-	
	- Example of exposure type: Claim secured by residential property						
	b. Second loss facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider						
	- Example of exposure type: Claim secured by residential property	-					
5	Bank acts as Custodian Bank						
	- Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche	-	-	-	-	-	-
	- Example of exposure type: Claim secured by residential property						
	b. Junior tranche						
	- Example of exposure type: Claim secured by residential property	-	-	-	-		-

Risk Management

Table 11.a.2 : Disclosure of Securitization Exposure - Bank Only

(In million rupiah)

No.	Securitization Exposure	31 December 2017					
		Assets Value being securitized	Impaired Assets Value being securitized		Profit/ Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor				-		
	- Example of exposure type: Claim secured by residential property	-					
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility	-	-	-	-	-	
	- Example of exposure type: Claim secured by residential property						
	b. Second loss facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
5	Bank acts as Custodian Bank						
	- Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche	-	-	-	-	-	-
	- Example of exposure type: Claim secured by residential property						
	b. Junior tranche						
	- Example of exposure type: Claim secured by residential property	-	-	-	-		-

Risk Management

Table 11.b.2 : Disclosure of Securitization Exposure - Bank Consolidated with Subsidiaries

(In million rupiah)

No.	Securitization Exposure	31 December 2017					
		Assets Value being securitized	Impaired Assets Value being securitized		Profit/ Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor - Example of exposure type: Claim secured by residential property	-			-		
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility	-	-	-	-	-	
	- Example of exposure type: Claim secured by residential property						
	b. Second loss facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider						
	- Example of exposure type: Claim secured by residential property	-	-	-	-	-	
5	Bank acts as Custodian Bank						
	- Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche	-	-	-	-	-	-
	- Example of exposure type: Claim secured by residential property						
	b. Junior tranche						
	- Example of exposure type: Claim secured by residential property	-	-	-	-		-

Risk Management

Table 12.a. : Disclosure of Summary of Transaction Activity Securitization Assets of Bank Acting as a Creditor of Origin - Bank Only

No	Portfolio Category	31 December 2018		31 December 2017	
		Assets Value being securitized	Sales Profits (Loss)	Assets Value being securitized	Sales Profits (Loss)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables				
2.	Public Sector Entity Receivables				
3.	Multilateral Development Banks and <i>International</i> Institutions Receivables				
4.	Banks Receivables				
5.	Mortgage Loan				
6.	Commercial Property Loan				
7.	Employee/Pensioners Loan				
8.	Micro Enterprise and Retail Portfolio Receivables				
9.	Corporate Receivables				
10.	Past Due Receivables				
11.	Other Assets				
TOTAL					

Risk Management

Table 12.b. : Disclosure of Summary of Transaction Activity Securitization Assets of Bank Acting as a Creditor of Origin - Bank In Consolidation with Subsidiary

No	Portfolio Category	31 December 2018		31 December 2017	
		Assets Value being securitized	Sales Profits (Loss)	Assets Value being securitized	Sales Profits (Loss)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables				
2.	Public Sector Entity Receivables				
3.	Multilateral Development Banks and International Institutions Receivables				
4.	Banks Receivables				
5.	Mortgage Loan				
6.	Commercial Property Loan				
7.	Employee/Pensioners Loan				
8.	Micro Enterprise and Retail Portfolio Receivables				
9.	Corporate Receivables				
10.	Past Due Receivables				
11.	Other Assets				
TOTAL					

Risk Management

Table 13.a. : Disclosure of Credit RWA under Standardized Approach - Bank Only

a. Disclosure of Asset Exposure on Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
11. Other Assets	
TOTAL	

b. Disclosure of Commitment/Contingency Exposure in Off Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
TOTAL	

c. Disclosure of Counterparty Credit Risk Exposure

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Micro Enterprise and Retail Portfolio Receivables	
6. Corporate Receivables	
7. Eksposur tertimbang dari Credit Valuation Adjustment (CVA risk weighted assets)	
TOTAL	

Risk Management

(In million rupiah)

	31 December 2018			31 December 2017		
	Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	286,356,952	-	-	259,015,604	-	-
	75,001,743	36,391,010	35,577,231	86,570,590	42,311,767	40,766,049
	-	-	-	-	-	-
	64,289,162	20,036,190	20,036,190	38,390,805	11,045,343	11,045,343
	46,873	13,795	13,795	162,068	56,724	56,724
	2,920,473	2,920,473	2,920,473	3,928,532	3,928,532	3,928,532
	154,833,450	77,416,725	77,416,725	141,347,120	70,673,560	70,673,560
	308,835,050	231,626,288	220,314,044	268,612,467	201,459,350	190,423,209
	244,941,300	242,849,960	222,546,821	192,513,809	190,713,842	174,575,131
	7,587,710	11,381,058	11,379,533	6,660,341	9,987,089	9,986,793
	73,378,404	-	46,230,856	72,608,621	-	48,224,278
	1,218,191,117	622,635,499	636,435,668	1,069,809,957	530,176,207	549,679,619
	-	-	-	-	-	-

	31 December 2018			31 December 2017		
	Net Receivable	RWA Before CRM	RWA After CRM	Net Receivable	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	24,449	-	-	18,930	-	-
	13,140,348	6,570,174	6,570,174	10,165,365	5,082,683	5,082,683
	-	-	-	-	-	-
	16,960,309	8,336,703	8,336,703	11,440,390	5,576,117	5,576,117
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	348,395	261,296	261,296	101,802	76,352	76,352
	4,863,633	4,863,633	4,863,633	5,335,918	5,335,918	5,335,918
	-	-	-	-	-	-
	35,337,134	20,031,806	20,031,806	27,062,405	16,071,070	16,071,070
	-	-	-	-	-	-

	31 December 2018			31 December 2017		
	Net Receivable	RWA Before CRM	RWA After CRM	Net Receivable	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	6,747,280	-	-	15,068,698	-	-
	391,032	181,600	181,600	-	-	-
	-	-	-	-	-	-
	5,877,457	1,429,803	1,429,803	2,944,215	837,671	837,671
	-	-	-	-	-	-
	1,338,893	1,338,893	1,338,893	-	-	-
			92,268			70,834
	14,354,663	2,950,297	3,042,564	18,012,913	837,671	908,505
	-	-	(0)	-	-	-

Risk Management

d. Disclosure of Credit RWA under Standardized Approach (Settlement Risk)

No	Type of Transactions
(1)	(2)
1. <i>Delivery versus payment</i>	
a. Capital Charge 8% (5-15 hari)	
b. Capital Charge 50% (16-30 hari)	
c. Capital Charge 75% (31-45 hari)	
d. Capital Charge 100% (lebih dari 45 hari)	
2. <i>Non-delivery versus payment</i>	
TOTAL	

e. Securitization Exposure

(In million rupiah)

No	Type of Transactions	31 December 2018		31 December 2017	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Supporting Credit facility that meets the requirements	-	-	-	-
a.	First Loss Facility				
b.	Second Loss Facility				
2.	Supporting Credit facility that do not meet the requirements	-	-	-	-
a.	Bank merupakan Kreditur Asal				
b.	Bank bukan merupakan Kreditur Asal				
3.	Liquidity facilities that meet the requirements		-		-
4.	Liquidity facilities that do not meet the requirements	-	-	-	-
a.	Bank merupakan Kreditur Asal				
b.	Bank bukan merupakan Kreditur Asal				
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-	-	-
a.	Senior Tranche				
b.	Junior Tranche				
6.	Purchase of Asset-Backed Securities that do not meet the requirements	-	-	-	-
7.	Securitisation exposures that are not covered by the provisions of Bank Indonesia on the principles of prudence in asset securitization for banks.		-		-
TOTAL		-	-	-	-

Risk Management

	31 December 2018			31 December 2017		
	Exposure Value	Capital Deduction Factor	RWA After CRM	Exposure Value	Capital Deduction Factor	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	-		-			
	-		-			
	-		-			
	-	-				
	-	-				
	-	-	-	-	-	-

f. Disclosure of Total Credit Risk Measurement

(In million rupiah)

	31 December 2018	31 December 2017
Total Credit Risk RWA	659,319,661	566,659,194
Total Capital Deduction Factor		

Risk Management

Table 13.b. : Disclosure of Credit RWA under Standardized Approach - Bank Consolidated with Subsidiaries

a. Disclosure of Asset Exposure on Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
11. Other Assets	
TOTAL	

b. B. Disclosure of Commitment/Contingency Exposure in Off Balance Sheet

No	Portfolio Category
(1)	2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
TOTAL	

Risk Management

(In million rupiah)

	31 December 2018			31 December 2017		
	Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	290,819,879	-	-	262,495,209	-	-
	75,837,494	36,778,885	35,965,107	87,083,813	42,568,379	41,022,661
	-	-	-	-	-	-
	66,835,170	20,616,744	20,616,744	38,469,823	11,061,194	11,061,194
	349,421	112,146	112,146	391,450	137,008	137,008
	3,140,274	3,140,274	3,140,274	4,349,537	4,349,537	4,349,537
	155,296,312	77,648,156	77,647,414	141,684,234	70,842,117	70,842,117
	311,625,990	233,719,493	222,239,326	271,371,638	203,528,729	192,382,707
	255,847,710	253,693,534	232,570,170	198,988,085	197,188,118	180,845,982
	7,843,832	11,757,357	11,755,831	6,772,911	10,146,365	10,146,070
	73,682,177	-	46,517,294	72,906,720	-	48,512,486
	1,241,278,259	637,466,589	650,564,306	1,084,513,420	539,821,447	559,299,762
	-	-	-	-	-	-

	31 December 2018			31 December 2017		
	Net Receivable	RWA Before CRM	RWA After CRM	Net Receivable	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	24,449	-	-	18,930	-	-
	13,142,548	6,571,274	6,571,274	10,170,632	5,085,316	5,085,316
	-	-	-	-	-	-
	16,960,689	8,336,893	8,336,893	11,451,056	5,578,307	5,578,307
	2	1	1	-	-	-
	24,239	24,239	24,239	71,943	71,943	71,943
	52	26	26	-	-	-
	402,729	302,047	301,599	156,914	117,686	117,659
	5,303,139	5,303,140	5,293,674	5,550,979	5,550,979	5,548,266
	1,924	2,886	2,886	-	-	-
	35,859,771	20,540,506	20,530,592	27,420,454	16,404,231	16,401,491
	-	-	-	-	-	-

c. Disclosure of Counterparty Credit Risk Exposure

No	Portfolio Category
(1)	(2)
1. Government Receivables	
a. Government Receivables Indonesia	
b. Government Receivables Negara Lain	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
a. Receivable Jangka Pendek	
b. Receivable Jangka Panjang	
5. Micro Enterprise and Retail Portfolio Receivables	
6. Corporate Receivables	
7. Eksposur tertimbang dari <i>Credit Valuation Adjustment (CVA risk weighted assets)</i>	
TOTAL	

d. Disclosure of Credit RWA under Standardized Approach (Settlement Risk)

No	Type of Transactions
(1)	(2)
1. Delivery versus payment	
a. Capital Charge 8% (5-15 hari)	
b. Capital Charge 50% (16-30 hari)	
c. Capital Charge 75% (31-45 hari)	
d. Capital Charge 100% (lebih dari 45 hari)	
2. Non-delivery versus payment	
TOTAL	

e. Securitization Exposure

No	Type of Transactions
(1)	(2)
1. Supporting Credit facility that meets the requirements	
2. Fasilitas Kredit Pendukung yang tidak memenuhi persyaratan	
3. Liquidity facilities that meet the requirements	
4. Liquidity facilities that do not meet the requirements	
5. Pembelian Efek Beragun Assets yang memenuhi persyaratan	
6. Purchase of Asset-Backed Securities that do not meet the requirements	
7. Securitisation exposures that are not covered by the provisions of Bank Indonesia on the principles of prudence in asset securitization	
TOTAL	

f. Disclosure of Exposure in Sharia Business unit

(In million rupiah)

No	Type of Transactions	31 December 2018		31 December 2017	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Total Exposure	-	16,817,831	-	14,781,970

	31 December 2018			31 December 2017		
	Net Receivable	RWA Before CRM	RWA After CRM	Net Receivable	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
	6,747,280	-	-	16,583,432	-	-
	6,747,280	-	-	16,583,432	-	-
	-	-	-	-	-	-
	391,032	181,600	181,600	-	-	-
	-	-	-	-	-	-
	5,877,458	1,429,804	1,429,804	2,944,215	837,670	837,670
	4,857,917	978,455	978,455	2,114,790	422,958	422,958
	1,019,541	451,349	451,349	829,425	414,712	414,712
	-	-	-	-	-	-
	1,338,893	1,338,893	1,338,893	-	-	-
			92,268			70,834
	14,354,663	2,950,298	3,042,566	19,527,647	837,670	908,504
	-	-	-	-	-	-

	31 December 2018			31 December 2017		
	Exposure Value	Capital Deduction Factor	RWA After CRM	Exposure Value	Capital Deduction Factor	RWA After CRM
	(3)	(4)	(5)	(6)	(7)	(8)
						-
	-		-	-		-
	-		-	-		-
	-		-	-		-
	-		-	-		-
	-		-	-		-
	-		-	-		-
	-	-	-	-	-	-

	31 December 2018		31 December 2017	
	Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
	(3)	(4)	(5)	(6)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

for banks.

g. Disclosure of Total Credit Risk Measurement

(In million rupiah)

	31 December 2018	31 December 2017
TOTAL RWA RISIKO KREDIT	690,764,915	591,391,731
TOTAL FAKTOR Capital Reduction		

Risk Management

Table 14 : Disclosure of Market Risk Standardized Method

(In million rupiah)

No.	Type of Risk	31 December 2018				31 December 2017			
		Bank		Consolidated		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate Risk								
	a. Specific Risk	699	8,732	699	8,732	500	6,248	500	6,248
	b. General Risk	15,152	189,397	21,926	274,082	4,296	53,697	7,965	99,559
2	Foreign Exchange Risk	870,448	10,880,601	875,721	10,946,508	546,329	6,829,117	550,456	6,880,697
3	Equity Risk *)			-	-				-
4	Commodity Risk*)			-	-				-
5	Option Risk	-	-	-	-	-	-	-	-
Total		886,298	11,078,730	898,346	11,229,322	551,125	6,889,062	558,920	6,986,504

*) For bank with subsidiaries that have such risk exposures

Table 15 : Disclosure of Liquidity Coverage Ratio (LCR)

2018	LCR (%)			
	I	II	III	IV
	(1)	(2)	(3)	(4)
Bank Only	217.77%	217.46%	196.25%	217.44%
Bank In Consolidation	218.25%	214.98%	199.47%	217.97%
2017	LCR (%)			
	I	II	III	IV
	(1)	(2)	(3)	(4)
Bank Only	211.47%	222.14%	230.14%	241.97%
Bank In Consolidation	209.56%	222.36%	231.46%	243.65%

Risk Management

Table 16.a. : Disclosure of Operational Risk - Bank Only

(In million rupiah)

No.	Approach used	31 December 2018			31 December 2017		
		Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA	Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	79,045,252	11,856,788	148,209,848	69,849,455	10,477,418	130,967,728
	Total	79,045,252	11,856,788	148,209,848	69,849,455	10,477,418	130,967,728

Table 16.b. : Disclosure of Operational Risk - Bank Consolidated with Subsidiaries

(In million rupiah)

No.	Approach used	31 December 2018			31 December 2017		
		Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA	Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	81,188,816	12,178,322	152,229,031	71,691,108	10,753,666	134,420,827
	Total	81,188,816	12,178,322	152,229,031	71,691,108	10,753,666	134,420,827
	Agro	464,178	69,627	870,333	373,808	56,071	700,890
	BBS	1,679,386	251,908	3,148,850	1,467,845	220,177	2,752,209

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 December 2018

(In million rupiah)

Main Core Capital (Common Equity Tier I) / CET 1: Instruments and Additional Paid in Capital

1.	Ordinary shares (including stock surplus)	6,522,201
2.	Retained earning	157,490,859
3.	Accumulated other comprehensive income (and other reserves)	14,925,205
4.	Phase out capital of CET 1	N/A
5.	Non-controlling interests to be taken into account	1,930,927
6.	CET 1 before regulatory adjustment	180,869,192
	CET 1: Reduction Factor (Regulatory Adjustment)	
7.	The difference in amount of fair value adjustment of financial instruments in the trading book	0
8.	Goodwill	468,722
9.	Others intangible assets (other than Mortgage-Servicing Rights)	8,076
10.	Deferred tax assets are derived from future profitability	N/A
11.	Cash-flow hedge reserve	N/A
12.	Shortfall of provisions to expected losses	N/A
13.	Profits from sales of Assets in securitization transactions	0
14.	Increase / decrease in fair value of financial liabilities (DVA)	0
15.	Pension Assets definite benefits	N/A
16.	Investment in own shares (if not already in the net in the capital BALANCE SHEET)	N/A
17.	Cross ownership of CET 1 instruments in other entities	0
18.	Investment in bank capital, financial assets and insurance outside the Consolidated scope in terms of conditions, net short positions are permitted, where the Bank does not have more than 10% of the issued share capital (amount above the 10% limit)	N/A
19.	Significant investment in ordinary shares of the Bank, financial entities and insurance outside the Consolidated scope in terms of conditions, allowed net short positions (amount above the limit of 10%)	N/A
20.	Mortgage servicing rights	0
21.	Deferred tax assets derived from temporary differences (amount above the 10% net limit of tax liabilities)	N/A
22.	Amount exceeds 15% limit of:	N/A
23.	significant investment in common stock financials	N/A
24.	Mortgage servicing rights	N/A
25.	deferred tax from temporary differences	N/A
26.	Adjustments based on national specific provisions	8,034,389
26a.	Differences of Earning Assets Allowance and Allowance for Imparment Losses	71,755
26b.	Earning Assets Allowance on non-productive Assets	36,851
26c.	Deferred Tax Assets	4,984,023
26d.	Investment	2,929,417
26e.	Lack of capital in insurance subsidiaries	0
26f.	Securitization Exposure	0
26g.	Others	12,344

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 December 2018

(In million rupiah)

27.	Adjustments to CET 1 result AT1 and Tier 2 smaller daripada pengurangannya factor.	0
28.	Total deduction (regulatory adjustment) to CET 1	8,511,188
29.	Total CET 1 after deduction	172,358,004
	Additional Core Capital (AT 1): Instruments	
30.	AT 1 instruments issued by banks (including stock surplus)	0
31.	Which is classified as equity based on accounting standards	0
32.	Which is classified as a liability based on accounting standards	0
33.	Including the phase out of the Capital of the AT 1	N/A
34.	AT1 instruments issued by Subsidiaries are recognized in the Consolidated KPMM calculation	0
35.	Instruments issued by Subsidiaries including phase out	N/A
36.	Total AT 1 before regulatory adjustment	0
	Additional Core Capital: Reduction Factor (Regulatory Adjustment)	
37.	AT 1 investasi on the instrument itself	N/A
38.	Cross-ownership in AT-1 instrument in another entity.	0
39.	Investments in bank capital, financial entities and insurance outside the Consolidated scope in terms of conditions, net short positions are permitted, where the Bank does not have more than 10% of the issued share capital (amount above the 10% limit)	N/A
40.	Significant investment in the Bank's capital, financial entity and insurance outside the Consolidated scope in terms of (net short positions imposed)	N/A
41.	Adjustments based on specific provisions of national	
41.a	Placement of funds in instruments other AT 1 Bank	0
42.	Adjustments to the AT 1 due to Tier 2 is smaller than the factor reduction	0
43.	Total deduction (regulatory adjustment) to AT 1	0
44.	Total AT 1 after deduction	0
45.	The amount of core capital (Tier 1) (CET 1 + AT 1)	172,358,004
	Supplementary capital (Tier 2): Instruments and backup	
46.	Tier 2 instruments issued by banks (including stock surplus)	1,450,000
47.	Phase out capital including Tier 2	N/A
48.	Tier 2 instruments issued by subsidiaries are recognized in the calculation of CAR in Consolidated	0
49.	Yng issued capital of a subsidiary that includes phase out	N/A
50.	PPA general reserves on earning Assets that must be calculated with the highest amount of 1.25% of RWA Credit Risk	8,616,154
51.	Total supplementary capital (Tier2) before deduction	10,066,154
	Supplementary capital (Tier 2): Factor Reduction (Regulatory Adjustment)	
52.	Investment in own Tier 2 instruments	N/A
53.	Cross-ownership in Tier 2 instrument in another entity	0

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 December 2018

(In million rupiah)

54.	Investment in bank capital, financial assets and insurance outside the Consolidated scope in terms of conditions, net short positions are permitted, where the Bank does not have more than 10% of the issued share capital (amount above the 10% limit)	N/A
55.	Significant investment in the Bank's capital, financial entity and insurance outside the Consolidated scope in terms of (net short positions imposed)	N/A
56.	Adjustments based on national specific provisions	
56.a	Sinking Fund	0
56.b	Placement of funds in Tier 2 instruments with other banks	36,847
57.	Total deduction (regulatory adjustment) supplementary capital	36,847
58.	Total supplementary capital (Tier 2) after regulatory adjustments	10,029,307
59.	Total Capital (Tier + supplementary capital)	182,387,310
60.	Total Risk Weighted Assets (RWA)	854,223,268
	Fulfillment of the Minimum Capital Adequacy Ratio (CAR) and Supplementary Capital (Capital Buffer)	
61.	Main Core Capital ratio (CET 1) - a percentage of RWA	20.18%
62.	The ratio of core capital (Tier 1) - a percentage of RWA	20.18%
63.	Total Capital ratio - the percentage of the RWA	21.35%
64.	The additional capital (buffer) - a percentage of RWA	
65.	Capital conservation buffer	1.88%
66.	countercyclical Buffer	0.00%
67.	Capital surcharge D-SIB	1.88%
68.	For conventional commercial banks: Main Core Capital (CET 1) available to meet Additional Capital (Buffer) and percentage of RWA For branch offices of a Bank domiciled abroad: The portion of the Business Fund placed in CEMA (expressed as a percentage of RWA) available to meet Buffer.	
	National minimum (if different from Basel 3)	
69.	The lowest ratio of 1 national CET (if different from the Basel 3)	N/A

Risk Management

Standards Calculation Disclosure Basel III**PT BANK RAKYAT INDONESIA (PERSERO) Tbk****31 December 2018**

(In million rupiah)

70.	The lowest ratio of Tier 1 national (if different from the Basel 3)	N/A
71.	The lowest ratio of total national capital (if different from the Basel 3)	N/A
	Total under restriction reduction (before risk weighting)	
72.	Non-significant investments in capital of other financial entities	N/A
73.	Significant investment in the ordinary shares of financial entities	N/A
74.	Mortgage servicing rights (net of tax liabilities)	N/A
75.	Deferred tax assets derived from temporary differences (net of tax liabilities)	N/A
	Capital worn to any provision of Tier 2	
76.	Provisions that can be recognized as Tier 2 in accordance with an exposure based on a standard approach (before stamp)	N/A
77.	Capital on provisions recognized as Tier 2 based on the standard approach	N/A
78.	Provisions that can be recognized as Tier 2 in accordance with an exposure based approach to the IRB (before stamp)	N/A
79.	Capital on provisions recognized as Tier 2 based on IRB approach	N/A
	Capital instruments that include phasing out (only valid between 1 Jan 2018 to 1 Jan 2022)	
80.	Capital on CET 1 which includes phase out	N/A
81.	The amounts excluded from the CET 1 for their capital (excess over capital after redemptions and maturities)	N/A
82.	Capital on AT1 which includes phase out	N/A
83.	Amount excluded from AT1 because of a capital (excess above capital after redemptions and maturities)	N/A
84.	Capital on Tier2 which includes phase out	N/A
85.	The amounts excluded from T2 for their capital (excess over capital after redemptions and maturities)	N/A

Note :

1) Filled by the Bank based on the results of reconciliation between the capital components in accordance with the Format of the Disclosure Standard Capital Calculation with the same posts in the published BALANCE SHEET (only shown if there is reconciliation as in Part 2).

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

(in million Rupiah)

NO	POSTS	Balance Sheet		
		Balance Sheet Publication	Balance Sheet Consolidated with coverage under the terms of prudential	
		BI	Position	Position
		31-Dec-18	31-Dec-18	
Assets				
1.	Cash	100	27,170,584	27,421,625
2.	Placement with BI	120	131,360,496	139,433,897
3.	Placements on Other Banks	130	28,378,628	28,583,614
4.	Receivable Spot and Derivatif	135	469,342	485,810
5.	Securities			
	a. Measured at fair value through profit / loss	138	1,978,938	3,762,448
	b. Available for sale	143	92,580,009	98,560,399
	c. Held to maturity	144	34,733,979	46,763,950
	d. Loans and receivables	145	27,442,690	27,442,690
6.	Securities sold under repurchase agreements (repo)	160	36,703,287	36,703,287
7.	Receivable on securities purchased under resale agreements (Reverse Repo)	164	9,396,553	9,396,553
8.	Acceptances Receivable	166	11,583,506	11,643,003
9.	Credit			
	a. Measured at fair value through profit / loss		-	-
	b. Available for sale	172	-	-
	c. Held to maturity	173	-	-
	d. Loans and receivables	175	804,356,813	820,028,537
10.	Sharia financing	174	-	19,681,260
11.	Finance Lease Receivables		-	3,321,846
12.	Inclusion	200	9,721,187	460,146
	Recognized in CET 1 (as a deduction)			(2,929,417)
	Recognized in the calculation of RWA			1,646
	Investments in Subsidiaries			298
	Not recognized in CET 1			3,387,618
13.	Allowance for Impairment Losses of Financial Assets - / -			
	a. Securities	201	-	(758)
	b. Credit	202	(34,569,880)	(35,017,981)
	c. Others	206	-	(50)
14.	Assets Tidak Berwujud	212		
	Goodwill		-	490,464
	Recognized in CET 1 (as a deduction)			(468,722)
	Recognized in CET 1 (as a deduction)			(8,076)
	Not recognized in CET 1			967,263
	Assets Intangible Others			
	Intangible Assets Accumulated Amortization - / -	213	-	(21,742)
15.	Fixed Assets and Inventory	214	36,448,565	37,925,236
	Accumulated Depreciation of Fixed Assets and Inventory - / -	215	(10,383,777)	(11,010,377)
16.	Non-earning Assets			

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet	
		Publication	Consolidated with coverage under the terms of prudential
		BI Position 31-Dec-18	Position 31-Dec-18
a.	Abandoned property	217	21,322
b.	Foreclosed assets	218	44,440
c.	Deffered account	219	-
d.	Inter-office Assets		
17.	Allowance for Impairment Losses Non-Financial Assets - / -	225	-
18.	Lease Financing	227	-
19.	Deferred Tax Assets	228	4,772,857
	Recognized in Tier 1		4,984,023
	Not recognized in Tier 1		130,630
20.	Others Assets	230	21,990,500
	TOTAL Assets		1,234,200,039
	LIABILITY AND EQUITY		
1.	Current Account	300	176,404,505
2.	Savings	320	378,908,837
3.	Time Deposits	330	342,719,222
4.	Investment revenue sharing		-
5.	Loans from Bank Indonesia	340	218,788
6.	Loans from Other Banks	350	9,771,783
7.	Spot and Derivative liabilities	351	327,892
8.	Debt on securities sold under agreements to repurchase (repo)	352	37,379,394
9.	Debt Acceptances	353	11,583,506
10.	Issued securities	355	31,074,676
11.	Loans received		39,856,808
a.	The loans can be counted as capital		500,000
b.	Loans received Others	360	39,356,808
	Recognized in Tier 2		1,450,000
	Not recognized in Tier 2		39,965,043
12.	Guarantee deposit	370	14,684
13.	Interoffice liabilities		
a.	Conducting operations in Indonesia	393	-
b.	Conduct operations outside Indonesia	394	-
14.	Deferred tax liabilities	396	-
15.	liabilities Others	400	24,921,364
	TOTAL LIABILITIES		1,053,181,459
17.	Paid-up capital		
a.	Authorized capital	421	15,000,000

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet	
		Balance Sheet Publication	Balance Sheet Consolidated with coverage under the terms of prudential
		BI Position 31-Dec-18	Position 31-Dec-18
	b. The capital has not been paid - / -	422	(8,832,709)
	c. The repurchased shares (treasury stock) - / -		(2,418,948)
18.	Additional paid in capital		
	a. Agio	431	2,773,858
	b. Disagio -/-	432	-
	e. Others		425,334
	i. enhancer factor	453	
	1) Warrants issued		
	a) Based on common shares		-
	b) Others		-
	2) Stock Option		
	a) Based on common shares		-
	b) Based on a special common shares issued in the context of employee compensation program / management		10,969
	c) Others		-
	3) Others		425,334
	ii. Deduction -/-	454	-
	Others		-
19.	Income (loss) Comprehensive Others		
	a. Adjustments due to the translation of financial statements	49,220	49,850
	b. Gain (loss) on change in value of Financial Assets Available-for-sale	(1,919,488)	(2,070,378)
	i. enhancer factor	440	(1,919,488)
	ii. Deduction - / -	445	-

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet	
		Publication	Consolidated with coverage under the terms of prudential
		BI Position 31-Dec-18	Position 31-Dec-18
	Accumulated comprehensive income Others who reported in CET 1	(1,919,488)	(1,971,392)
	Accumulated comprehensive income Others who are not reported in CET 1	-	(98,986)
	d. Assets revaluation increment in fixed	13,824,692	13,824,692
	f. Gains (losses) on defined benefit plan actuarial	1,143,354	1,154,343
23.	Reserve		
	a. General reserves	451	3,022,685
24.	Profit and loss		
	a. Year-last year	461	126,248,607
	Recognized in Tier 1		127,689,218
	Not recognized in Tier 1		125,608,444
	b. running Year	465	31,701,975
	Recognized in Tier 1		32,418,486
	Not recognized in Tier 1		31,882,415
	TOTAL EQUITY ATTRIBUTABLE TO OWNERS	181,018,580	536,071
25.	Minority interest (minority interest)	398	182,967,543
	Recognized in CET 1		2,307,788
	Not recognized in CET 1		1,930,927
	TOTAL EQUITY	181,018,580	185,275,331
	TOTAL Liabilities AND CAPITAL	1,234,200,039	1,296,898,292

Risk Management

Capital Disclosure Instrument Feature Details PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
1.	Issuer	BRI	Filled with the issuer of the instrument
2.	Identification number	BBRI	Filled with unique identification on the issuance of such instruments (eg ISIN number listed on the exchange, etc.)
3.	Law used	Indonesia	Filled with the law are used, for example: Indonesian law
	The treatment of the instruments under the provisions of CAR	Paid-up capital	
4.	At the time of the transition period	N/A	PBI does not adopt the transitional period
5.	After the transition period	N/A	Filled with a choice: CET1; AT1; AT2; or noteligible
6.	Do instruments eligible for Solo / Group or Group and Solo	N/A	Filled with a choice: Solo; Group; or Group and Solo
7.	This type of instrument	Common stock	Filled with the kind of instrument with the option; Common stock; Preferred Shares; Subordinated Securities; Subordinated loans; securities or loans Others
8.	The amounts recognized in the calculation of CAR		Filled In million rupiah
9.	Par value of the instrument	6,167,290.50	Filled In million rupiah
10.	Accounting classification	Equity	Filled with a choice: Equity Liabilities - amortized Cost; Liabilities - Fair Value Option; Non-controlling
11.	Publication date	10-Nov-03	Filled: mm / dd / yyyy
12.	No Maturity (perpetual) or at maturity	Perpetual	Filled with a choice: Perpetual; With Maturity
13.	Tanggal jatuh tempo	N/A	For instruments with maturity, Filled maturity date; dd / mm / yyyy, for a perpetual instrument Filled: No due date
14.	Execution of call options with the approval of the Bank Supervisor	Not	Filled with a choice: Yes; or not
15.	Date of call option, number of withdrawals and requirements of call option Others (if any)	Not	Filled with the date call option (Dd / mm / yyyy), requirements call Option Others and the number of withdrawals (In milion rupiah)
16.	Subsequent call option	N/A	Filled when da features numbers subsequent call option (How many times call option to do)
	Coupon / dividend	N/A	

Risk Management

Capital Disclosure Instrument Feature Details
PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
17.	Fixed or floating	N/A	Filled with the option:
18.	The level of the coupon rate or index Another is an advanced reference	N/A	Filled with the rate of the coupon or index the reference of the coupon rate or dividend
19.	Presence or absence dividend stopper	Not	Filled with a choice: Yes; or not
20.	Fully discretionary, partial or mandatory	N/A	Does the bank have full rights or partial to cancel the coupon or dividend or can not mebatalkan coupon / dividend. Filled with the option: fully discretionary; PartialDiscretionary ly; mandatory
21.	Whether there is a step up feature or other incentives	N/A	Filled with a choice: Yes; or not
22.	Noncumulative or cumulative	N/A	Filled with the option: Noncumulative; or Cumulative
23.	convertible or non-convertible	N/A	Filled with the option: convertible; Non-convertible
24.	If, convertible, mention trigger pointhis	N/A	Filled with the conditions (trigger point) When the instruments are converted, including the point of non-viability,
25.	If, convertible, Whether whole or in part	N/A	Filled with an explanation for each trigger pointwhether the instrument will: (i) must be converted in full; (li) the possibility converted in full or in part; or (iii) must be converted partly
26.	If converted, how rate conversion	N/A	Filled with explanation rate conversion of the instrument
27.	If converted, whether mandatory or optional	N/A	Filled with explanation rate conversion of the instrument
28.	If converted, specify the type of instrument conversion	N/A	Filled with the option: mandatory; optional; N / A
29.	If converted, specify issuer of the instrument it converts into	N/A	Filled with a choice: CET1; AT1; T2; or N / A
30.	Features write-down	N/A	Filled with explanation issuer of the instrument it converts into
31.	If write-down specify trigger its	N/A	Filled with a choice: Yes; or not

Risk Management

Capital Disclosure Instrument Feature Details PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
32.	If write-down whether full or partial	N/A	Filled with an explanation of the conditions or trigger point write-down features, including point of non-viability,
33.	If write-down permanent or temporary	N/A	Filled with a choice: Permanent; or Temporary
34.	If write-down temporary, explain the mechanism writeup	N/A	Filled with penjelasan mechanism writeup
35.	The hierarchy of the instrument at the time of liquidation	N/A	Filled with an explanation of the instrument at the time of liquidation hierarchy
36.	Is the transition to feature non-compliant	N/A	Filled with a choice: Yes; or not
37.	If yes, please explain the features non-compliant	N/A	Filled with an explanation of the features non-compliant
1.	Issuer	PT BANK RAKYAT INDONESIA (PERSERO), TBK	Filled with the issuer of the instrument
2.	Identification number	IDA000091201 (ISIN CODE)	Filled with unique identification on the issuance of such instruments (eg ISIN number listed on the exchange, etc.)
3.	Law used	Indonesian law	Filled with the law are used, for example: Indonesian law
	The treatment of the instruments under the provisions of CAR		
4.	At the time of the transition period	-	PBI does not adopt the transitional period
5.	After the transition period	AT2	Filled with a choice: CET1; AT1; AT2; or noteligible
6.	Are eligible instruments for Solo / Group or Group and Solo	Solo	Filled with a choice: Solo; Group; or Group and Solo
7.	Type of instrument	Subordinated bonds	Filled with the kind of instrument with pilihan; Common stock; Preferred Shares; Subordinated Securities; Subordinated Pinjaman; securities or loans Others
8.	The amounts recognized in the calculation of CAR	50%	Filled In million rupiah

Risk Management

Capital Disclosure Instrument Feature Details PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
9.	Par value of the instrument	100%	Filled In million rupiah
10.	accounting classification	Liability	Filled with a choice: Equity Liabilities - amortized Cost; Liabilities - Fair Value Option; Non-controlling
11.	publication date	6/26/2018	Filled: mm / dd / yyyy
12.	No Maturity (perpetual) or at maturity		Filled with a choice: Perpetual; With Maturity
13.	Due date	6/26/2023	For instruments with maturity, Filled maturity date; dd / mm / yyyy, for a perpetual instrument Filled: No due date
14.	Execution call option the approval of the Supervisory Bank	-	Filled with a choice: Yes; or not
15.	Date of call option, number of withdrawals and requirements of call option Others (if any)	-	Filled with the date call option (Dd / mm / yyyy), requirements call Option Others and the number of withdrawals (In milion rupiah)
16.	Subsequent call option	-	Filled if there is a feature of the number of subsequent call options (how many times the call option is carried out)
	Coupon / dividend	7.70%	
17.	Fixed or floating	Fixed	Filled with the option: <ul style="list-style-type: none"> - fixed : When a coupon or dividend is fixed during the term of the instrument; - floating : When a coupon or dividend is floating during the term of the instrument; - fixed to floating : If the coupon / dividend today is fixed, But it could turn out to be floating future or; - floating to fixed : If the coupon / dividend today is floating, But it could turn out to be fixed in the future.
18.	The level of the coupon rate or index Another is an advanced reference	-	Filled with the rate of the coupon or index the reference of the coupon rate or dividend
19.	Presence or absence dividend stopper	-	Filled with a choice: Yes; or not

Risk Management

Capital Disclosure Instrument Feature Details PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
20.	fully discretionary, partial or mandatory	fully discretionary, partial or mandatory call by FSA	Does the bank have full rights or partial to cancel the coupon or dividend or can not mebatalkan coupon / dividend. Filled with the option: fully discretionary; Partial Discretionary ly; mandatory
21.	Are there features step up or other incentives	Not	Filled with a choice: Yes; or not
22.	Noncumulative or cumulative	cummulative	Filled with the option: Noncumulative; orCumulative
23.	convertible or non-convertible	Non -convertible	Filled with the option: convertible; Non-convertible
24.	If, convertible, mention trigger pointhis	-	Filled with the conditions (trigger point) When the instruments are converted, including the point of non-viability,
25.	If, convertible, Whether whole or in part	-	Filled with an explanation for each trigger pointwhether the instrument will: (i) must be converted in full; (li) the possibility converted in full or in part; or (iii) must be converted partly
26.	If converted, how rate conversion	-	Filled with explanation rate conversion of the instrument
27.	If converted, whether mandatory or optional	-	Filled with explanation rate conversion of the instrument
28.	If converted, specify the type of instrument conversion	-	Filled with the option: mandatory; optional; N / A
29.	If converted, specify issuer of the instrument it converts into	-	Filled with a choice: CET1; AT1; T2; or N / A
30.	features write-down	Yes	Filled with explanation issuer of the instrument it converts into
31.	If write-down specify trigger its	Yes	Filled with a choice: Yes; or not

Risk Management

Capital Disclosure Instrument Feature Details
PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
32.	If write-down whether full or partial	1. The main core capital ratio (CET 1) Bank holding in Consolidated $\leq 5.125\%$ 2. There are plans to undertake capital investment authority to the Bank parent who was considered potentially disrupted the continuity of its business; and 3. there is a command of the FSA for the conductwrite down,	Filled with an explanation of the conditions or trigger point features write-downIncluding ponit of non-viability,
33.	If write-down permanent or temporary	Permanent / Temporary	Filled with a choice: Permanent; or Temporary
34.	If write-down temporary, explain the mechanism writeup	FSA orders	Filled with penjelasan mechanism writeup
35.	The hierarchy of the instrument at the time of liquidation	Holders of Subordinated Bonds is not entitled to precedence of creditors and Subordinated Bonds Others tidakdijamin by any collateral	Filled with an explanation of the instrument at the time of liquidation hierarchy
36.	Is the transition to feature non-compliant	Not	Filled with a choice: Yes; or not
37.	If yes, please explain the features non-complain	Not	Filled with an explanation of the features non-compliant

Guidelines for charging

1. Every capital instruments issued by banks should be disclosed in the Feature Details Capital Disclosures.
2. These disclosures using the format provided by Basel, and is the minimum standard. Banks can add other important features in the bank by the bank or the supervisory bank ratings are important features to be revealed.
3. Banks are required to update the disclosures that when there are changes in the features of capital instruments, such as when there is the publication of a new instrument, a payment, withdrawal or conversion or write down, Or any other material change from the existing capital instruments.
4. In the event that there are features that are not applicable or irrelevant, then filled with N / A.
5. Explanation definition of posts in the Capital Disclosures Feature details can be found in Annex 3 to the document Composition of Capital Disclosure Requirements issued by Basel Committee on Banking Supervision, June 2012.

Risk Management

LIABILITIES CALCULATION OF CAPITAL ADEQUACY (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

		31 December 18	
		BRI	Consolidated
I.	CORE CAPITAL (Tier 1)	164,924,546	172,358,004
1.	Main Core capital (CET 1)	164,924,546	172,358,004
1.1.	Paid-in Capital (Net of Treasury Shares)	6,111,861	6,111,861
a.	Common stock	6,111,861	6,111,861
b.	preferred stock	0	0
1.2.	Additional reserve capital *)	173,305,084	172,705,454
1.2.1.	Incremental Factors:	175,257,520	174,797,796
1.2.1.1.	Others Comprehensive Income	13,873,912	13,873,912
1.2.1.1.1.	The excess of the translation of financial statements	49,220	49,220
1.2.1.1.2.	Potential benefits from the increase in fair value of financial Assets Available-for-sale	0	0
1.2.1.1.3.	Assets revaluation surplus Balance fixed	13,824,692	13,824,692
1.2.1.2.	Others additional capital reserves (other Disclosed reserves)	161,383,608	160,923,885
1.2.1.2.1.	Agio	410,340	410,340
1.2.1.2.2.	General reserves	3,022,685	3,022,685
1.2.1.2.3.	Profit-year last year	126,248,608	125,608,444
a.	Profit last year	126,248,608	125,608,444
b.	Increase / decrease in fair value of financial liabilities	0	0
c.	Assets sales gains in securitization transactions	0	0
1.2.1.2.4.	Profit year running	31,701,975	31,882,415
a.	Profit year running	31,701,975	31,882,415
1.2.1.2.5.	Capital Deposit Fund	0	0
1.2.1.2.6.	Others	0	0
1.2.2.	Offsetting Factors:	1,952,436	2,092,342
1.2.2.1.	Others Comprehensive Income	1,919,488	1,971,392
1.2.2.1.1.	The difference is less translation of financial statements	0	0
1.2.2.1.2.	Potential losses from a decline in fair value of financial Assets Available-for-sale	1,919,488	1,971,392

Risk Management

LIABILITIES CALCULATION OF CAPITAL ADEQUACY (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

		31 December 18	
		BRI	Consolidated
1.2.2.2.	Others additional capital reserves (other Disclosed reserves)	32,948	120,950
1.2.2.2.1.	Disagio	0	0
1.2.2.2.2.	Loss-year last year	0	0
1.2.2.2.3.	Loss year running	0	0
1.2.2.2.4.	The difference is less between Allowance Assets (PPA) and the Allowance for Impairment Losses (CKPN) on earning Assets	0	71,755
1.2.2.2.5.	The difference is less amount of fair value adjustment of financial instruments in the Trading Book	0	0
1.2.2.2.6.	Non-earning Assets PPA which shall be established	32,948	36,851
1.2.2.2.7.	Others	0	12,344
1.3.	Non-controlling interests to be taken into account	0	1,930,927
1.4.	Main Core Capital Reduction Factor *)	14,492,399	8,390,238
1.4.1.	Deferred tax calculation	4,772,857	4,984,023
1.4.2.	goodwill	0	468,722
1.4.3.	Difference Intangible Assets Others	0	8,076
1.4.4.	Inclusion are taken into account as deduction	9,719,542	2,929,417
1.4.5.	Lack of capital in insurance subsidiaries	0	0
1.4.6.	securitization Exposure	0	0
1.4.7.	Capital Reduction Factor major core Others	0	0
2.	Additional Core Capital / Additional Tier 1 (AT 1) *)	0	0
2.1.	Instruments that meet the requirements of AT1	0	0
2.2.	Agio / Disagio	0	0
2.3.	Offsetting Factors: Investment in Tier 2 instruments AT1 dan other banks *)	0	0

Internal Control System

Legal Reference

Legal basis for Internal Control System (ICS) of BRI are as follows:

1. Financial Services Authority Regulation No. 18/POJK.03/2016 dated 16 March 2016 on Application of Risk Management for Commercial Banks.
2. Circular Letter of the Financial Services Authority No.35/SEOJK03/2017 dated 7 July 2017 Regarding Guidelines on Standards for Internal Control Systems for Commercial Banks.

In addition, the ICS in BRI also refers to as follows:

1. Code of Ethics, Compliance Culture, GCG Policy, Guidelines for Gratification Control, General Guidelines for Handling Conflict of Interest, AntiFraud Strategy and WBS Policy.
2. Organizational Structure, Formation of Formation & Job Description List of All Work Units
3. Operational Risk Management Tool Policy.
4. Risk Management Obliteration Policy & Guideline for New Product and Activity Issuance Plan.
5. Operational Manual.
6. General Policy and Organizational Implementation Guidelines.
7. General Policy and Implementation Guidelines for the Bank's Long Term Plan & Business Plan.
8. IT Governance & Risk Management Policy.
9. General Policy of Information Technology.
10. General Policy & Credit Implementation Guidelines
11. Bookkeeping And Verification as well as Authority Requirements User at BRINETs.
12. Internal Audit Charter.

Comformity of Internal Control System Framework With COSO

The ICS within BRI refers to internationally recognized framework, namely the COSO IC framework (Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring).

Internal Environment

The first element of BRI's internal control structure includes commitments, policies, behaviors including the care of the Directors, Board of Commissioners and all BRI employees on the importance of effective internal control. The Board of Commissioners BRI ensures that the BRI Directors have

monitored the effectiveness of the implementation of the internal control system through periodic regular meetings with the Directors and Executive Officers to discuss the effectiveness of the Internal Control System. The Board of Directors monitors the adequacy and effectiveness of the internal control system by ensuring the activities of the internal implementation function have been carried out by officials and workers.

In conducting supervision, BRI's management forms a culture of control including:

1. Establishment of an adequate BRI organizational structure with the assignment of duties and responsibilities in accordance with applicable regulations.
2. Policies and procedures related to BRI human capital management include planning, recruitment, development & training, remuneration and performance management.
3. Integrity and ethical values are reflected in BRI's core values and BRI's Code of Ethics that all BRI employees must follow.
4. The implementation of the duties and responsibilities of the Directors and Commissioners always pay attention to the principles of Good Corporate Governance.

Objective Setting

Bank BRI has implemented an objective company setting through the establishment of Key Performance Indicators (KPI) in each work unit that are in line with the company's vision and mission. KPI is socialized to workers and regularly reviewed to achieve company targets and targets.

Event Indication

Bank BRI has implemented a Risk Control Self Assessment (RCSA) in identifying events and risks that will be faced by the company. The implementation of RCSA is carried out by all BRI work units in determining the risk profile of the work unit for the events and risks facing for evaluation.

Risk Assessment

A series of awareness of all BRI employees on the risk awareness culture that includes evaluating, assessing and mitigating risks. More detailed explanation regarding the internal control system to all kind of Bank risks that has been delivered to Pilar 4 Chapter Management Risks.

Internal Control System

Bank BRI evaluated to all risk profiles periodically as the risk mitigation that has the potencies to harm the companies. In the implementation of integrated risk management in the financial conglomerate, BRI conducts management including the assessment of 10 (ten) types of risks, namely:

1. Credit Risk
The assessment is carried out with an internal model using a standard model that is calculating the probability of default and loss given default for each business segment based on its collectability shift. In addition, a series of stress tests are also carried out to measure maximum potential losses in the event of stressful conditions.
2. Market risk
Periodic evaluations (daily, weekly, monthly) by calculating market risk include approaches to standard methods and internal model measurements (VaR) through GUAVA applications and NII simulations whenever changes in market interest rates occur and organize securities maturity profiles. The approach to the standard method is carried out by calculating interest rate risk and exchange rate risk on the position of all BRI financial instruments classified as trading books and the banking book exposed to interest rate risk and exchange rate risk.
3. Liquidity Risk
Identification, measurements and monitoring that conducted through the daily liquidity profile dashboard while control is carried out through the liquidity contingency plan protocol. Liquidity risk assessment includes assessing liquidity ratios, cash flow projections, maturity profiles, NSFR and LCR, determining liquidity risk limits and stress tests.
4. Operational Risks
Assessing risks caused by insufficient or malfunctioning internal processes, human errors, system failures or external problems that affect bank operations.
5. Law Risk
Includes an assessment of risks caused by juridical weaknesses including lawsuits, absence of supporting legislation or weaknesses in the engagement such as not fulfilling the legal requirements for contracts and imperfect binding.

6. Strategic Risk
Assesment that consisting of improper determination and implementation of bank strategies, improper business decision making or less responsive to the bank towards external changes.
7. Reputation Risk
Includes risks caused by negative publications related to bank business activities or negative perceptions of the bank. Measurement aims to estimate the vulnerability of reputation risk faced by BRI. Assessment includes parameters such as the influence of reputation of bank owners and companies, violations of business ethics, product complexity and bank business cooperation and the frequency and materiality of negative bank reporting and customer complaints.
8. Compliance Risk
Is a risk caused by not complying with or not implementing the laws and regulations that apply. Assessment is carried out on the parameters of type, significance, nominal and frequency of violations of the applicable provisions.
9. Insurance Risk
Assessing risk due to failure of insurance companies to fulfill obligations to policyholders as a result of insufficient risk selection processes, determination of premiums, reinsurance usage and/or claim handling.
10. Risk of Internal Group Transactions
Assessing risk due to the reliance of an entity both directly and indirectly on other entities in a financial conglomerate in order to fulfill written and unwritten agreement obligations that are followed by transfers and / or not followed by transfer of funds.

In addition to conducting periodic risk assessments, management also evaluated the results of the company's risk profile assessment to determine actions and controls on the risk assessment. Management has established an Early Warning System in every business process that is risky and has the potential to harm the company.

Internal Control System

Risk Response

Management evaluates the results of the company's risk profile assessment to determine actions and controls on the risk assessment. Management has established an Early Warning System in every business process that is risky and has the potential to harm the company.

Control Activities

Covers the actions established through policies and procedures to control a risk at all levels of the organization and various business processes at BRI. Control activities can help the Directors and Commissioners in managing and controlling risks that can affect performance or cause losses to the company. BRI's control activities include:

1. Acts of control activities generally involve all BRI employees at all levels of the organization. BRI's control activities are contained in all BRI policies and procedures as contained in the BRI Architecture Policies and Procedures. Control system in every business process, including:
 - a. Implementation of MCS (Maker, Checker, Signer) function within authorization and verification activities.
 - b. Implementation of Segregation of Duties in the form of separation of functions in carrying out their duties so that they do not have the opportunity to do and hide deviations in the implementation of their duties.
 - c. Implementation Four Eyes Principles in the all segments credit process; the separation of functions credit initiator with breakers.
 - d. Implementation of three line of defense for the layered defense activities.
2. Control activities according to organizational functions include:
 - a. Implementation of Management Review (Top Management Reviews)
 - b. Control activities on the application of Risk Management, including:
 - 1) Credit risk control includes procedures for improving credit quality through restructuring, procedures to minimize credit quality loss through restructuring, procedures for write off non-performing loans.
 - 2) Credit risk control includes credit quality improvement procedures Market risk control includes preparing market risk management

designs, compiling and analyzing periodic reports on output produced by internal models such as daily report analysis, net foreign exchange position, market risk exposure reports, Market Risk Management Committee forums and forums. Asset & Liability Committee (ALCO).

- 3) Liquidity risk control includes the Liquidity Contingency Plan Protocol.
- 4) Operational risk control includes product assessment procedures, the Protocol Liquidity Contingency Plan for catastrophic events.
- 5) Legal risk control by reviewing the legal aspects of new products and activities.
- 6) Strategic risk control is contained in the General Policy for the Long Term Plan, the Guidelines for Implementing the Long Term Plan and the Work Plan and Budget of the Company.
- 7) Reputation risk control is contained in the Circular of the BRI Board of Directors regarding Information Services and Management Policies.
- 8) Compliance risk control is carried out by reviewing each external regulation and an impact analysis is carried out for the company to be included in every internal provision of the company.
- 9) Control of insurance risk as part of the risk inherent in BRI as the main entity in charge of subsidiaries engaged in insurance is through the implementation of the Subsidiary's Risk Profile Discussion Forum.
- c. Intra-group risk control is carried out by the Subsidiary Desk designated by management as a work unit that manages the subsidiaries.

Information & Communication

Bank BRI already had relevant and high quality information system related to financial conditions, business activities, implementation of risk management and compliance, market conditions, and other conditions in supporting the duties and responsibilities of the Board of Directors and the Board of Commissioners. The implementation of internal and external communication is also carried out regularly in order to support the company's internal controls functioning properly.

Internal Control System

Monitoring

Includes a continuous assessment process for monitoring the effectiveness of the design and operation of the internal control structure and the performance of the implemented and functioning management. Monitoring the BRI internal control system is done through the Three line of defenses, namely:

1. 1st line of defense as the risk owner, namely the Work Unit that conducts business and operational activities and manages the risks faced (a.l. Unit Operational Unit)
2. 2nd line of defense, namely the Work Unit that carries out functional supervision (a.l. MR. Headquarters & Regional Office, Compliance Division and Policy & Procedure Division)
3. 3rd line of defense, namely the Work Unit that carries out assurance. SKAI is part of the Internal Control System which performs the supervisory function of monitoring the internal control system.

The results of the implementation of supervision and monitoring of the Internal Audit Unit on the internal control system are submitted to the President Director, Compliance Director and Board of Commissioners.

Internal Control System Element

BRI has an internal control system policy covering 5 (five) components:

1. Management Oversight and Control Culture
2. Risk Identification and Assessment
3. Control and Separation of Functions
4. Accounting, Information, and Communication
5. Monitoring and Corrective Action Measures

All management and employees of BRI have a role and responsibility in improving the quality and implementation of internal control system of BRI. The parties involved and responsible for internal control system in BRI include 1st line of defense, 2nd line of defense (Risk Management Risk, Risk Management Function and Compliance), and 3rd line of defense (SKAIs including Resident Auditor Kanca and Resident Auditor Unit).

Internal Control System Implementation

BRI's Internal Control Implementation refers to the Financial Services Authority Circular Letter No.35 / SEOJK03 / 2017 Dated 7 July 2017.

Management supervision and control culture

The Directors and Commissioners have played an active role in overseeing and forming a culture of control in the company.

- a. The Board of Commissioners ensures that the Board of Directors has monitored the effectiveness of the implementation of the internal control system by holding regular meetings with the Directors and Executive Officers to discuss the effectiveness of the Internal Control System.
- b. The Board of Directors monitors the adequacy and effectiveness of the internal control system by ensuring that the activities of the internal implementation function have been carried out by all employees.

The implementation of supervision by management, including:

- a. BRI has procedures to identify, measure, monitor and control the risks faced by the bank. The Board of Commissioners plays a role in determining the company's risk tolerance level.
- b. BRI has an adequate organizational structure with the assignment of duties and responsibilities in accordance with applicable regulations.
- c. BRI has a policy architecture in which there are internal control policies and procedures for operational activities.
- d. Monitor the improvement of internal and external audit findings.
- e. Carry out communication at all levels of the organization on a regular basis, including communication between the Directors and Commissioners.
- f. Monitoring the effectiveness of the implementation of the Internal Control System.
- g. Implementation of the Review

Internal Control System

Control Culture

The Board of Directors and Board of Commissioners create an organizational culture that emphasizes to all workers the importance of internal control. The implements include:

- a. All operational policies, standards and procedures are documented in writing and can be accessed by all workers, through:
 - 1) BRIPEDIA application
 - 2) BRISHARE application
 - 3) HR Library on the BRISTARS
- b. Policies related to Integrity and ethical values are reflected in BRI's core values, BRI's GCG Policy, BRI's Code of Ethics and Conflict of Interest Guidelines that must be followed by all BRI employees.
- c. Policies and procedures related to BRI's human capital management include planning, recruitment, development & training, remuneration, performance management and disciplinary punishment.
- d. Signing of integrity pact in bank decision.

Risk Identification and Assessment

BRI periodically and continuously conducts risk assessments that can affect the company's objectives. Risk assessment is also carried out by internal audit in the implementation of audit activities through a risk based audit. Risk identification and assessment in more detail is presented in the Chapter of Risk Management.

Internal control is carried out a review by the Internal Audit Unit each year through Risk Management Review activities.

Control and separation functions

Control activities include the establishment of control policies and procedures and an earlier verification process to ensure that these policies and procedures are consistently followed. Control activities are implemented at all functional levels in coresponding with BRI's organizational structure.

1. Management Review (Top Level Review)

BRI periodically conducts top-level reviews annually related to the Anti-Fraud Strategy. The results of the review include a comprehensive evaluation of the pillars of the implementation of the anti-corporate fraud strategy so that it can detect existing problems and then formulate the improvements that must be carried out by the relevant work units.

2. Operational Review (Functional Review)

The Internal Audit Unit conducts assurance activities and provides consulting services to the adequacy and effectiveness of internal control systems, risk management and corporate governance. Audit activities are conducted regularly for each level of the BRI Work Unit. SKAI submits reports periodically to the President Director, and the Audit Committee with pressures to the Compliance Director. SKAI evaluates the corrective steps submitted by the Auditee.

In addition to conducting audit activities, SKAI BRI is regularly reviews the implementation of risk management and the implementation of the Anti-Fraud Strategy.

3. Information and Technology System Control

Satuan Kerja Teknologi Informasi (TI) applies adequate control practices as part of the overall TI risk mitigation strategies by taking into account:

- a. Result of risks assesments.
- b. Risk management criteria and recommendations for risk management.
- c. Legislation provisions and other legal or contractual requirements.
- d. Control practices include:
 - 1) Implementation of policies, standard, procedures and organizational structures, including the work flows.
 - 2) Effective internal control which can mitigating the risks in TI process.
 - 3) Determination of policies, standards, procedures for managing information security systems that are needed by BRI to safeguard assets related to the operation and use of TI.
 - 4) Evaluation of the results of the review and testing of the Disaster Recovery Plan.

Internal Control System

- 5) Determination of policy and procedures regarding about the using of TI provider parties.
- 6) Evaluate the ability of TI service providers to maintain the level of security applied by BRI from confidentiality, data integrity and information availability.
- 7) Monitoring and monitoring are the responsibility of BRI management with outsource TI' operations to TI's service providers.
- 8) Use of insurance as an effort to mitigate potential losses in the implementation of IT.
3. To avoid giving responsibility and authority that can cause conflicts of interest.
4. Separation of the Maker, Checker and Signer functions to several people in mitigating operational and business risks.

Accountancy, Information and Communication Systems

Aim as a means of exchanging information in order to carry out tasks in accordance with the responsibilities of each worker. Implementation includes:

4. Physical Asset Control

The control of BRI's physical assets is contained in the Kebijakan Umum Manajemen Aktiva Tetap dan Logistik (KEMAL). KEMAL includes BRI's fixed asset management and logistics management policies in an integrated manner which includes planning activities, determining needs, funding, procurement, payment, distribution, insurance, maintenance, asset optimization, administration and reporting and monitoring and evaluation.

5. Documentation

The Company documents adequate policies, procedures, systems and accounting standards and audit processes. The document is updated regularly to describe the Company's operational activities and be informed to officials and employees. Accuracy and availability of documents also carried out an assessment on conducting audits by internal auditors.

Segregation of Duties

Separation is intended so that every person in his position does not have the opportunity to carry out and hide errors or irregularities in carrying out tasks at all levels of the organization and all operational activities. Implementation includes:

1. Implementation of the Dual Control function in the Company's operational and business activities
2. Implementation of limit authority in access and decision making on transactions.

1. The accounting system has been supported by the establishment of procedures and retention schedules for recording transactions.
2. BRI has an adequate information system including BRI Management Information System (BRISIM), Loan Approval System (LAS) which is an information system covering bank business activities in the field of credit, BRIOPRA application which is an information system related to risk management, treasury and market risk applications (GUAVA), BRISTARS Human Capital Information System, etc.
3. BRI has a Disaster Recovery Plan and a back up system to prevent high-risk business failures. Periodically tested to ensure the system can work effectively.
4. Communication system can provide information to all stakeholders both external and internal parties by providing an effective communication channel.
 - a. BRI has an Information Service and Management Policy that contains guidelines for providing information services to interested parties.
 - b. Media communication is available for policy socialization to all workers (BRISHARE, BRIPEdia and SDM Center).
 - c. The implementation of communication forums (information up, down and across work units) related to risk exposure information, operational performance, and company strategies such as the Risk Management Committee Forum, Business Performance Review, Support Performance Review, Focus Group Discussions and Performance Improvement Forums.

Internal Control System

Monitoring activities and deviation correction actions

BRI continuously monitors the overall effectiveness of internal control both by the operational work unit and the ranks of the Internal Audit Unit. The Internal Audit Unit has carried out monitoring of the internal control system submitted to the President Director, Compliance Director and Board of Commissioners.

Review of Internal Control Systems 2018

BRI evaluate the effectiveness of the implementation of SPI on an ongoing basis, whether committed by 1st line of defense's function as the risk owners who evaluated continuously in bank operations and the 2nd line of defense's function that ranks Risk Management and Compliance periodically to ensure the adequacy of risk management and adherence to the rules and functions of 3rd line of defense who conducts audits.

SKAI carried out the evaluation of the adequacy of the internal control structure with the aim of assessing the reliability of the internal control system. It is expected to provide adequate assurance that the goals and objectives can be achieved efficiently and economically. Evaluation of adequacy of the internal control system carried out by studying the policies, regulations, systems or mechanisms developed by BRI in order to achieve compliance objectives, goals and objectives of operational information.

Results Evaluation of Internal Control Systems

Based on the evaluation of SKAI, general adequacy of the internal control structure has been adequate BRI with evaluation results as follows:

1. Compliance Objectives

BRI Compliance function has implemented the following things:

- a. Tests on the precautionary principle policy plans and / or decision-BRI (including products and / or new activity).
- b. Implementation of monitoring and follow-up on the results of testing of the precautionary principle (monitoring).
- c. Review to the internal policies of BRI.
- d. Conducted analysis of the impact of external conditions.

The results of all the above activities have been presented periodically as a report on the implementation of the compliance function BRI.

2. Information purpose

BRI has established policies and procedures for implementing the transparency of financial and non-financial conditions.

Furthermore, BRI has had a policy on document management (document administration, management control / register, storage and retention of documents). In addition, BRI has a mechanism related to policy communication throughout the organization as follows:

- a. Policy makers division (policy owner) to upload the policy on the application BRI Share (Knowledge Management).
 - b. Policies related to the field of HR, disseminated through the HR Library BRISTARS application.
 - c. Related to policies on credit uploaded of the Business Application Information System (BIS).
 - d. Related operations, all policies are arranged Division of Policies and Procedures can be accessed via <ftp://10.202.100.202>.
 - e. BRI Application Information Management System (BRISIM) to provide the reports required by the Management and or BRI working units.
- #### 3. Operational Objectives
- BRI has a policy, regulations, systems and procedures that govern the business activities of BRI, among others:
- a. Operational field
Operational Manual has been prepared (BPO) and other operational policies as guidelines for workers in carrying out their tasks and responsibilities. BRI has had a policy of fixed assets management, procurement of goods and services.

Internal Control System

- b. Field of credit
BRI has Credit Manual (PPK) and other credit policies as guidelines for Loan Officers in conducting lending.
- c. HR field
BRI has the architecture of human capital, human capital management policies, human capital policy development, performance appraisal and remuneration policies.
- d. Information technology
In order to develop and manage information technology operations, BRI has compiled information technology policy with reference to the principles of IT Governance.

- 4. Cultural Interest Risk
BRI has adequate organizational structure to support the application of risk management. Furthermore, to optimize the application of risk management, there is a risk management function in each work unit responsible for coordinating the implementation of Risk Management processes in their respective Work Unit.

BRI has several policies, strategies and risk management framework include:

- a. General Risk Management Policy
- b. Guidelines for Implementation of the Action Plan (Recovery Plan)
- c. Environmental Risk Management Policy, Social, and Governance (LST) Palm Oil
- d. General policy and Implementation of Sustainability strategy (Sustainability)

BRI has ensured the implementation of corrective measures on operational issues through the updating books regularly top risk issues are communicated to all operational working units. In order to manage the risks faced, BRI is supported by a system application that integrates with core banking system, among others: BRIOPRA, LAS and Guava.

Statement of Directors and Commissioners Adequacy of Internal Control Over BRI

Based on the review and based on discussions with management, the Audit Committee, Independent Auditor, Internal Auditor, and several Division Related that the Board of Directors and Board of Commissioners considers that the system of internal control and risk management company has been adequate in identifying the risks that the Company is able to identify and manage these risks.

Significant Litigation

The material litigation encountered by BRI during 2018 are as follows:

No	Legal Case	Total				
		Civil	Criminal	Industrial Relationship	PTUN	Bankruptcy
1	Legal Cases Under Process	469	35	7	2	1
2	Completed (Legally Binding)	294	14	12	3	0

Significant Cases Encountered by the Bank:

1 Auction Lawsuit Case	
Principal Claim	Civil Case Lawsuit in West Jakarta District Court submitted by Mr. SM (Plaintiff) Number: 366/Pdt.G/2017/PN.Jkt.Bar dated June 21, 2017 with the Principal Claim as follows: The Plaintiff argued that in 2001, loans granted by PT. Bank Rakyat Indonesia (Persero) Tbk to the Plaintiff (through PT RBPI) is KMK Co. Declining by Rp700,000,000KMK Export Co. Decreased by USD1,494,986, and Import KMK and PJI Co. Decreased by USD 1,350,000. The said entire credit facility in 2001 when assessed by the dollar exchange rate against the Rupiah at that time was Rp11,042,000,000, - but at the time the Plaintiff would repay the loan in 2010 the value changed to Rp. 39,083,195,528. So that the Plaintiff when filing the lawsuit argues that up to the time the claim is registered he considers the amount of the Foreign Exchange Currency owned by him to still use the Rupiah Exchange Rate which is the same as the same year when he applied for credit.
Case Position	a. The claim to similar case was previously registered Mr. SM to the West Jakarta District Court Number: 448 / Pdt.G / 2014 dated September 9, 2014 which was decided by the Panel of Judges of the West Jakarta District Court on November 23, 2015 with a verdict which basically rejected the Plaintiff's claim in its entirety. b. Regarding the civil case Number: 366/Pdt.G/2017/PN.Jkt.Bar, the West Jakarta District Court has issued a Decision with an decision that basically rejects the Plaintiff's claim in its entirety.
Settlement Status	a. Referring to the The West Jakarta Court's Decision, the Plaintiff submitted an appeal to the Jakarta High Court. b. Against Asset owned by PT. RBPI viat execution of evacuation by the West Jakarta District Court has been conducted.
Impact to the Company	Potential Loss due to the difference in the Exchange Rate of Rupiah - USD from 2001 with the Rupiah Exchange Rate Exchange running from the credit facility: a. USD 1.350.000 b. USD 1.494.986
Administration Status	None

Significant Litigation

2 BRI Case on Retirement

Case Principal

The Labor Termination Dispute (PHI) at the Industrial Relation Court at the Central Jakarta Court submitted by several retired PT. Bank Rakyat Indonesia (Persero) Tbk (Plaintiffs) on behalf of Mr. TK, et al (298 people) Number: 93 / Pdt.Sus-PHI / 2017 / PN.Jkt.Pst dated April 3, 2017 with the Claim Material which basically states:

- a. PT. Bank Rakyat Indonesia (Persero) Tbk has carried out Acts Against the Law by not paying for shortages of severance pay (UP), Working Period Money (UPMK) and Reimbursement Rights (UPH) based on Article 156 of Act No. 13 of 2003 concerning Labor to the Plaintiffs.
- b. For the actions referred to, the Plaintiffs filed material compensation in the amount of Rp. 27,333,319,597.
- c. Submitting money for the development of pension compensation to the Plaintiffs in the amount of Rp. 14,624,364,086.
- d. Submitting immaterial compensation to the Plaintiffs in the amount of Rp. 5,000,000,000.
- e. Submitting forced money (dwangsom) to Rp 1,000,000 every day if the PT. Bank Rakyat Indonesia (Persero) Tbk delays and / or does not execute requests from the Plaintiffs.

Case Position

- a. The PHI lawsuit was terminated by Interlocutory Decision by the Industrial Relations Court at the Central Jakarta District Court with the Decision Amar as follows:
"TO ADJUDICATE"
 - i. Grant the Defendant's Exception regarding the authority to judge relative;
 - ii. Stating that the Industrial Relation Court at the Central Jakarta District Court is not authorized to try this case;
 - iii. Punish the Plaintiffs jointly to pay the court fees which up to this day have been set at Rp. 616,000 (six hundred sixteen thousand rupiahs);".
- b. Retirees (TK, et al.) has submitted Cassation Lawsuit to the Decision of the Industrial Relation Court at the Central Jakarta District Court to the Supreme Court of the Republic of Indonesia (MA RI).

Significant Litigation

2 BRI Case on Retirement

Settlement Status a. Efforts towards Cassation The Pensioners (TK, et al), MA RI has dropped Decision by Supreme Court Decision No. 177 K / Pdt.Sus-PHI / 2018 dated March 14, 2018 with the injunction as follows:

"ARBITRATE"

- i. Appeal granted the request of the Cassation (Thamrin Kasim, et al)
- ii. Injunctions cancelation the Industrial Relations Court at Pisat Jakarta District Court No. 93 / Pdt.Sus-PHI / 2017 / PN.Jkt.Pst on 14 September 2017.

"ARBITRATE"

- i. Rejecting exception Defendants on the Authority to Justice in absolute and relative;
- ii. Stating the Industrial Relations Court of Central Jakarta District Court has authority to examine, hear and decide this case;
- iii. Ordered the Industrial Relations Court of Central Jakarta District Court to examine, hear and decide this case;
- iv. Punish The Respondent Cassation to pay court costs in the amount of Rp500,000 cassation, 00 (five hundred thousand rupiah);
- b. Based on the RI Cassation Decision, the case re-examined in the Industrial Relations Court of Central Jakarta District Court.

Impact to the Company Potential for Material Loss Claims is Rp. 41,957,683,683.

Administrative Sanctions None

Litigation on the BOC and BOD

During 2018, there were no Members of the BOC and BOD of BRI with legal case related to Civil and Criminal Law with BRI's business activities.

Administratif Sanction

During 2018, there are no administrative sanctions imposed on any member of the Bank's BOC and the BOD.

Information Access and Corporate Data

BRI has a policy in managing information disclosure as stipulate in BOD Circular Letter of BRI No: S.08-DIR/SKP/06/2014 on Information Policy and Information Management of PT Bank Rakyat Indonesia (Persero) Tbk.

Availability of Company's Information Access

Bank BRI transparently provides the latest financial statement and company information that can be accessed by the public through various print and electronic media including the Company's website, the Indonesia Stock Exchange, and the BUMN portal.

Corporate Secretary

Bambang Tribaroto

Telepon : (+62 21) 575 1966

Faksimil : (+62 21) 570 0916

Email : humas@bri.co.id

Company Address

Head Office Bank BRI

Jl. Jendral Sudirman Kav. 44-46

Jakarta 1210, Indonesia

Telp : (+62 21) 251 0244, 251 0254

Fax : (+62 21) 250 0065, 250 0077

Corporate Website

www.bri.co.id

Call Centre

14017, 1500017, (+62 5798 7400)

Customer Care

callbri@bri.co.id

Media Sosial

Facebook : @BRlofficial page

Twitter : @kontak_bri

Instagram : @bankbri_id

Press Release

A press release has been done by BRI during 2018 can be seen in section implementation of tasks and the corporate secretary can be viewed on the Company web site.

BRI Magazine

BRI Bank has magazine namely "BRIIta Kita" which is published every month in the form of print media and application that can be accessed online. The "BRIIta Kita" magazine published during 2018 is as follows:

No	Edition	Theme
1	October 2017	Managing the Risk Management
2	November 2017	Strategy towards digital transformation
3	December 2017	122th Anniversary of BRI
4	January 2018	Human Capital Challenges in 2018
5	February 2018	Business Strategy and Finance
6	March 2018	The Board of Commissioners Oversight Function
7	April 2018	Growth of small and micro loans
8	May 2018	Consumer loan strategy
9	June 2018	Enhancing integrity at work
10	July 2018	Risk management in the now era
11	August 2018	Operational excellent
12	September 2018	Sustaining retail and medium business potentials

Information Access and Corporate Data

Transparency of Report Submission

Type of Report	Period of Report	Total	Objective of Report
Annual Report	Annual	1	OJK & BEI
Consolidated Financial Statement of Company and Subsidiary	Quarterly	4	OJK, BI, Finance Minister, SOE Minister
Share Ownership Composition Report	Monthly	12	OJK
Report on Debt in Foreign Exchange	Monthly	12	OJK
Report on Use of Fund from Public Offering	Monthly	12	OJK & BEI
Share Registrar Report	Monthly	12	BEI

Information Disclosure

No	Date	Report
1	23.01.2018	Changing of Corporate Secretary
2	22.01.2018	Submission of 2018 AGMS Plan on BRI
3	06.02.2018	Submission of evidence of additional abridged information with regards to Public Offering II of Bank BRI Stage IV 2018
4	07.02.2018	Monthly report on securities older registration
5	08.02.2018	Appointment of Ms. Rofikoh Rokhim as Independent Commissioner of BRI
6	13.02.2018	Announcement and publication evidence of AGMS of BRI 2018
7	13.02.2018	Amendment of 2018 AGMS implementation schedule
8	15.02.2018	Respond on newspaper release
9	22.02.2018	Compliance of official email request
10	28.02.2018	Invitation of 2018 AGMS of BRI and invitation evidence.
11	01.03.2018	2018 AGMS invitation report and agenda.
12	02.03.2018	Disclosure of Information
13	13.03.2018	Company rating and BRI Bonds rating
14	21.03.2018	Appointment of Ms. Handayani as Director of Consumer
15	26.03.2018	Implementation report and publication evidence of BRI AGMS
16	29.03.2018	2018 AGMS result.
17	29.03.2018	Respond on BRI BOC and BOD track record.
18	10.04.2018	Respond on confirmation on newspaper release

Information Access and Corporate Data

Information Disclosure

No	Date	Report
19	16.04.2018	Respond on confirmation on newspaper release
20	27.04.2018	Appointment of Ms. R. Sophia Alizsa as Director of Human Capital of BRI
21	27.04.2018	Notification of Limited Review of Q1 2018 Financial Statement
22	03.05.2018	Report on announcement of Q1 2018 Financial Statement
23	11.05.2018	Report on abridged prospectus on Subordinate Bond II of BRI 2018
24	18.05.2018	Submission of announcement evidence and supporting document of Affiliated Transaction
25	21.05.2018	Surat Pernyataan Direktur mengenai Persyaratan Uji Kemampuan dan Kepatutan
26	04.07.2018	Notification of Change in Amount of Shares of Director of Institutional Relations of BRI
27	24.07.2018	Disclosure of Information
28	31.07.2018	Appointment of Osbal Saragi as Network & Services Director and Ahmad Solichin as Compliance Director of BRI
29	24.08.2018	Submission of 2018 Public Expose Material of BRI
30	03.09.2018	Public Expose Implementation Report
31	26.09.2018	Report on appointment of Mr. Hadiyanto as member of BOC of BRI
32	28.09.2018	Disclosure of Information
33	03.10.2018	Disclosure of BRI BOC member resignation,
34	08.10.2018	Notification of Change in Total Shares of Member of the BOD and BOC Members of BRI
35	25.10.2018	Report on announcement of QIII 2018 Consolidated Financial Statement of BRI
36	06.11.2018	Implementation of GMS related with resignation of member of BOC of BRI
37	14.11.2018	Report on announcement of Termination of Shelf Public Offering of Bank BRI Sustainable Bonds II
38	19.11.2018	Submission of BRI EGMS Plan to OJK
39	27.11.2018	Report on announcement evidence of BRI EGMS
40	14.12.2018	Appointment Mr. Supari as Director of Ritel and Intermediate BRI
41	20.12.2018	Disclosure of Information
42	26.12.2018	Disclosure of Information (PT Dana Reksa Investment Management)

Code of Conduct

Legal Basis

In realizing a discipline and responsible BRI personnel with high integrity and professionalism in running the bank business, BRI has a code of conduct that applies to all workers as stated in the Joint Decree of the BOC and BOD Joint Decree No 06-KOM/BRI/12/2013 and Nokep: S.65-DIR / DKP / 12/2013 on BRI Code of Conduct. The BRI's code of ethic is an important part of BRI's GCG framework and provides ethical guideline for BRI people in carrying out their duties, authorities, obligations and responsibilities.

Code of Conduct Commitment

The BRI Code of Conduct ic applies to all BRI personnel throughout all levels of the organization. Application of continuous BRI's code of ethics in the form of attitudes, actions, commitments and provisions that support the creation of a corporate culture.

Code of Conduct Keypoints

BRI's code of conduct has 9 (nine) elements, namely:

1. Compliance with Law and Bank Policies
The Bank's commitment to comply with applicable laws and regulations in order to strengthen the Bank's compliance culture.
2. Relationships with Stakeholder
 - a. Ethic to Customers
The Bank's commitment to providing excellent service to customers by prioritizing the principle of prudence.
 - b. Ethic to Working Partners
The Bank Commitment's with Business Partners is based on legitimate and fair business practice and uphold professionalism by always prioritizing the interests of the company.
 - c. Ethic to Competitor
The Bank's commitment to promote healthy competition in carrying out its business, by increasing competitor banks as a driver of increased performance.
 - d. Ethic for Regulator
The Bank's commitment fulfills the obligations and conditions set by the banking regulator and other authorized authorities.
 - e. Ethic to Shareholders
The Bank's commitment in an effort to provide positive and optimal contributions to shareholders.
3. Relation with Community and the Environment
The Bank's commitment to uphold the values of the local community and providing benefits and supporting environmental preservation where the Bank runs its operations.
4. Company Relations with Bank Employees.
 - a. The Bank's commitment in providing equal opportunities to all workers to participate in achieving the Bank's vision and mission.
 - b. The Bank's commitment in creating a conducive work environment to increase the productivity and ethics of fellow workers.
5. Bank Information Confidentiality
The Bank's commitment to protect all customer and internal Bank information from outside / unauthorized parties.
6. Bank Report Integrity and Accuracy
The commitment of BRI personnel to submit Bank reports promptly, accurately and accountable to management, shareholders and other interested parties.
7. Conflict of Interest
The commitment of BRI personnel to implement a policy of handling conflicts of interest and does not place in conditions / situations where conflicts of interest arise between themselves and the Bank, Customers, and Third Parties which can harm the company.
8. Political Contributions and Activities
The commitment of BRI personnel not to contribute to political activities or other similar businesses.
9. Prohibition of Receiving Gifts
BRI personnel are not permitted to ask for and receive any gifts or rewards that are not in accordance with the applicable laws and regulations.

Code of Conduct

Statement that the Code of Conduct Applies to All Organizational Levels

1. Board of Directors, Board of Commissioners and all BRI Personnels are required to know, understand, and implement the BRI's Code of Conduct.
2. All Bank's personnels must submit in writing the Statement of Compliance with BRI's Code of Conduct. The signed BRI's Statement of Compliance with Code of Conduct is a condition in continuing the working relationship with the Bank.

Code of Conduct Socialization

BRI has carried out socialization of the code of conduct policy for BRI employees in 2018 through education program, workshop activities, On House Training, Guidance and Monitoring onsite to BRI work units, learning or e-learning through BRI's internal portal, and the Implementation of Performance Improvement Forums (FPK) in all BRI work units.

Enforcement Effort of the Bank's Code of Conduct

In the effort to uphold the Bank's code of conduct, the BOC, BOD, and All BRI Employees are committed to managing the Bank's business by applying ethics in the banking system. The commitment is realized in:

1. Code of Conduct applies to all BRI Employees throughout all level of organization. Continuous and sustainable implementation of the Code of Conduct in the form of attitudes, actions, commitments, and provisions that support the creation of the Bank's culture.
2. All BRI Personnel are required to submit in writing their compliance to the BRI's Code of Conduct
3. Any violation of the Code of Conduct will be imposed to sanctions in accordance with the Bank's prevailing regulations.
4. Socialization of the Code of Conduct to BRI Employees.

Total Violations of Code of Conduct In 2018

During 2018 there were violations of the Code which carried by 212 permanent workers. Violation of Code BRI has given sanction in accordance with the applicable provisions of the company.

Corporate Culture

BRI formulated new corporate Core Values used to establish work conduct and character in line with the company's latest strategy. The corporate core values is called BRI with 5 (five) values or usually called BRILIAN that reflected in 10 attitude and conduct. Here are the elaboration of BRILIAN and its conduct:

1. Integrity

Intellectual, exemplary communication and conduct, upholding honour and abiding by regulations. The Integrity Value means:

- Transparent, Honest, Sincere; and
- Obedying the Rules.

2. Profesionalism

Committed to work meticulously and accurately with excellent capabilities and responsibilities. The Profesionalism Value means:

- Continuous Learner
- Fairness

3. Trust

Fostering assurance and trust between stakeholders and transparent based on reliability. The Trust Value means:

- Respectful
- Upholding the Company and the Nation's Interest

4. Innovation

Taking advantage of capabilities and skills to find new solution and ideas to create products/policies in resolving issues. The Innovation Value means:

- Visionary
- Pioneer in Transformation

5. Customer Centric

Always placing customers as prominent mutually beneficial partners sustainably. The Customer Centric Value means:

- Providing services beyond customers expectation wholeheartedly
- Collaborative

Internal Violations

The number of internal violations committed by employees of BRI during 2018 of the results of the investigation BRI working units are as follows:

Internal Violations	number of Violations							
	Board of Commissioners		Management		Jobholder		Part Time Worker	
	2017	2018	2017	2018	2017	2018	2017	2018
Total	-	-	-	-	142	212	145	123
has been resolved	-	-	-	-	136	171	89	97
In the process of completion	-	-	-	-	6	41	56	26

Whistleblowing System

In implementing GCG, BRI is transparent and fair in receiving and managing violation reports through the Whistleblowing System.

Whistleblowing System (WBS) is a reporting tool for BRI personnel in particular and the public to report any behaviour or actions that are indicated to violate the code of ethics, GCG principles and applicable regulations both internal to BRI and applicable legislation carried out by BRI personnel.

WBS Policy

The BRI Whistleblowing System policy has been regulated in BOD BRI Circular Letter No: S.08-DIR / KPT / 05/2018 which regulates the system, mechanism and procedures for handling reports of indication of violations that are managed confidentially and independently.

Report Filing

Any indication of violation can be filed as a report through the following:

- SMS: 0811-8200-600
- Written Letter: PO BOX
- Email: whistleblower@corp.bri.co.id
- Website : www.bri.co.id/whistleblowing-system

WBS Socialization

BRI WBS socialization has been implemented to Internal Parties (BRI Employees) and External Parties, such as:

- WBS policy information to all employees through BRI internal portal.
- Poster campaign on WBS information at the Branch Offices, Sub Branch Offices and BRI Units.
- Disseminate WBS materials the in-class training of Employee Development Program pengembangan.
- Implement WBS e-learning to all BRI employees.
- WBS information through the Bank's website.
- Onsite WBS dissemination to Work Units.
- Install Pop Up on the Bristars application dashboard (BRI internal portal).

Whistleblowers Protection

BRI provides protection to whistleblower for confidentiality of personal data and information reported. Provision of protection is also given to internal reporters from pressure, postponement of promotions, discrimination, dismissal, and physical actions.

Handling and WBS Reporting Mechanisms

WBS Handling

- The reporter submits a report on indication of violation through a WBS facility.
- Report is received by the WBS Management Unit.

- The WBS officer will verify and analyse the initial indication of violation information at the latest 20 working days then submit it to the WBS Management Unit Leader.
- Check and confirm report of indication of violation according to WBS report criteria. Then decide the follow-up to the WBS report to the Investigation Work Unit. If the report does not match the criteria, the report on the indication of violation will not be followed up.
- The Investigation Work Unit investigates information on violation indications. Then submit the report of the investigation results and recommendations to the WBS Management Unit.
- The WBS Management Unit will write to the Authorized Work Unit to carry out follow-up repairs and sanctions on recommendations from the Investigation Work Unit.
- Authorized Work Unit carry out follow-up repairs and sanctions to the Reported Party.
- The WBS Management Unit monitors the follow-up improvements made by the Authority.
- The Authorized Work Unit submits a report on the realization of improvements to the WBS Management Unit.
- The WBS Management Unit ensures adequate follow-up of mitigation.
- The WBS Management Unit reports recapitulation and evaluation to the President Director and Audit Committee every Quarter.

Whistleblowing System

WBS Reporting Mechanism

1. The reporter submits a report on indications of violation through a determined facility.
2. Report on indication of violation are accepted by the Whistleblowing System Management Unit to be followed up to the Investigation Work Unit.
3. The Investigation Work Unit investigate reports of indication of violation and the result of the investigation is returned to the Whistleblowing System Management Unit.
4. The Whistleblowing System Management Unit will report periodically to the President Director.

Complaint Management

The WBS manager is under the President Director and monitored by the Board of Commissioners through the Audit Committee. The President Director forms a WBS Management Unit that is responsible for managing and following up reports of indications of violations.

WBS Report

Recapitalitulation WBS Reports

The number of reports of complaints of violations received during 2018 were 124 complaints of reporting consisting of 180 sub complaints of indications of violations.

Year	Total Reports	Submission Media				Status	
		SMS	Letter	Tel / Spoken	E-mail	Open	Closed
2016	99	84	14	1	0	0	99
2017	65	48	23	2	2	1	64
2018	124	77	4	0	43	75	49

Of the 124 complaints reporting that entered during the year 2018 can be identified into 180 sub complaints indication of violation of the following categories:

No	Types of Reports	Total
1	Violation of accounting and financial reporting processes BRI	0
2	Fraud Measures	22
3	Unlawful acts	3
4	Company SOP violations	99
5	Code violations BRI and GCG	40
6	Ethics violations	3
7	Harmful actions	13
	Total	180

Policy of Diversity of the BOD and BOC Composition

The Diversity Policy of the BOC and BOD is manifested in the form of diversity of competence, experience and educational background of the candidates for members of the BOD and BOC as evaluated by the Nomination and Remuneration Committee prior to their appointment by the GMS as proposed by the BOC.

All members of the BOC and BOD of BRI have fulfilled the diversity policy applicable in the Company.

The diversity of the BOC and BOD in detail in terms of competence, experience and educational background are as described in the Diversity section of the Board of Commissioners and the Board of Directors in this Annual Report.

Anti Corruption Policy & Procedures

BRI has in place the anti corruption policy and procedures regulated in the BOD Circular Letter NOSE:S.25-DIR/DMR/12/2016 on the Anti Fraud Strategy of PT Bank Rakyat Indonesia (Persero) Tbk. The policy is BRI management commitment manifestation in controlling fraud that implemented in the fraud control system.

Gratification Control Program

In order to improve company value and behavior in business relationship between business relationship and corporate partner, BRI is committed to implement gratification control to support effort to eradicate corruption within the company. BRI has a gratification guideline as set out in the Joint Decree of the BOC and BOD of BRI No: 03-KOM / BRI / 03/2017 and Deputy: S.11-DIR / DKP / 03/2017 on BRI's Gratuity Control Guideline. BRI's Gratuity Control Guideline govern:

1. Basic principles of gratification control.
2. Classification of gratuities.
3. Socialization, reporting, monitoring and evaluation
4. Mechanism for managing gratuities
5. Duties and authorities of the Gratification Control Unit.
6. Protection of Gratuity Reporters

Prohibition of receiving gratuities for all BRI Personnel and limitations on the acceptance of gratuities.

The application of the Gratuity Control Guideline aims to build corporate values in accordance with the principles of Good Corporate Governance (GCG) and instill integrity values for all BRI Personnel to customers, vendors, partners

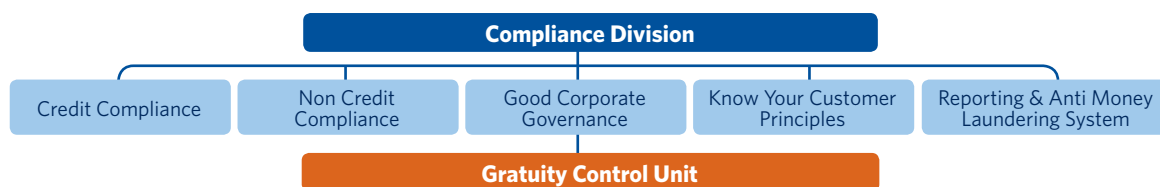
and all stakeholders. BRI Bank always strives to improve gratification controls including:

- a. The signing of the KPK gratification control commitment with BRI and the Financial Conglomerate.
- b. Signing of commitment to control gratuities of all BRI Executive Vice Presidents.
- c. Participated in the National Gratification Control Unit Forum held on October 13-15 to November 3, 2016 in Bogor, West Java.
- d. Revision of technical guidelines for reporting gratuities.
- e. Signing of gratification control commitment by all workers in the agenda of the BRI Performance Improvement Forum in 2018.
- f. Participate in the activities of the International Anti-Corruption Day in 2018 which is held on December 4-5 2018 in Jakarta.
- g. Participate in the 2018 International Business Integrity Conference (IBIC) which was held on December 4-5 2017 in Jakarta.

Gratification Control Unit

It is a unit or function within the BRI that carries out the function of controlling the practice of receiving and giving gratuities.

The structure of the Gratification Management Unit:



The Gratuity Control Unit has duties and responsibilities including:

1. Formulate policies, guidelines, and technical instructions on the application of gratuities.
2. Disseminating gratification policies.
3. Receiving, analyzing and administering reports on receipt of gratuities.
4. Submitting a report on gratuities to the KPK.
5. Managing gratification goods in accordance with BRI's authority.
6. Monitoring and evaluating the implementation of gratification control with the KPK.

Gratification Control Program

Type of Gratification

1. Gratuities that are required to be reported are gratuities related to the position and contrary to their obligation or duties.
2. Gratuities that are not required to be reported are receipts received by BRI personnel not based on / not related to positions or authorities held and not contrary to obligations.
3. Gratuities related to service are gratuities given to BRI personnel from any party in the implementation of services assigned to them.

Implementation of Gratification Control

Integrity Pact

BRI is committed to continually improve the gratuity control program within the company, one of which is BRI has an integrity pact in the form of gratification control commitment signed by all BRI employees at the 2018 Performance Improvement Forum (FPK). The signing of the integrity pact is also carried out to all vendors and partners BRI to maintain integrity and independence in the process of procurement of goods and services.

Socialization and Awareness Program of Gratification

1. E-learning implementation for all BRI employees regarding gratuity control program.
2. Launching video on socialization of gratification.
3. Socialization of gratification control onsite to all BRI regional offices and 56 BRI Branch Offices.
4. Dissemination of gratification control at the BRI National Working Meeting (Rakernas) and BRI Workers' Union.
5. Socialization of gratification guidelines for subsidiaries.

E-learning

In 2018, the Gratuity Control Unit had prepared an education on gratuity control guidelines in the form of e-learning which was attended by 107,303 BRI workers. The implementation of e-learning aims to increase understanding of controlling and reporting gratuities in work units.

Gratification Control Program at the Financial Conglomerate

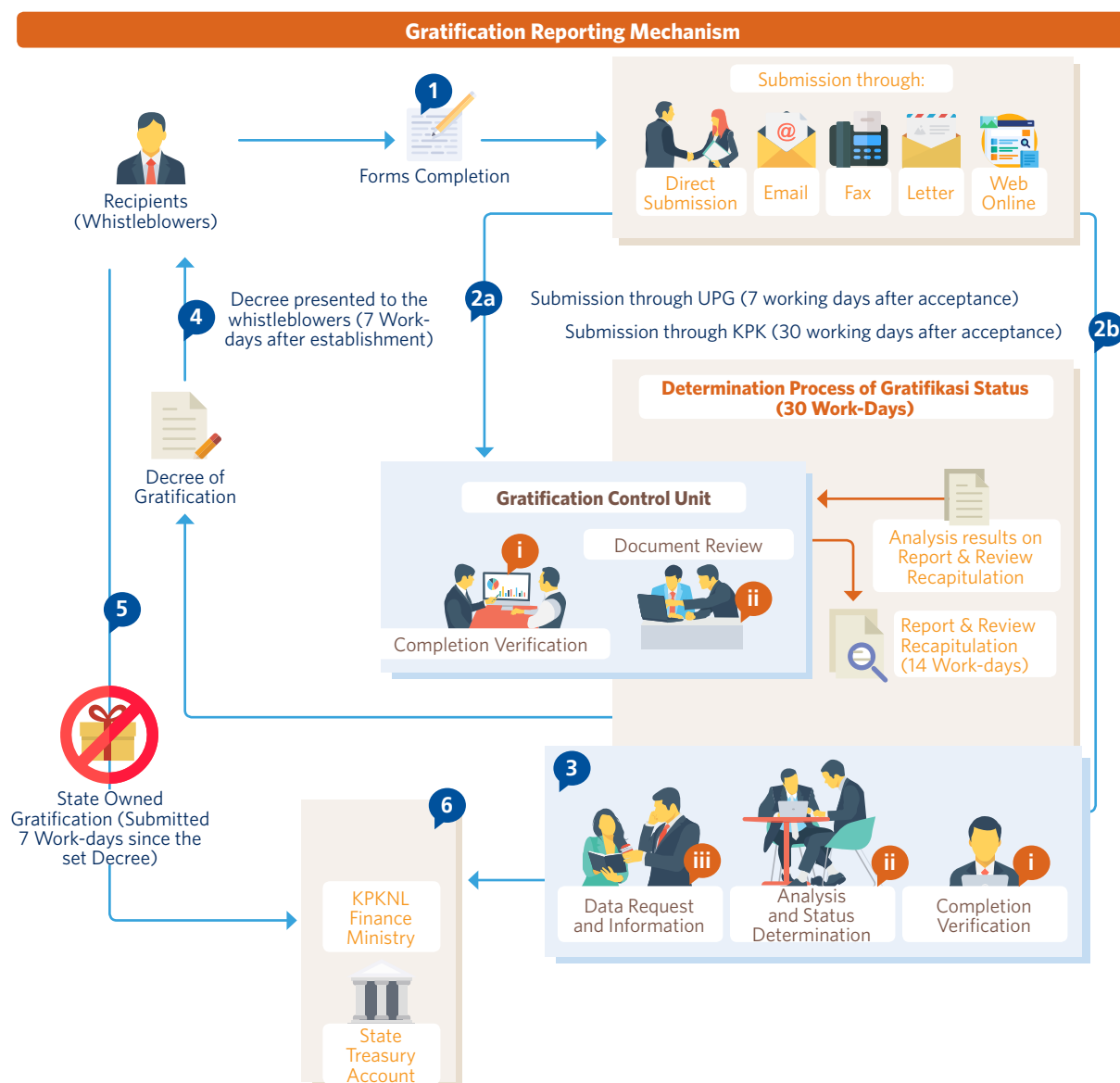
BRI has implemented a gratuity control program for the BRI financial conglomerate through the signing of commitments made by all the Managing Directors of the financial conglomerate with the KPK. Furthermore, all BRI financial conglomerates develop gratuity control programs including:

1. Develop policies gratuities control program in subsidiaries.
2. Forming Gratification Control Unit
3. To disseminate to all employees in subsidiaries.

Gratification Control Program

Gratification Reporting Mechanism

Gratification reporting standards refer to reporting standards and procedures in the KPK with the following details:



Report on Acceptance of Gratification 2018

In 2018, the number of reports on receipt of gratification reported to the Gratification Control Unit were 23 reports including 17 (seventeen) reports on receipt of gratification and 6 (six) reports of refusal of gratification.

Creditor Protection Policy

In carrying out one of its business facilities, BRI provides loans to the public, where BRI's rights as a creditor are protected and regulated according to the applicable regulations and set out in each credit agreement. BRI Bank always upholds the equality of rights and protection of its customers by carrying out several activities in order to protect creditors including:

- a. Obtain information related to the development of BRI's performance and financial statements.
- b. Obtain information on the terms and conditions of bank products and services to customers.
- c. Information to the customers about the terms and conditions regarding credit proposed by the employees of the bank and bank counterparty notary at the time of going to the credit agreement.
- d. Obtaining information and interest in the amount according to applicable regulations.
- e. The credit agreement was made in 2 to both sides.

Customer Protection Policy

In carrying out its responsibilities to consumers, BRI refers to several provisions including the Financial Services Authority Regulation No. 1 / POJK.07 / 2013 concerning Consumer Protection of the Financial Services Sector and Bank Indonesia Regulation No. 10/10 / PBI / 2008 concerning Customer Complaint Settlement and Bank Indonesia Circular No. 16/16 / DKSP / 2014 dated 30 September 2014 concerning Procedures for Implementing Consumer Protection for Payment System Services and Financial Services Authority Circular No. 2 / SEOJK.07 / 2014 concerning Services and Settlement of Consumer Complaints on Business Service Actors. Furthermore, BRI has also compiled guidelines for policies and procedures for resolving customer complaints through NOKEP S. 1051-DIR / LCC / 12/2016 Decree concerning Customer Complaints Resolution Procedures and Procedures of PT Bank Rakyat Indonesia (Persero) Tbk.

The policy of service to customers at BRI is also set forth in a service guide called the BRI Service Culture "CAKRAM" which means Fast Accurate Friendly Safe Man. The explanation is as follows:

Fast

1. Serve customers immediately in accordance with the Service Level Agreement while paying attention to the principle of prudence.
2. Responding to customer complaints as soon as possible in accordance with the Service Level Agreement with a winwin solution.

Accurate

1. Keep records of customer transactions correctly.
2. Provide customer information to support an integrated system.

Friendly

1. Making family values a distinctive feature of BRI in providing services to customers through a personal touch.
2. Give a positive impression to the customer through attitude, polite speech and attractive appearance
3. Communicate with intimacy and professionalism.

Customer Protection Policy

Secure

1. Providing security to customers with the support of a reliable system and utilizing professional human resources & high integrity.
2. Maintain the confidentiality of customer data.
3. Perform customer financial records regularly and correctly.
4. Always maintain safety and security for everything entrusted by customers.

Comfortable

1. Providing clean, neatly maintained facilities and infrastructure and a pleasant environment.
2. Providing infrastructure that always functions according to customer needs.

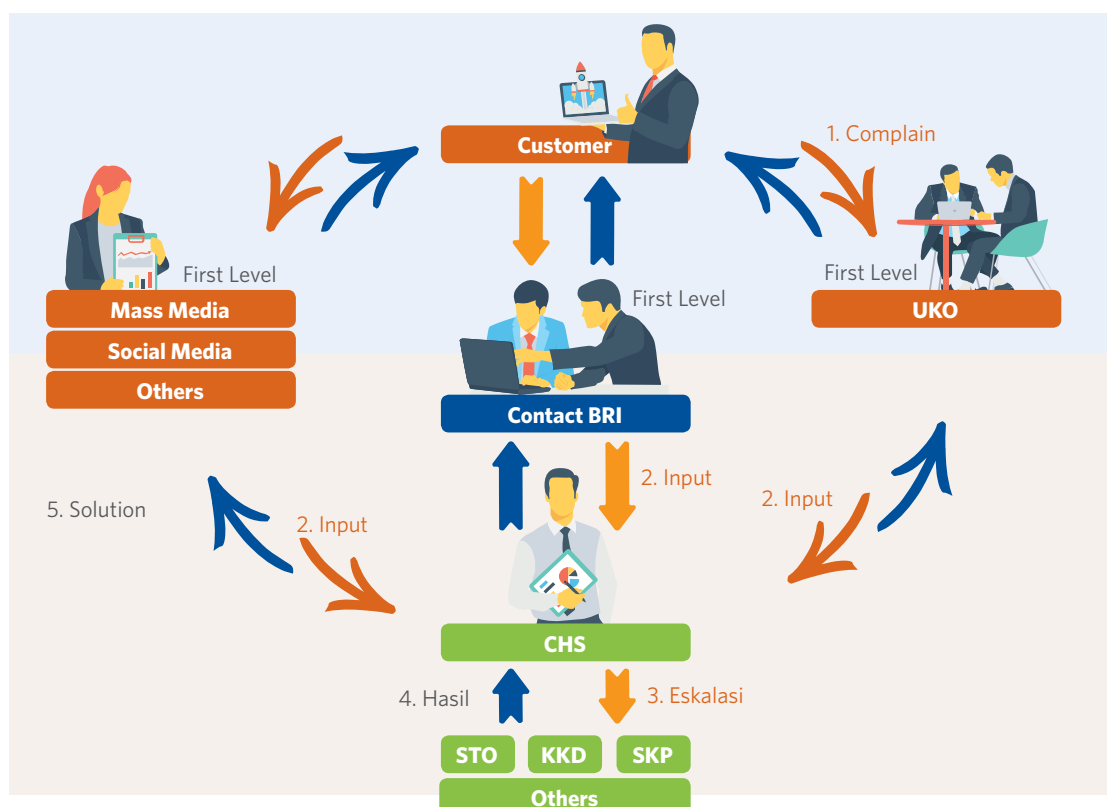
In its services to customers, BRI is committed to completing every customer complaint in a timely and good manner in accordance with the applicable provisions and / or service level agreement. In terms of customer satisfaction assessment, BRI routinely conducts customer satisfaction surveys which are expected to continue to be an evaluation in improving the quality of service to customers which ultimately results in an increase in customer loyalty to the company.

BRI views each customer complaint as an important input for improving the quality of services and products. Through a system of centralizing complaint handling, BRI provides a means for customers to submit complaints and become recommendations for improvements in the future. Therefore, so that every customer complaint can be identified and known quickly, BRI currently uses omni-channel media, namely facilities and access where BRI customers can get information about BRI products and services in full and submit complaints through available channels, namely:

1. Face to face with Customer Service in all operational working unit BRI;
2. Phone through 14 017, 1,500,017, and 021-57987400 / Premium call via 021-5758899 and 08,001,017,017;
3. webchat through the website www.bri.co.id;
4. Email in callbri@bri.co.id ;
5. Internet banking in <https://ib.bri.co.id>;
6. Twitter social media in @kontakbri;
7. Social media facebook in BANK BRI @ BRIofficialpage;
8. Telegram and SMS on 0812 12 14 017.
9. Service Toll Free Special Agent BRILink 0800 10 14 017

Customer Protection Policy

In resolving any customer complaints, the bank set a service level agreement (SLA) is a maximum of 20 (twenty) working days. The BRI customer complaint mechanism is as follows:



Procedures for Complaints:

- Customer complaints are an expression of customer dissatisfaction caused by a potential financial loss to a customer suspected of a bank error or negligence.
- Customers can immediately report their complaints to BRI through a predetermined facility as soon as possible if the customer experiences conditions in point 1.
- Complaints can be made verbally or in writing through available media facilities.
- Complaints made verbally must be supplemented with customer data information and the issues that are complained of.
- Complaints made in writing submitted in the Operational Work Unit / by fax must be completed with:
 - Customer complaint forms and issues that are reported.
 - A copy of the customer's identity card.
 - Proof of financial transactions at BRI that are related to the issues that are complained / other supporting documents related to complaints.
- Complaints via email must be completed with
 - Customer data and problems that are complained.
 - Scan files / data capture evidence of financial transactions at BRI relating to complaints filed.
- The deadline for resolving customer complaints submitted verbally is 2 (two) working days while the settlement of customer complaints submitted in writing is 20 (twenty) working days.
- In the event that the settlement of complaints related to financial losses has not satisfied the customer, it can be resolved through facilitation through the banking media.

Conflict of Interests

Conflict of interest is a condition/situation in which a person because of the position or authority in BRI, has a personal interest that can affect the quality and performance of the implementation of objective mandated tasks.

Policy

To prevent the occurrence of a conflict of interest, the Bank has a policy stated in the BRI's Joint Decree of the Board of Commissioners and the Board of Directors No. 02-KOM/BRI/05/2012 and Nokep: S.104-DIR/ DKP/05/2012 on PT Bank Rakyat Indonesia (Persero) Tbk General Guidelines on Handling Conflict of Interest.

The basic principles to handle Conflict of Interest are:

1. Prioritizing public interest.
2. Creating transparency of handling and supervision of conflicts of interest.
3. Encouraging personal responsibility and exemplary attitude.
4. Creating and fostering an organizational culture capable of handling conflict of interests.

Commitment

The BOC, BOD and all BRI personnel are committed and professional in implementing the conflict of interest policy. As a manifestation of BRI's commitment to the implementation of policies and disclosure of conflicts of interest are as follows:

1. All BRI personnel are required to make an Annual Disclosure that has no conflict of interest with respect to any decisions made by them and has carried out the behavior set by the company.
2. Each work unit must submit a transaction/ decision report containing a conflict of interest.

Socialization

BRI continues to disseminate the GCG and conflict of interest policy to BRI employees through educational program, workshop, On House Training, Guidance and onsite Monitoring to BRI work units, e-learning through BRI's internal portal, and statement of conflict of interest.

2018 Conflict of Interest Transaction Report

During 2018, there were 4 (four) disclosures of conflict of interest transactions, namely 3 reports of office leases owned by BRI workers, 1 (one) report on procurement of good and service, and 2 (two) reports related to granting loans that contained conflicts of interest. Each conflict of interest report has been reported to the Head Office and submitted to the semester report to the Financial Services Authority.

Insider Trading Prevention

Insider Trading is the trading of company shares or other securities (bonds or stock options) carried out by company's individual with access to non-public information about the company.

Policy

The Company has a policy that regulates insider trading activities for all BRI people. Insider trading policies are contained in the Joint Decree (SKB) of the Board of Commissioners and Directors of BRI No: 02-KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated May 24, 2012 concerning General Guidelines for Handling Conflict BRI's interests.

Policy related to insider trading activity regulates that:

1. Every BRI person must avoid personal actions that benefit from "inside information" or inside information obtained from his position, while this information is not open to the public.

2. All BRI employees do not use confidential company information and business data for interests outside the company.
3. All BRI personnel are prohibited from carrying out any activities related to insider trading that refer to illegal activities in the financial market environment to seek profits which are usually carried out by utilizing internal information such as published plans or company decisions / corporate actions.
4. Violation of the above activities will be subject to disciplinary sanctions according to those applicable at BRI.

In supporting good corporate governance practice, all BRI personnel are required to make Annual Disclosure statements, including disclosure of insider trading transactions carried out by BRI personnel.

Procurement of Good and Services

Procurement is an activity process to fulfill or provide the need of goods and / or services of a company by buying or renting or cooperating with other parties, which implementation is carried out through company partners or other appointed parties.

The procurement of good and services carried out by BRI aims to support bank operations and business performance in general. In an effort to provide the best service and heed the principles of Good Corporate Governance, BRI is determined to create a process of procurement of goods and services that is safe, effective and efficient.

Policy

The General Policy of Fixed Asset and Logistic Management (KEMAL) is a guideline in carrying out the process of procurement of good and services to support the Bank's operational activities in accordance with the quality, quantity and time set at the best price while still observing Good Corporate Governance principles.

KEMAL BRI has been implemented from 2012. KEMAL is guided by the Regulation of the State Minister for State-Owned Enterprises No. PER-05 / MBU / 2008 dated September 3, 2008 concerning General Guidelines for the Procurement of Goods and Services of State-Owned Public Bodies. The objectives of the compilation of KEMAL BRI are:

- a. As a guideline in managing fixed assets and quality logistics services for all BRI work units.
- b. As a guideline in the process of procurement of goods and services at BRI so that the procurement process at BRI.

Improvement to KEMAL is carried out continuously by taking into account the control mechanisms and challenges of the company. Thus it is expected that the process of procurement of goods and services at BRI can better suit business needs, priority scale, budget availability, and budget efficiency.

Principle of Good and Services Procurement

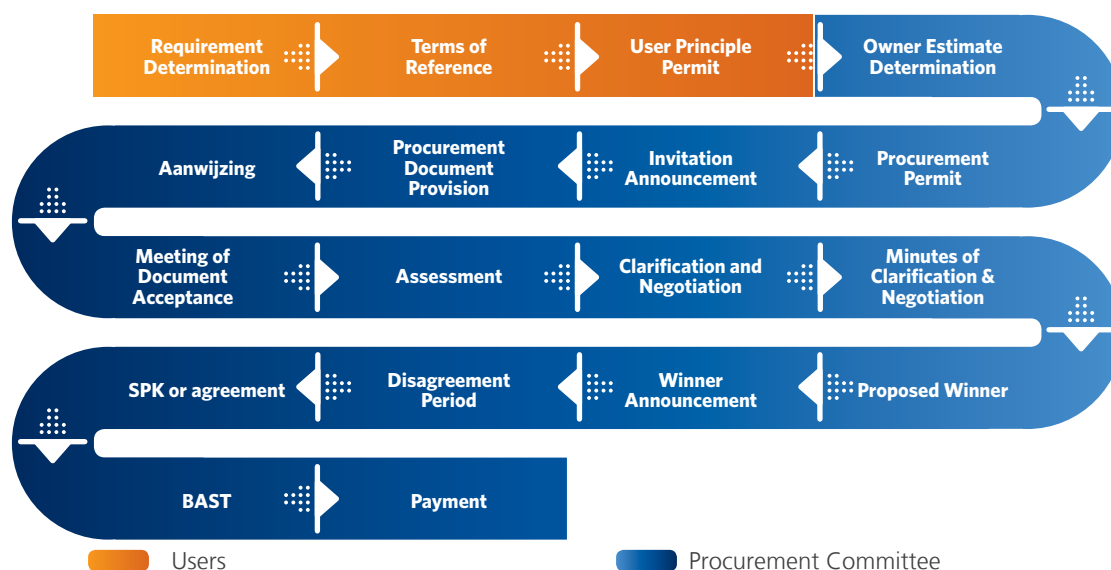
In carrying out the procurement process, the Bank refers to the basic principles of procurement implementation as follows:

- a. **Efficient**
Procurement of goods and / or services must be endeavored to obtain optimal and best results in a short time by using the funds and the minimum capacity to be reasonable and not only based on the lowest price.
- b. **Effective**
Procurement of goods and / or services must be in accordance with predetermined needs and provide maximum benefits according to the targets set.
- c. **Competitive**
Procurement of goods and / or services must be open to providers of goods and / or services that meet the requirements and carried out through fair competition among providers of goods and / or services that are equal and meet certain requirements / criteria based on clear and transparent provisions and procedures.
- d. **Transparent**
All provision and information regarding the procurement of goods and / or services, including technical requirements for procurement administration, evaluation procedures, evaluation results, determination of prospective providers of goods and / or services, are open to participants who are interested in providing goods and / or services.
- e. **Fair and equal**
Provide equal treatment for all prospective suppliers of goods and services that meet the requirements.
- f. **Accountable**
Must achieve goals and be accountable so as to keep away from potential abuse and irregularities.

Procurement of Good and Services

Good and Service Procurement Procedure

The stages of implementing the procurement of goods and services at BRI are carried out as follows:



- a. In order to support operational activities, BRI requires adequate facilities and infrastructure to achieve the Company's objectives. A procurement process is required to fulfill facilities, infrastructure and infrastructure.
- b. In each implementation of the procurement process, it is necessary to determine the Self Estimated Price as one of the bases in determining the method of procurement. In 2017 an Estimation Group was formed, namely an independent work unit that has the duties and responsibilities in preparing and stipulating the HPS for the procurement of goods and / or services at BRI.
- c. The procurement process can be carried out with several methods, including Swakelola, direct purchase, direct appointment, direct election and open auction.
- d. In the procurement process an evaluation of the offer submitted by the prospective Provider of Goods / Services will be carried out to obtain the best quality and price.
- e. In order to obtain conformity between the needs of BRI and the bids submitted by prospective suppliers of goods / services, Clarification and Negotiation will be carried out in the procurement process until the winner of the goods / service provider is determined.
- f. If a winner has been determined, BRI provides a refutation time if there are parties who object to the procurement process that has been carried out or to the winner's determination. This is done by BRI in order to realize the process of procurement of goods and services that meet the rules of Good Corporate Governance.

Partner Management

- a. Providers of good and/or services which will participate in the procurement of good and / or services in BRI need to have a BRI Registration Certificate (TDR). TDR (Partner Register) is a statement in the format of a certificate or letter explaining that the provider of

Procurement of Good and Services

good / services is listed therein has been registered as a BRI Partner, as a condition for participating in the procurement of good / services at BRI.

- b. BRI has a list of suppliers of good/ services that can be used in the process of procuring goods/services at BRI. The list of partners is obtained from the selection of qualifications and requirements determined by BRI. The requirements set out to become BRI partners to suppliers of goods / services that have passed the selection become partners have been carried out transparently, in order to apply the principles of Good Corporate Governance.
- c. The requirements set for the partners of BRI has been done in accordance pinsip procurement such as:
 - 1) Have a valid business legality
 - 2) Financial performance report partner in both categories
 - 3) Having the experience of the field work to be done.
- d. Partner Management Application. BRI has developed application management TDR (Associate Registration) that is integrated with BRISMILE starting from partner registration conducted independently by vendors (via BRI intranet), legality and vendor business evaluation process to issuance of BRI Partner Signs (BRI TDR) by BRI.

Explanation on Transparency of Procurement of Good and Services and Implementation of e-procurement

BRI carries out the procurement of quality goods and services by always emphasizing the importance of implementing the Good Corporate Governance Principles. Therefore, to create a quality procurement process, one of the steps taken is to maintain transparency in every implementation of the procurement process.

The work program that has been carried out to support the transparency of the implementation of goods and services is as follows:

1. Implementation of Financial Assessment using the E-Procurement E-Procurement Module Application.
2. Announcement of procurement auctions through various print and electronic media.
3. ISO 9001: 2015 Certification.

ISO 9001:2015

The certification has been achieved by the Procurement of Good and Services Cq Division of Inventory and Payment Management in the process of inventory management, procurement administration, and payment. With the achievement of ISO 9001: 2015 Certification, it is expected that the trust level of partners to BRI will increase due to transparency in better procurement procedures.

Name of Certification	ISO 9001:2015
Date of Issuance	13 January 2018
Certification body	LQRA
Validity	9 December 2020

Procurement of Good and Services

2018 Procurement of Good and Services Report

Until December 2018, the total procurement and the total value of special procurement for renovation and/or building construction work carried out by BRI Head Office is 82 procurement and the total procurement value is Rp. 191,466,210,000.

In the framework of applying the precautionary principle, then the procurement decision mechanism is carried out for the procurement of goods and services by the Procurement Officers in a forum for the Procurement of Goods and Services.

With the Decision of the Procurement of Goods and Services Committee, it is expected that the decisions on the procurement of goods and services can be given more carefully, accountably while taking into account the principles of effectiveness and efficiency and in the process of procurement of goods and services.

The following are data on the Procurement of Goods and Services Committee in BRI during 2018 as follows:

No.	Name of Procurement Committee	Procurement Value	Total Procurement
A	B	C	D
1	Procurement Committee I	> Rp. 200 Billion	-
2	Procurement Committee II	> Rp. 75 Billion sd. Rp. 200 Billion	1
3	Procurement Committee III	> Rp. 20 Billion sd. Rp. 75 Billion	-
4	Procurement Committee IV	> Rp. 7,5 Billion sd. Rp. 20 Billion	1

2018 Strategy and Work Program for Procurement of Goods and Services Division

The Procurement of Good and Services Division acts as a supporter of BRI's business and operations. In an effort to provide the best service and heed the Principles of Good Corporate Governance, BRI is determined to create a safe, effective and efficient procurement process.

The following are some of the strategies implemented during 2018:

- 1. Procurement with multi vendors**
Multi vendor strategies accelerate the process of fulfilling goods and / or services.
- 2. Procurement with blanket order**
The implementation of this strategy accelerates the process of fulfilling routine goods and services with a relatively large amount, as well as streamlining procurement operational costs.
- 3. SOE Synergy**
- 4. BRISILE Application Utilization**
By using the system, monitoring processes and reporting on the results of procurement can be done electronically/ system.

Responsibilities to Suppliers

1. Audit on Procurement of Good and Services

To ensure the procurement process of goods and services has been carried out in accordance with applicable regulations and procedures, Bank BRI always conducts regular audits conducted by BRI's internal auditors and external auditors.

2. Vendor Gathering

In 2018, BRI has performed Vendor Gathering through Focus Group Discussion (FGD) and Business Partner Gathering BRI partners. The exposure of the material from the vendor gathering activities were carried out as follows:

- Sharing the vision and mission of Bank BRI forward.
- Means to strengthen the fabric of harmonious cooperation between BRI and BRI partners.
- Communication forums to get input from vendors to improve the procurement process in BRI.
- Cross selling/ Sharing product knowledge BRI

Procurement of Good and Services

3. Internal and External Customer Satisfaction Index

In improving the quality standard in the process of procuring good and services at Bank, BRI has surveyed suppliers/ vendors with the following survey results:

No.	Survey	Responden	FGD Survey Result Stage I 1018		FGD Survey Result Stage II 1018		Max Scale	Desc.
			Index	Desc.	Index	Desc.		
1	BRI Internal Service Survey (BISS)	Head office Division	4.48	Very Satisfied	4.60	Very Satisfied	5,00	0,12
2	BRI External Service Survey (BESS)	Partners	4.15	Very Satisfied	4.50	Very Satisfied	5,00	0,35

Fixed Assets Management

Current management of fixed assets BRI uses the BRISmile (Electronic Logistics Information Management System) application which is an improvement from the previous application, namely the Logistics Portal which was developed inhouse by the TSI Planning and Development Division. In the application there are several modules, namely

1. Module for procurement of fixed assets.
2. The management module for fixed assets consisting of, among others, insurance for fixed assets, relocation, reclassifying fixed assets and write-off of fixed assets.
3. Budget module.

Unlike the previous SIM AT, which is SAP Fixed asset management (FAM), which can only be accessed at the BRI Regional Office and Kanpus level, BRISmile can be accessed at the Kanca / Campus level so that the management of fixed assets can be more efficient and effective. The efficiency obtained for managing AT through BRISmile is as follows:

1. BRI work unit can view and monitor the recording of fixed assets in their work units on line so that problems, especially those related to the difference between the physical assets and details of data in BRISmile, can be immediately resolved. The work unit can ensure that the fixed assets received are recorded in the BRIS file.

2. The increase in BRI work units and the supervision of BRI work units requires decentralized management of fixed assets, especially those related to the relocation (transfer) of fixed assets between work units. BRI Branches can relocate their fixed assets without going through Kanwil or Kanpus so that the problems mainly related to the difference between the physical assets and details of the data in BRISmile can be minimized.
3. The insurance process for fixed assets includes the closing of insurance and payment of insurance claims for loss of fixed assets can be done on line with the guarantor (asuradur) so that the process of closing insurance can be done faster than when done manually so as to reduce the risk of loss of assets still BRI. In addition, the progress of insurance claims for loss of BRI fixed assets can be monitored by the work unit that submits an insurance claim through BRISmile. Furthermore, after there is an agreement claim from asuradur, the claim payment is made automatically to the GL Titipan Claim account at the work unit of the owner of the fixed assets. Thus, the work unit does not need to carry out the transfer from the IA bank account to the GL Claim AT.

4. The write-off process can be carried out by the BRI work unit itself starting from the proposal until the deletion from the registration in BRISmile. This process makes it easy for the work unit to monitor the progress of each proposed write-off submitted.
5. The budget module in BRISmile provides convenience in the preparation of the RKAP. This is because the proposals from each work unit are carried out through a system so that the work unit needs can be directly monitored and analyzed by the Head Office for BRI RKAP preparation.
6. The process of procuring fixed assets starts from the input of principle procurement licenses, permits the principle of the procurement and creation of Work Order (SPK) until the delivery / distribution of fixed assets to BRI work units can be done through the BRISmile Application so that progress can be made currently being carried out or done in Kanpus, Kanwil, Kanins, and BRI Corporate University according to the authority granted. Thus an evaluation of each procurement of fixed assets can be carried out including the time and constraints faced.

Fixed Assets Management

7. The process of submitting proposals up to the recording of fixed assets for leasing / buying property and the construction / renovation of BRI Building can be done through BRISmile so that the progress of the proposal or construction / renovation can be directly monitored by BRI work units.
8. Currently the BRISmile module has an interface directly with Brinets, where all bookkeeping transactions are carried out automatically through BRISmile, so that no manual bookkeeping is required by the work unit (except payment transactions to accounts. Third party, delegation to Investment Procurement Debt and delegation to AT auction deposit accounts). The BRISmile module that has an interface to Brinets includes:
 - a. Imposing Depreciation Costs.
 - b. Relocation & Reclassification of Fixed Assets.
 - c. AT write-off.
 - d. Insurance Claim Payment.
 - e. Goods Procurement / Goods Distribution.
 - f. Realization of construction / renovation and realization of purchase of office buildings / rudin.
9. Information regarding BRI fixed assets for both internal and external interests, especially data related to BRI's financial statements can be faster and more accurate. The reports that can be generated from BRISmile include details of fixed assets, fixed assets mutation reports, fixed assets write-off reports, fixed assets insurance closing reports, etc.
10. To facilitate management in taking policy strategies related to fixed assets procurement dashboards have been made, proposed property rental / purchase, building construction / renovation so that policies are taken on time and on target.

2018 Bank Strategic Plan

In accordance with the BRI 2018-2022 Long Term Plan, the aspirations that will be achieved are poured into BRI's vision of becoming the Most Valuable Bank in Southeast Asia and Home to the Best Talent.

In preparing the Corporate Plan 2018 - 2022, in addition to BRI's vision and mission statement, several factors that influence the development of the banking industry in Indonesia in the future also includes:

- a. Indonesia's demographic condition with the increasing number of middle-age productive age population with increasing purchasing power and increasingly dominated by millennial generations who are familiar with digital technology.
- b. The direction of the Government's national development policy through infrastructure development will require funding from banks as well as rural development and empowerment.
- c. Economic integration in the ASEAN Economic Community (MEA) with free trade between ASEAN countries will affect the competition of banks both in raising funds and lending.
- d. Changes in customer preferences that affect customer growth are digitally savvy. Digitally Savvy means changing behavior of customers who prefer digital methods that make their business faster, safer and save time. Customers like the way of transactions that are no longer limited by time and place.

Long Term Strategic Plan

In preparing the Corporate Plan 2018-2022, in addition to being guided by BRI's vision and mission statement, the preparation of the Long-Term Plan will be a guideline for the BRI transformation process. As of 2022, BRI has aspirations to become the Most Valuable Bank in South East Asia and Home to The Best Talent.

Medium Term Strategic Plan

Medium-term plan is part of BRI's long-term goal (five years) as the implementation of BRI's Vision and Mission. The medium-term target covers the business objective that will be pursued in the next three years, starting from 2019 to 2021 through the 5C's strategy (CASA, Customer Focus, Credit Excellence, Capabilities, Culture).

- a. CASA (Liabilities)
- b. Customer Focus (Fee-Based Income)
- c. Credit Excellence (Asset)
- d. Capabilities (IT, Data & Network)
- e. Culture (Human Capital)

Short-Term Strategic Plan

BRI sets an annual theme in the preparation of company planning in 2019 with the theme of **Leading Consumer Loans in Indonesia**. The focus of the theme is that BRI as the market leader in consumer lending is supported by IT development and re-engineering business processes to deal with change and capture future business opportunities so that the aspiration to become the Most Valuable Bank in Southeast Asia achieved. The stakeholders considered in determining the measure of success are shareholders, government, customers, workers and the community.

Short Term Plan to be carried out within 1 (year) are as follows:

- a. Increase Consumer Loan Market Share
- b. Maintaining the Focus of Asset Growth in the MSME segment
- c. Maintaining the Quality of Assets
- d. Increasing Low Fund Growth and Maintaining the Composition of CASA
- e. Implement Operational Excellence
- f. Building BUMN Synergy to improve competitiveness

Other Policy

ACCOUNTING POLICY

In preparing the Financial Statements as a result of the optimal implementation of bank operational activities, an accounting policy guideline is based on the applicable accounting provisions issued by Bank Indonesia, the Financial Services Authority (OJK), and the Financial Accounting Standards Board - Indonesian Accountants Association (DSAK-IAI).

BRI's accounting policies are prepared with the following objectives:

1. Improve BRI accounting to be adjusted to the provisions of PSAK, PAPI, and OJK Regulations.
2. Provide guidelines for banks in implementing sound accounting practices;
3. Uniformizing the application of accounting treatment in the recording and reporting of Headquarters and Branch Offices;
4. Facilitate the preparation and presentation of BRI financial statements, so that Financial Reports can be presented in a timely and accurate manner, and can provide easy-to-understand information for management and other parties that require consideration in decision making.

Accounting policy is the basic principles, regulations and practices implemented by banks so that the preparation and presentation of financial statements meet the requirements of Financial Accounting Standards (SAK), Bank Indonesia regulations, and OJK provisions. With the existence of a written accounting policy, BRI has standard guidelines / guidelines for implementing and applying sound accounting principles.

Furthermore, in connection with financial accounting standards that continue to develop and improve, BRI also continues to make improvements to the accounting policy guidelines in order to comply with the applicable provisions.

Application of PSAK Convergence to IFRS

In the framework of the preparation and presentation of the Financial Statements, BRI is guided by accounting policies, one of which is based on applicable accounting provisions issued by the Financial Accounting Standards Board - Indonesian Institute of Accountants (DSAK-IAI), where DSAK-IAI has launched a program the convergence of IFRS to IFRS with the support of regulators.

Incompatibility of Presentation of Financial Statements with the applicable PSAK

There is no inconsistency in the Presentation of Financial Statements with the applicable PSAK.

Changes Accounting Policies 2018 & Its Impact

BRI and subsidiaries have applied accounting standards on January 1, 2018, which are considered relevant to the consolidated financial statements, namely:

1. PSAK No. 2 (Amendment 2016), "Cash Flow Statement About Disclosure Initiative", requires entities to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes;
2. PSAK No. 46 (Amendment 2016), "Income Tax Regarding Recognition of Deferred Tax Assets for Unrealized Losses", clarifying:
 - a. that deductible temporary differences arise when the carrying amount of debt instrument assets measured at fair value and fair value is smaller than the tax base, without considering whether the entity estimates to recover the carrying amount of the debt instrument through sale or use,
 - b. that to determine whether taxable profits will be available so that deductible temporary differences can be utilized, the valuation of deductible temporary differences is carried out in accordance with tax regulations,

Other Policy

- c. that the reduction in tax originating from reversing deferred tax assets is excluded from the estimated future taxable income. Then the entity compares the deductible temporary differences with the estimated future taxable income that does not cover the tax deduction resulting from reversing the deferred tax asset;
- d. that some of the entity's assets exceed the carrying amount if there is sufficient evidence that it is likely that the entity will achieve this.
3. PSAK No. 15 (2017 Adjustment), "Investments in Associates and Joint Ventures", at initial recognition the entity may choose to measure its investee at fair value on the basis of investment per investment.
4. PSAK No. 67 (2017 Adjustment), "Disclosure of Interest in Other Entities", the disclosure requirements in PSAK No. 67, other than those described in paragraph PP 10 - PP 16, also applied to every interest in an entity classified according to PSAK No. 58 "Non-Current Assets Held for Sale and Terminated Operations".
5. PSAK No. 13 (Amendment 2017), "Investment Property", amends paragraph 57 so that it reflects the principle that changes in use include an assessment of whether property meets, or ceases to meet, the definition of investment property and supporting evidence that changes in use have occurred. In addition, Amendments to PSAK No. 13 concerning Transfer of Investment Property also characterizes the list of conditions in paragraph 57 (a) - (d) as a list of non-comprehensive examples.
6. PSAK No. 53 (Amendment 2017), "Stock-Based Payments", Classification and Measurement of Stock-Based Payment Transactions ", aims to clarify accounting treatment related to the classification and measurement of stock-based payment transactions.

7. PSAK No.111, "Accounting Wa'd", regulates an entity that member or accepts does not recognize assets and liabilities that will occur from when it becomes a contract. This SFAS No.111 is complemented by an example of the application of the sharia transaction and repo transactions.

The adoption of the PSAK above does not cause significant changes to financial reporting and disclosures in the consolidated financial statements.

SUBSIDIARY MANAGEMENT POLICY

Bank BRI has a subsidiary company management policy which is regulated in BRI BOD Decree No. S.759-DIR / CDS / 09/2017 on General Policy on Equity Participation and Management of BRI Subsidiaries. In this policy, they regulate:

1. The principle of prudence in capital participation and management of subsidiaries.
2. Management of organization and human resources.
3. Equity participation.
4. Planning and strategy for subsidiaries
5. Business alignment and Joint Infrastructure,
6. Reporting, Supervision and Performance Evaluation of Subsidiaries and Participation Companies.
7. Integration of risk management with subsidiaries, Integration of Compliance with Subsidiaries.
8. Integration of Governance with the Company.
9. Accounting and Taxation.
10. Corporate Communication.
11. Integration of Internal Audit with Subsidiaries.
12. Management of Subsidiary Companies Abroad

Transparency of Financial and Non Financial Condition

Bank BRI transparently publish the company's financial and non-financial condition and report to regulator in accordance with applicable regulations. Publication of financial and non-financial condition is conveyed to the public either through print media or company websites (www.bri.co.id/laporan) as follows:

1. Monthly Financial Reports submitted to the regulator and published on the company's website.
2. Quarterly Financial Reports submitted to regulators and published on print media and company websites.
3. Annual reports submitted to regulators and published on print media and company websites.
4. Information on corporate governance includes :
 - a. Vision and mission of the company.
 - b. Composition and profile of the Board of Commissioners
 - c. The composition and profile of the Directors.
 - d. Implementation of BRI Governance
5. Transparency of Bank product information delivered through print, electronic and corporate websites.

Provision of Fund to Related Party and Large Exposure

In order to avoid bank business failure as a result of concentrating the provision of funds to borrowers or a group of borrowers, Bank is required to regulate the maximum provision of funds in accordance with the principle of prudence due to diversification of the loan / fund provision portfolio and maximum credit determination are needed.

BRI has policy related to Provision of Funds to Related Parties or Large Exposure and / or Provision of Funds to other parties that have an interest in the Bank as stipulated in BOD Circular Letter of BRI : S.32-DIR / ADK / 09 / 2007 concerning the Minimum Lending Limit (LLL).

Credit Provision Policy to BOD and BOC

The provision and procedures for granting credit to the BOD and BOC apply the same as the provision of credit to prospective BRI debtors in general while paying attention to the principle of prudence. The provision of credit to the Directors and Commissioners is included in the provision to related parties, and this must be approved by the Board of Commissioners. Funding to related parties has been regulated by the Financial Services Authority and the Company's provisions, namely the BRI LLL policy.

Provision of Fund to Related Party and Large Exposure

Provision of Fund to the Related Party

Based on the provisions of PSAK No.7 concerning "Related Party Disclosures" and Bapepam and LK Regulations No. KEP-347 / BL / 2012 dated June 25, 2012 concerning Presentation and

Disclosure of Financial Statements of Issuers or Public Companies, related parties are defined as:

1. People who:
 - a. Has control or joint control over the reporting entity;
 - b. Has significant influence over the reporting entity; or
 - c. Is the key management personnel of the reporting entity or the parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following:
 - a. Entity and the reporting entity are members of the same group
 - b. An entity is an associate or joint venture of the entity
 - c. Both entities are joint ventures of the same third party
 - d. An entity is a joint venture of a third entity and the other entity is an associate of the third entity
 - e. The entity is a post-employment benefit plan for employees of either the reporting entity or an entity related to the reporting entity.
 - f. Entity controlled or jointly controlled by a person identified as referred to in point 1); or
 - g. People who are identified as referred to in point 1) letter a) has significant influence over the entity or the entity's key management personnel.

Mechanisms Providing funds to Related Parties

1. Provision of funds to related parties, including the material made in accordance with applicable regulations.
2. Provision of funds to related parties do review by the Risk Management Oversight Committee for further discussion at the meeting of the Board of Commissioners.
3. Provision of funds to related parties shall be approved by the Board of Commissioners.

Provision of Funds to Related Parties

Provisions regarding the LLL limit setting are as follows:

All funds supply portfolios to parties related to the Company are set at a maximum of 10% (ten percent) of the Bank's Capital. The provisions of other parties that are regulated are:

1. Banks are prohibited from giving the provision of funds to related parties as opposed to the general procedures applicable provision of funds.
2. Banks are prohibited from giving the provision of funds to related parties without the approval of the Board of Commissioners.
3. Banks are prohibited from buying low-quality assets from related parties.
4. If the quality of the provision of funds to related parties decreased to substandard, doubtful and loss, banks are obliged to take measures completion of repair among others, by:
 - a. Loan repayment at the latest within a period of 60 (sixty) days from the decline in the quality of Provision of Funds and or
 - b. Restructured loans since the decline in the quality of provision of funds.
5. Provision of funds to the borrower who is not a related party that is distributed or used for the benefit of related parties are classified as the provision of funds to related parties.
6. Borrower who is not a related party who receives the provision of funds as intended there is item 5) is classified as a related party.
7. In the event that the bank will provide a supply of funds in the form of capital which resulted in the bank where invested capital (investee) to related parties, banks are obliged to ensure:
 - a. The provision of these funds plan does not violate the provision of funds to related parties.

Provision of Fund to Related Party and Large Exposure

- b. Provision of Funds will be and has been given to investee The once coupled with the entire portfolio of Provision of Funds to Related Parties does not violate the existing provisions.
- c. Corresponding requirements referred to Item 1, 2, 3 and 4 have been met.

Related parties include:

1. Individual or company / entity exercising control over the Bank.
2. Companies / entities in which the Bank acts as the controller.
3. Individual or company / other body exercising control of the company
4. Companies in which:
 - a. individual and or company / entity referred to in point 1 act as a controller.
 - b. Individuals or companies / entities referred to in paragraph 3 acts as a controller;
5. Commissioners, Directors and Executive Officers of the Bank.
6. Parties may be related to the second degree, either horizontally or vertically.
7. Company / entity Commissioners, Board of Directors, Executive Officers and or at a company / entity referred to in point 1, 2,3 and 4.
8. Company / entity Commissioners, Board of DirectorsAnd or Executive Officers are:
 - a. Commissioners, DirectorsAnd or Executive Officer of the Bank.
 - b. Commissioners, Directors and Executive Officers of the company or / entity referred to in items 1,2,3 and 4.
9. Companies / entities 50% (fifty percent) or more of Commissioners and Directors of the Board of Commissioners, Board of Directors and / or Officers Executives at the company / entity referred to in item 3 or 4.
10. Companies / entities in which:
 - a. CommissionerDirectors and Executive Officers of the Bank or referred to in letter e) act as a controller.
 - b. Commissioners, Directors, and or Executive Officer of the parties referred to in paragraphs 1, 2, 3, or 4 exercises control;
11. Company / entity that has a financial relationship with the Bank and or the parties referred to in items 1 through 10 above.
12. Collective investment contract in which the Bank and or the parties referred to in items 1 to 10 have a 10% (ten percent) or more of the shares in the investment manager of the collective investment contract;
13. The borrower be an individual or a company /non-bank entities that provide assurance to the parties referred to in items 1 through 12.
14. borrowers who -pihak granted bail by the parties referred to in items 1 through 12.
15. Bank Another gives assurance to the parties referred to in items 1 through 12 as long as there counterguarantee of the Bank and or the parties referred to in items 1 through 12 to the other bank.
16. Company / agency another in which there are the interests of the parties referred to in item 6.

Provision of Fund to Non-Related Parties

Provision of Funds to 1 (one) Borrower who is not a Related Party is determined to be no more than 20% (twenty percent) of the Bank's Capital.

Provision of Fund to Related Party and Large Exposure

Provision of Fund to Non-Related Parties Group

Provision of Fund to 1 (one) Borrower group that is not a Related Party is determined to be no more than 25% (twenty five percent) of the Bank's Capital.

Provision of Fund to SOEs

Provision of Funds to State-Owned Enterprises (SOEs) for development purposes is determined to be no higher than 30% (thirty percent) of Bank Capital.

Borrowers are classified as members of a Borrower group if the Borrower has a control relationship with another Borrower either through ownership, management, and / or financial relationships.

LLL	Related Party	Non Related Party	Non Related Party (Group Borrower)	SOE
Breach of LLL	N/A	N/A	N/A	N/A
Exceeded LLL	N/A	N/A	N/A	N/A

Transactions with related parties

In 2018, transactions with related parties (Related Party Transaction) has been conducted in a fair, generally applicable (normal commercial terms), fair (arm length basis) as follows:

Provision of Funds	Number of Debtor	OS
Related Party	574	5.322.650
Individual	50	154.887.635
top 25 SOEs	25	89.462.392
top 25 non-state-owned enterprises	25	65.425.242
Group	50	156.798.861
Top 25 Group SOE	25	99.428.280
Top 25 Group Non SOE	25	57.370.581

Funding for Social and Political Activities

Social Activities

During 2018, funding for social activities is disbursed through various Corporate Social Responsibility activities, Partnership and Community Development Loans. Amount of Financing/grant to perform CSR and Partnership Loans activities is reported in Sub-Chapter of Corporate Social Responsibility.

Political Activities

During the reporting period, the Bank did not provide/disburse funds for political activities.

State Officials' Assets Report (LHKPN)

To improve the quality of GCG implementation, BRI also complies with the reporting regulation of State Official's Assets Report (LHKPN) under the provision of Corruption Eradication Commission (KPK).

Policy

- a. Executives required to report LHKPN
- As a realization to enhance transparency, prevent corruption and support the clean culture of corruption, collusion, and nepotism, members of the Board of Commissioners, Board of Directors, SEVP, EVP, and VP at BRI are required to report assets in accordance with the internal requirements of the Directors' Letter Nokep. S.07-DIR/KPS/02/2017 dated

February 22, 2017. The data reported in the report covers the position of the property before and after it has taken office. These reporting provisions are continually updated to comply with the prevailing regulations.

- b. LHKPN Reporting Coordinator
- The reporting coordinator appointed by BRI to manage and monitor the LHKPN reporting process is the Head of Secretariat and Protocol and Head of Human Resource Policy and Development Division. Based on BRI's current organizational structure, there are 264 BRI employees (outside the Board of Directors, Board of Commissioners and Subsidiaries) who are required to report assets to the KPK. Of all the officials, the majority have reported their assets in accordance with the reporting obligations of LHKPN.

LHKPN Report

BRI has submitted the LHKPN report during 2018 as follows:

No	Position	Total LHKPN Mandatory	Total Reported		Non Yet Reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100%	0	0%
2	Board of Directors	12	12	100%	0	0%
3	BRI Employees	285	111	39%	174	61%
Total		305	131		174	

Integrated Annual Corporate Governance Report

Intra Group Transactions Policy

Ownership and/or management relationships in various financial sectors cause direct or indirect impacts on the risk exposure that arise in the business continuity of Financial Services Institution (LJK) in the Financial Conglomerate.

Based on POJK No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for Financial Conglomerate, Bank BRI as the Parent Entity in a financial conglomerate shall identify, manage, and mitigate the risk of intra group transactions.

The intra group transaction policy is stipulated in the BRI internal regulation, set forth in the BRI's Board of Directors' Decree No: S.72-DIR/DMR/12/2016 on BRI Integrated Risk

Management. Intra group risk control aims to minimize the possible negative impacts caused by LJK dependency, both directly and indirectly to the other LJKs in financial conglomerates.

BRI always monitors the performance and business risks that may arise on the subsidiaries by ensuring that the intra group transactions are in accordance with the prevailing regulation and limit set forth by the regulators.

Financial Conglomerate Structure

In accordance with the letter of BRI to OJK No. B.140-DKP/GCG/10/2016 dated October 27, 2016, BRI's Financial Conglomerate Structure is as follows:



Ownership Structure, Management of the Main Entity and FSI in the Financial Conglomerate

Ownership Structure

Subsidiaries	Ownership	Date of Operational (dd.mm.yy)	Address
BRIsyariah	73%	16.10.2008	Jl. Abdul Muis No. 2-4 Jakarta
BRI Agro	86.83%	08.02.1990	Gedung BRI Agro Jl. Warung Jati Barat No. 139, Jakarta
BRI Life	91%	28.10.1987	Graha Irama Lt 2,5,7,11 & 15, Jl. HR Rasuna Said Blok X-1 Kav 1&2, Jakarta 12950, Indonesia
BRI Finance	99%	01.08.1983	Wisma 46, Lantai 10 – Kota BNI, Jalan Jenderal Sudirman Kav 1, Jakarta

Integrated Annual Corporate Governance Report

Management Structure

The management structure of the BRI financial conglomerate in accordance with POJK Number 18 / POJK.03 / 2014 concerning the Implementation of Integrated Governance for Financial Conglomerates is as follows:

Subsidiaries	TKT Committee	Compliance Function	Internal Audit Function	Risk Management Function
BRI Syariah	✓	✓	✓	✓
BRI Agro	✓	✓	✓	✓
BRI Life	✓	✓	✓	✓
BRI Finance	✓	✓	✓	✓

Organization Structure of Main Entity and Members of Financial Services

Main Entity

The Organizational Structure of Main Entity is discussed in the Chapter of the Board of Commissioners and Board of Directors in this Annual Report.

Financial Services Member : BRI Syariah Board of Commissioners	
Hermanto Siregar	President Commissioner
Komaruddin Hidayat	Independent Commissioner
Eko Suwardi	Independent Commissioner
Fahmi Subandi	Independent Commissioner

Sharia Supervisory Board - BRI Syariah

The Sharia Supervisory Board (DPS) is responsible for supervising all products and services offered and the operations of BRI Syariah banking operations, in accordance with the sharia provisions. The Sharia Supervisory Board not only provides opinion to BRI Syariah's new products and activities, but also assures the implementation of sharia principles in Bank's business and operations by coordinating and assisting the relevant work units within the Bank. In carrying out its supervisory duties, DPS cooperates with the Compliance Unit and the Internal Audit Unit to ensure the implementation of bank compliance with sharia principles.

DPS Composition of BRI Syariah

The BRI Syariah DPS organization consists of a chairman and a member, as follows:

Didin Hafidudin	DPS Chairman
Muhammad Gunawan Yasni	DPS Member
The Board of Directors	
Moch. Hadi Santoso	President Director
Agus Katon Eko S.	Director
Widodo Januarso W.	Director
Kokok Alun Akbar	Director
Wildan	Director

Integrated Annual Corporate Governance Report

FSI Member : BRI Agro	
Board of Commissioners	
Anna Maria Tjiadarma	Independent Commissioner
Edwin Sinaga	Commissioner
Heru Sukanto	Independent Commissioner
Board of Directors	
Agus Noorsanto	President Director
Bambang Krisminarno	Director
Ebeneser Girsang	Director
Herry Prayudi	Director
FSI Member : BRI Life	
Board of Commissioners	
Tri Wintarto	President Commissioner
M. Rizqi R. Nasution	Independent Commissioner
Mulabasa Hutabarat	Independent Commissioner
Siswarin D. Hendarsapti	Commissioner
Sapto Haryono Wahyu	Commissioner

Sharia Supervisory Board - BRILife

Supervisory Board of BRI Life is the recommended corporate organ by DSN MUI, which performs supervisory function on the implementation of insurance business in accordance with sharia principles. The Sharia Supervisory Board is a supervisory board of sharia aspects, in which each Member of Sharia Supervisory Board cannot act individually but based on the Sharia Supervisory Board's decision. To support the effectiveness of its duties and responsibilities, the Sharia Supervisory Board is supported by the Sharia Supervisory Board Organ, i.e. the secretary and/or special staff of the Sharia Supervisory Board.

DPS Composition of BRI Life

Organisasi BRI Life's DPS organization consists of a chairman and 2 member, as in the following table:

Mohamad Hidayat	DPS Chairman
Agus Haryadi	DPS Member
Siti Haniatunnisa	
Board of Directors	
Gatot Mardiwasisto Trisnadi	President Director
Sugeng Sudibjo	Director
Khairi Setiawan	Director
Ansar Arifin	Director
Danny Cahya Rukmana	Director
Anik Hidayati	Director
Anggota LJK	
Board of Commissioners	
I Komang Sudiarsa ^{**)}	President Commissioner
Ngalim Sawego ^{**)}	Commissioner
Boyke Budiono	Commissioner

Integrated Annual Corporate Governance Report

Board of Directors

Wisto Prihadi	President Director
Handayatni Ariefiana Harjanti	Director
Achmad Chairul Ganie	Director
Willy Halim Sugiarda	Director

Duties and Responsibilities

In the integrated governance implementation for BRI's financial conglomerate, the Main Entity has guidelines for encouraging LJK Financial conglomerates to have prudent governance, in line with GCG principles. In implementing these guidelines, all parent entity organs and LJKs of financial conglomerates have their duties and responsibilities in the internal control and control functions.

Main Entity's Board of Commissioners and Board of Directors

Board of Commissioners of the Main Entity

1. Supervising the Financial Services of Financial Conglomeration of BRI is in accordance with the guidelines of integrated governance.
2. Supervising duties and responsibilities of BRI's Board of Directors on the implementation of integrated governance.
3. Evaluating the guidelines and implementation of integrated governance.

Board of Directors of the Main Entity

1. Compiling guidelines for integrated governance.
2. Directing, monitoring, and evaluating the implementation of integrated governance.
3. Following-up the direction and evaluation of the Board of Commissioners on the guidelines and implementation of integrated governance.
4. Ensuring findings and recommendations from OJK supervision or regulators, external auditors, integrated audit work units, have been acted upon.

Board of Commissioners of the Financial Conglomerate Financial Services

Board of Commissioners of the Financial Conglomerate Financial Services

1. Supervising the implementation of governance, duties, and responsibilities of the BOD, and following-up audit findings.

2. Establishing Audit Monitoring Committee and Compliance Monitoring Committee.
3. Holding the BOC's Meeting, which covers the frequency, attendance, and decision-making mechanism.
4. Having guidance on the working rules of the BOC.

Sharia Supervisory Board of BRI Syariah

Duties and responsibilities of the Sharia Supervisory Board are as follows:

1. Ensuring and monitoring the conformity of the bank operations to the fatwas issued by the National Sharia Board - Indonesian Ulema Council (DSN-MUI);
2. Assessing sharia aspects of the operational guidelines and product issued by the bank;
3. Providing opinion from the sharia aspect towards the comprehensive bank operations in the bank's publication report;
4. Assessing new products and services for which there is no fatwa, or requesting fatwas to the DSN-MUI;
5. Reviewing the compliance of sharia principles with the mechanism for the fund collection, fund disbursement, and bank's services;
6. Submitting a sharia supervision report at least every 6 (six) months to the Board of Directors, Commissioners, National Sharia Board, and the Financial Services Authority;
7. Providing sufficient time to carry out their duties and responsibilities optimally.

Frequency and Advisory and Recommendations of BRI Syariah DPS

1. The Sharia Supervisory Board shall hold Sharia Supervisory Board meeting at least once a month, as required by PBI No. 11/33/PBI/2009 and SEBI No. 12/13/DPB on the GCG Implementation for Sharia Commercial Bank (BUS) and Sharia Business Unit (UUS) in performing its duties and responsibilities.
2. All decisions set out in the minutes of the DPS' meeting are joint decisions of all members of DPS. The minutes of the meeting contains the decisions and sharia opinions taken in the meeting.

Integrated Annual Corporate Governance Report

Sharia Supervisory Board of BRILife

The Sharia Supervisory Board of BRI Life supervises and provides suggestions and advice to the Board of Directors in order to ensure that the Insurance Company activities are in accordance with the sharia principles, technically supported by management, to:

1. Insurance Company Activities in the management of assets and liabilities, both good and/or new, corporate funds, and investment funds of participants;
2. Sharia insurance products marketed by Insurance Companies; and
3. The marketing of sharia insurance products by the Insurance Company.

Obligations of Sharia Supervisory Board (DPS)

The Sharia Supervisory Board also has the obligations to:

1. Ensure effective, appropriate, and prompt decisionmaking and act independently with no interest that may interfere with its ability to perform its tasks independently and critically.
2. Carry out supervisory duties and advice and suggestions provisions to the Board of Directors for the Insurance Company's activities in accordance with the sharia principles;
3. Organize regular meetings between DPS and/or management at least 6 (six) times a year;
4. Compile the Minutes of Meeting comprehensively, through management's assistance, including in the case of dissenting opinion of the Sharia Supervisory Board, which shall be well documented, and shall be submitted to all members of DPS;
5. Prepare annual report with the management's assistance, on Supervision of the Company's Sharia Supervisory Board in accordance with the forms and ordinances set by the Regulator.
6. Deliver the results of the supervisory report to OJK and submit a copy to Management, and be the part of the Good Corporate Governance compliance report.
7. Examine and review the periodic reports and Annual Report prepared by the Directors, and sign the said report;
8. Request explanation to the Board of Directors on the policies or actions of members of the Board of Directors assessed by DPS that is not in accordance with the sharia principles;

9. In the event that the Board of Directors refuses the results of DPS assessment, DPS shall report to the Chief Executive and forward to the Board of Directors no later than 7 (seven) working days after the Board of Directors' explanation is received by DPS.
10. In the event that the Board of Directors receives the results of the DPS assessment as referred to in item 8, DPS requests the Board of Directors to make corrections to the policies or actions of the members of the Board of Directors to be in accordance with the Sharia Principles.
11. In the event that a member of the Board of Directors does not revise the policy or action as referred to in point 10, DPS shall immediately report to the Chief Executive and forward to the Board of Directors no later than 7 (seven) working days after it is known that the member of the Board of Directors does not make such efforts.

Frequency and Advisory and Recommendation of the BRI Life's Sharia Supervisory Board

In providing suggestions and advice, the Sharia Supervisory Board conducts meetings based on the Sharia Supervisory Board Charter, which is regulated as follows:

1. Sharia Supervisory Board Meeting shall be held regularly at least 6 (six) times in 1 (one) year.
2. Meetings may be held at any time upon the request of 1 (one) or several Members of the Sharia Supervisory Board or at the request of the Board of Directors, stating the matters which will be discussed.
3. Decisions in the Sharia Supervisory Board Meeting are done through deliberation. In the event that consensus cannot be reached, then a decision shall be made by vote, with agreeing vote of more than 1/2 (one half) of number of valid votes cast in the meeting.
4. All decisions of the meeting shall be binding to all Members of the Sharia Supervisory Board.

Board of Directors of the Financial Conglomerate Financial Services

1. Implementing the GCG principles, including the fulfillment of sharia principles. 2
2. Following-up audit findings, both internal and external audits.

Integrated Annual Corporate Governance Report

3. Ensuring the availability of work rules at Financial Services' Financial Conglomeration.
4. Convene the Board of Commissioners' Meeting, which covers the frequency, attendance, and decision-making mechanism.

Integrated Governance Committee

1. Evaluating the implementation of integrated governance through an adequacy assessment of internal controls and integrated compliance functions implementation, including the sharia principles fulfillment.
2. Providing recommendation to the Parent Company's Board of Commissioners to refine the integrated governance guidelines.
3. Providing strategic input to the Board of Commissioners in the integrated governance implementation.

Integrated Compliance Unit

In carrying out the integrated compliance function, the Integrated Compliance Unit has the following duties and responsibilities:

1. Monitoring and evaluating the Integrated Compliance Function on each BRI's Financial Conglomeration Financial Services, including the sharia principles.
2. Preparing and submitting report on the duties and responsibilities implementation of the Compliance Function to the Compliance Director.

Integrated Internal Audit Unit

In implementing integrated governance in financial conglomerates, BRI as the Main Entity is required to have an Integrated Internal Audit Unit. The tasks of integrated internal audit are performed by BRI's IAU.

The duties and responsibilities of BRI's IAU are as follows:

1. Assisting the duties of the Board of Directors and Board of Commissioners of BRI as the Main Entity in monitoring the internal audit of BRI's Financial Conglomeration Financial Services in the framework of integrated governance framework.
2. Monitoring the implementation of internal audit on each BRI's Financial Conglomeration Financial Services.
3. In carrying out the monitoring, BRI's IAU shall:
 - a. Monitor based on the report from BRI's Financial Conglomeration Financial Services Internal Audit Unit.

- b. Audit the Financial Conglomerate Financial Services of BRI individually, or
- c. Audit (joint audit) the Financial Conglomerate Financial Services of BRI.

Integrated Risk Management Unit

The Integrated Risk Management Unit is implemented by the BRI Risk Management Division. The Integrated Risk Management Unit is independent, separate from the work unit carrying out the internal control function and the operational risk-taking unit at BRI. The Integrated Risk Management Unit reports directly to the BRI's Director of Compliance.

In performing its duties, the Integrated Risk Management Unit coordinates with the Risk Management unit of each Subsidiary Company. Coordination shall be carried out, among others, through the information delivery on the exposure of each Subsidiary Company to the Integrated Risk Management Unit at regular intervals.

The duties and responsibilities of the Integrated Risk Management Unit include:

1. Providing recommendations to BRI's Board of Directors and to Integrated RMC in the preparation and improvement of Integrated Risk Management policy
2. Monitoring the implementation of Integrated Risk Management policy, including developing procedures and tools for risk identification, measurement, monitoring, and control
3. Carrying out risk monitoring on Subsidiaries based on the assessment:
 - a. Risk profile of each Subsidiary
 - b. Integrated risk level of each subsidiary
 - c. Integrated Risk profile
4. Integrated stress testing
5. Regular Reviewing to ensure:
 - a. accuracy of risk assessment methodology
 - b. adequacy of management information system
 - c. accuracy of policies, procedures, and determination of risk thresholds

The objective of periodic reviews is to anticipate if there is a change of internal factors and external factors to the BRI's Financial Conglomeration.

6. Reviewing the proposed new business lines that are strategic and have a significant effect on matters that need to be followed up regarding the results of

Integrated Annual Corporate Governance Report

evaluations on the implementation of Integrated Risk Management.

The review of proposed new business lines is focused on aspects of capability in managing new businesses, including the completeness of the systems and procedures used and their impact on overall risk exposure.

7. Providing information to the Integrated RMC on matters that need to be followed up regarding the results of evaluations of the implementation of Integrated Risk Management, including regarding the amount and maximum risk exposure that needs to be addressed by BRI Directors or Subsidiaries.

Compile and submit Integrated Risk Profile reports regularly to the BRI Compliance Director and to the Integrated RMC. The frequency of reports can be increased if market conditions change rapidly.

Implementation of 2018 Integrated Governance

Integrated Governance Committee

During 2018, the Integrated Governance Committee held two meetings with the Financial Conglomerate LJK with the following agenda:

1. Evaluation of the implementation of Integrated Management of Semester II in 2017.
2. 2017 Annual Report.
3. Progress Report on OJK's On Site Review Results on the BRI Financial Conglomerate.

Integrated Compliance Work Unit

The work of the Integrated Compliance Work Unit during 2018 is as follows:

1. Maintaining the TKT structure has met the TKT principles and regulatory provisions including the Board of Commissioners, Directors, Committees, Integrated Work Units and policies / procedures.
2. Evaluation of the implementation of the Integrated Work Unit, namely the Compliance Function, the Risk Management Function and the Internal Audit Function in the financial conglomerate.
3. TKT self-assessment on the BRI financial conglomerate.
4. Submission of TKT reporting to the Financial Services Authority.

Integrated Internal Audit Unit

The work of the Integrated Internal Audit Work Unit during 2018 is as follows:

1. Compile a work program and integrated internal audit plan (into one unit with the Main Entity SKAI Audit Planning).
2. Monitor the implementation of the Subsidiary's internal audit function periodically every Quarter with the scope of the implementation of monitoring as follows:
 - a. Monitoring the achievement of the performance of subsidiaries.
 - b. Monitoring of Subsidiary Audit Report.
 - c. Monitoring the follow up of significant findings of the Subsidiary Company.
 - d. Monitoring the fulfillment of the Subsidiary's HR Audit.
3. Carry out a joint audit with the following scope:
 - a. Carry out an audit of the application process for BRI Life credit insurance claims;
 - b. Carry out audits of BRI Finance core systems, and
 - c. Conduct Joint Audit with BRI Life SKAI.
4. Carry out Quality Assurance with the Subsidiary's Internal Audit Unit.

Integrated Risk Management Unit

The work of the Integrated Risk Management Work Unit during the period of 2018 is as follows:

1. Integrated Risk Management Committee (RMC).
2. Implementation of Integrated Risk Profile.
3. Report on the BRI Consolidation Bank Health Level.
4. Consolidated Minimum Capital Requirement (KPMM).
5. Integrated Minimum Capital Requirement (KPMM).



Corporate Social Responsibility

BRI CSR ACTIVITIES SERVE AS BRI'S ENGAGEMENTS AND RESPONSIBILITIES THAT ARE CARRIED OUT WITH THE NATIONAL SPIRIT OF "SOE FOR THE NATION" WHICH ACCOMMODATE THE SPIRIT OF DIVERSITY. THE ACTIVITIES ARE FOCUSED ON FOUR AREAS, NAMELY EDUCATION, ENVIRONMENT, HEALTH AND ENTREPRENEURSHIP DEVELOPMENT.





BRI 
Peduli
Pendidikan
Bangga BERINDONESIA

Corporate Social Responsibility



Corporate Social Responsibility (CSR) for BRI is the activity that may impact the community, in economy, social as well as environmental impacts. Further, CSR activities serve as BRI's engagements as well as reflecting BRI's responsibilities toward the stakeholders, community and the nation. Aligned with the national spirit, CSR activities are carried out with the spirit of "SOE for the Nation" which accommodate the spirit of diversity of Indonesian society. BRI CSR strategic implementation consists of 3 (three) elements, namely people, planet and profit, and focuses on 4 (four) fields, namely education, environment, health and entrepreneurship development.

The objective of BRI CSR is to improve the quality of life of the community and create beneficial environment for the Company as well as its surrounding communities. As the State-Owned Enterprise, the realization of BRI engagement is also carried out through the Community Development program which is a community social empowerment program.

The implementation of Corporate Social Responsibility consists of:

1. Corporate Social Responsibility Toward Environment,
2. Corporate Social Responsibility Toward Employment, Occupational Health and Safety,
3. Corporate Social Responsibility Toward Social & Community Development, and
4. Corporate Social Responsibility Toward Consumer.

CSR Policies and References

BRI is fully committed in implementing CSR activity that may be beneficial to the community and environment. In implementing the community engagement programs, the Company refers to the following laws:

- a. RI Law No. 7 of 1992 on Banking.
- b. RI Law No. 8 of 1999 on Consumer Protection.
- c. RI Law No. 13 of 2003 on the State-Owned Enterprise
- d. Article 88 Law No. 19 of 2003 on the State-Owned Enterprise.
- e. RI Law No. 40 of 2007 on the Limited Liabilities Company.
- f. Government Regulation No.47 of 2012 on the Corporate Social and Environmental Responsibility of Limited Liabilities Company.
- g. OJK Regulation No. 1/POJK.07/2013 on the Consumer Protection in Financial Services Sector.
- h. SOE Minister Regulation No. Per-09/MBU/07/2015 dated 03 July 2015 on the Partnership and Community Development Program of the State-Owned Enterprise, in lieu of the latest SOE Minister Regulation No. Per-02/MBU/7/2017 dated 5 July 2017 and its amendments.

Corporate Social Responsibility Toward Environment



BRI has stipulated the green banking roadmap in accordance with the Sustainable Finance Roadmap that is integrating the risk of Environmental, Social and Governance (ESG) into the economic/business aspects. BRI has in place a specific policy related to the ESG framework of Palm Oil Sub Sector as a sub sector that render big impact to the environment.

Throughout 2018 BRI implements several CSR programs that are directly impacting the environment. BRI realizes that environmental engagement is important considering this is related to the sustainability of natural ecosystems that have an impact on human life. Some of the activities carried out by BRI included the Mangrove Improvement Program, Coral Reef Breeding, and Tree Planting Action.

In addition, BRI has specific division that manages the environmental aspects under the Fixed Assets Management Division and Procurement of Goods & Services Division. These Divisions implement the functions of strategic policy, monitoring and oversight. The environmental preservation management in BRI operations is conducted toward water efficiencies, paper usage, energy and other natural resources.

Since 2017, the Company has stipulated the green banking roadmap in accordance with the Sustainable Finance Roadmap regulated by OJK. Pursuant to OJK Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public

Companies, which since January 2019 BRI as the bank of BUKU 4 has implemented sustainable principles. BRI also has developed Sustainability Report since 2012 to elaborate BRI contribution on Environment, social and governance according to Global Reporting Initiative (GRI).

Based on the policy, in principle the bank shall integrate the risk of environment, social and governance into the economy/business aspects that has been implemented. BRI has in place a specific policy related to the ESG framework in the customer service process and loan assessment process including sectoral policy toward commodity sectors that have forestry risk exposures.

The policy was documented into BRI Sustainable General Policy through the Decree Nokep.S.16-DIR/DMR/04/2017 that serve as the highest policy on BRI Sustainable Finance implementation. While BRI Sustainable Implementation Strategy through the Decree Nokep.17-DIR/DMR/04/2017, is a strategy for each field namely Assets, Liabilities, Operations and Human Capital.

On green banking, BRI established a specific policy, namely Environmental, Social and Governance (ESG) Risk Management Policy for Palm Oil Sub Sector (Circular Letter Nose.S.27-DIR/DMR/04/2017). The palm oil sub sector is a sub sector that render big impact on the environment. This policy regulates the ESG Implementation Indicators that shall be considered in the palm oil sector, and document requirement Checklist.

In providing services to the customer, the Company refers to the policies stipulated by the regulators, as well as internal policies as follows:

1. Bank Indonesia Circular Letter No. 16/DKSP/2014 dated 30 September 2014 on the Procedures of Consumer Protection of Payment System Service.
2. OJK Circular Letter No. 2/SEOJK.07/2014 on the Service and Settlement of Consumer Complaint in Business Service Practitioners.
3. BRI Board of Directors' Decree Nokep: S.1051-DIR/LCC/12/2016 dated 2 December 2016 on the Policy and Procedure of Customer Complaint Settlement of PT Bank Rakyat Indonesia (Persero) Tbk.

Corporate Social Responsibility Toward Environment

Targets and Activities Set by the Management for 2018

BRI has an active role in supporting the sustainable development. Activities are carried out in accordance with BRI's CSR mission, which provides optimum benefits and advantages to the stakeholders.

OJK has stipulated the Sustainable Finance Roadmap 2015-2019 for the Financial Service Institution in Indonesia to take an active role and active support in sustainable development through sustainable finance programs. BRI has the strategy in implementing the Sustainable Finance by ensuring the acquisition of long term sustainable businesses.

The implementation among others are:

1. Emphasize principles of energy savings, environmental preservation, taking into account the social and good governance aspects, as well as prioritize energy conservation.
2. Development of Community Communications and Relations to sustain the company's progress from corporate image that efficiently conducted toward the resources.
3. Strategy: paperless, e-office, green building, green IT infrastructure, digital operation, 3R (Reduce, Reuse, Recycle) and others.

The following are sustainability implementation in BRI operations, among others:

- a) E-Office
- b) CSR BRI Peduli
- c) E-Learning
- d) Parking area for Bikes "Bike To Work"

In implementing various CSR programs, the Company has stipulated some targets/plans of activity. The following are activity targets/plans set by the management and realized throughout 2018:

- a. Mangrove Program
This program has been carried out since 2013 by engaging various parties such as communities, students, government, foundations, as well as environmental concern communities. The program coverage includes Sumatra, Kalimantan, Sulawesi, Java, Bali, to East Nusa Tenggara. Total dana disbursed to support the mangrove program reached more than Rp6 billion. BRI also carries out mentoring and coaching for local communities through the introduction of mangrove benefits as well as mangrove harvesting processing to improve the economies.
- b. Coral Reefs Cultivation
BRI is actively engaged in the preservation of coral reefs through the implementation of coral reefs cultivation. This activity is carried out in several regions, among other the Thousand Islands, and Manado, North Sulawesi. In addition to providing ecological benefits, with coral reefs the surrounding community may attain alternative or additional income through the establishment of diving centers, restaurants, and hostels. This is aligned with BRI CSR's mission under the BRI Peduli Program, which is providing optimum benefits and advantages to the stakeholders.
- c. Tree Planting Actions
In 2018, BRI organized tree planting actions in Bandung areas, West Java. In this activity, 123 pine trees were planted. Pine tree is a type of plant that may vastly grow and easily cultivated hence in addition to land conservation, this plant is also economically beneficial.

Corporate Social Responsibility Toward Environment

Activities Implementation and Quantitive Impact on the Activities

Aligned with BRI CSR strategies, throughout 2018 BRI committed to implement various activities with positive impact and benefit the surrounding environment and communities. This is in coherent with BRI commitment to grow by remain upholding the engagement toward environment and community. Moreover, in its implementation BRI also underlines the commitment to implement green banking in order to reduce Glass House Gas emission.

The following are BRI Environmental Responsibility Policies in its Operations:

a. Paperless System

Specifically, paperless and information technology policy implementation is very much relevant with the current banking industry conditions, including BRI. Both becomes BRI focus and therefore the efficiency of energy and water usage are continually implemented. This mandate is stated in the JBR Division Letter No. B.612-JBR/KJR/07/2013, dated 9 July 2013, and refers to the Instruction of the President of the Republic of Indonesia No. 13 of 2011 regarding Energy and Water consumption preservation as well as Energy and Mineral Resources Ministry Regulation No. 13 of 2012 on the power consumption preservation.

BRI is committed to improve its operations efficiency through paper consumption preservation with the support of technology system that are continuously developed by BRI. Proper integrated information system for BRI internal and customers supported by applications has assisted BRI operations efficiency.

Applications Supporting BRI Operations Efficiency

1. Intranet and internet in real connection that enable real time communication.
2. BRI employee presences are carried out with EDC
3. BRISTARS integrated apps that implement operational efficiency, consist of an integrated apps as follows:
 - a. e-Rekrutmen, facility for prospective employee aims to join BRI, through online applications.
 - b. Digitalization Assessment, online employee competency assessment.
 - c. e-Mutasi, automatic process of transfer of employee between BRI units.
 - d. Employee personal data, automatic personal data applications.
 - e. e-Cuti, online application for employee leave and approval process by supervisor.
 - f. e-SPJ, paperless official travel proposal for BRI employee with application for documentation and approval.
 - g. e-Fasilitas Employee Loan, online loan facility application proposal.
 - h. e-Jaminan Healthcare, online medical cost claim and reimbursement proposal.
 - i. e-Lembur, online issuance of Overtime Instruction Letter and automatic overtime payment.
4. BRIHC (BRI Human Capital), for HR business process management.
5. Online SMK (Performance Management System) to monitoring employee performance.
6. Industrial Relations Portal, to monitoring employee discipline violation.

Corporate Social Responsibility Toward Environment

7. e-Pensiun, for benefit information received during normal retirement period.
8. e-Corporate Culture, to monitoring BRI employee work culture implementation.
9. HR Consultation and Information, for the latest information on HR.
10. e-Filing, to fulfill reporting obligation as a tax-payer.
11. Digital Office, for efficiency and effectiveness of internal correspondence.
12. Online Survey, customer satisfaction survey with respondents from BRI employees/units.
13. BRISMILE (Electronic Logistic Information Management System), which consist of Fixed Assets Procurement Module, Fixed Assets Management Module, and Budgeting Module.
14. BRIPEDIA, an apps on BRI encyclopedia policies and procedures.
15. Innovation Portal, an apps for the ideas and innovations forum for BRI employees.
16. BRISmart, e-learning management system apps for BRI employees.
17. BRIShare, knowledge management system apps for BRI employees.
18. BRISPOT, credit approval system apps for micro loan.

Paperless Applications for BRI Customers:

1. e-tax, tax reporting apps for customers. BRI is the first to introduce this apps in Indonesia;
2. e-Form, formless for the Frontliner service at BRI Units;
3. e-statement, provide information through registered email;
4. New account swap to assist customer in connecting loan and demand deposits product, without haveing two separate accounts;
5. Implement ATM without print receipt;
6. BRISPOT, an apps that use Android-based system and internet connection, enabling the decision on micro loan on the spot for fast process and paperless;
7. MY BRI, an apps that use Android-based system and internet connection, enabling the decision on consumer loan on the spot for fast process and paperless.

Paper Consumption Data

Description	Unit	2017	2018
Paper Consumption	Ream	30,800	13,641
Procurement Cost	Rp Million	1,007	652

Corporate Social Responsibility Toward Environment

b. Power Energy Consumption

BRI realizes the extensive energy consumption in the Bank operations, and committed to maintain stable energy facility. To this end, BRI issued the power consumption preservation policy through the use of energy saving lamps and reasonable air temperature settings, while maintaining near zero downtime quality. Furthermore, in terms of the addition of work units, the addition of server that is integrated with technology was also conducted, hence to centralize the data management.

At the end of 2017, power consumption at the head office was recorded at 7,993,500 Kwh, decreased by 3% from the previous year of 8,484,520 Kwh. The decrease was due to the replacement of all lamps at BRI 1 building from conventional lamps to LED lamps.

At the end of 2018, power consumption at the head office was recorded at 10,613,440 Kwh.

c. Operations Vehicles Usage

BRI's commitment in preserving the clean environment is also realized by using Petramax as the fuel for the company's operations vehicles. This is in line with the Government policy that since 2012 requiring all state-owned enterprise (SOE) operations vehicles to use a non-subsidized fuel.

No	Description (Kiloliter)	2017	2018
1	Fuel Consumption	219.47	230.51

d. Environmental Impact Management

BRI's engagement to reduce other environmental impact is also carried out through various activities, among others:

1. Solid waste management in cooperation with licensed company;
2. The use of lightweight fire extinguishers (APAR) with environmentally friendly material;
3. Replace freon that contain chlorofluorocarbon (CFC), with halotron freon.

Corporate Social Responsibility Toward Employment, Occupational Health and Safety

Human resources development in BRI is always aligned with the company needs and strategies. The Company is responsible to ensure that every Employee has equal opportunity and chance in improving competency, performance assessment, career development and remuneration. BRI firmly upholds equality without distinguishing ethnicity, religion, or gender in every human resource policy and management

The Employment, Occupational Health and Safety management is carried out by the Division under the Human Capital Director and Risk Management Director including Human Capital Policy and Development Division, Human Capital Operations Division, Contract and Outsourcing Employee Management Division, BRI Corporate University, and Operational & Market Risk Management Division.

Activities Implementation and Quantitive Impact on the Activities

To foster harmonious relations between the company and employees, BRI regularly conducts a meeting with Labor Union to develop and agree upon the Collective Labor Agreement (CLA) valid 2 times a year by maximum extension of one year. Current valid CLA is the CLA of the period of 2017-2019. The BRI CLA has been approved by the Ministry of Manpower and Transmigration of the Republic of Indonesia, which is an authorized institution to ensure compliance with prevailing regulations. Thereby it can be assured that all stipulations in the BRI CLA have been subjected and in compliance with the prevailing laws and regulations

In addition, the Company also regulates Employee's rights and obligations through internal policies which among others including:

1. Career Development;
2. Compensation and Benefits;
3. Performance Management; and
4. Industrial Relations.

In general, both the CLA and other BRI internal policies, is a realization of the Company's commitment in implementing maximum responsibilities to the Employee. Further implementation on such matters are elaborated below:

Gender Equality and Equal Employment Opportunities

Human capital management strategy in BRI is implemented under the architecture corridor of human capital management with a performance-based culture. In its operations activity, the Company ensures of no discrimination in terms of gender, ethnicity, religion, and race. Permanent female employees may bear the family without any conditions. Job opportunities and career development are carried out by taking into account the competencies of each individual through measurable methods.

If seen by composition, the female employee composition reached 42.98% and male employee reached 57.01%.

Gender	2016	Jun 2017	Dec 2018
Female	40,859	41,035	38,662
Male	52,474	52,644	51,281
Total	93,333	93,679	89,943

Equal employment opportunities at BRI are also provided through the recruitment of people with disabilities as employee. The management policy to hire people with disabilities as new employee has been implemented since 2016.

Gender	2017	2018
Female	64 employee	41 employee
Male	37 employee	56 employee
Total Employee with Disabilities	101 Employee	97 Employee

Corporate Social Responsibility Toward Employment, Occupational Health and Safety

Furthermore, on local HR potential empowerment, the Company provides equal opportunities to join and contribute to BRI. The following are elaboration of total employees based on regional office:

Regional Office	Total Employee	
	December 2016	December 2018
Banda Aceh Regional Office	2070	1936
Bandung Regional Office	9055	2706
Banjarmasin Regional Office	4475	8888
Denpasar Regional Office	4822	4332
Jakarta 1 Regional Office	3110	4766
Jakarta 2 Regional Office	4529	2911
Jakarta 3 Regional Office	4457	4276
Wilayah Jayapura Regional Office	1660	4264
Bandar Lampung Regional Office	2909	1625
Makassar Regional Office	5257	5161
Malang Regional Office	7865	7617
Manado Regional Office	3448	3281
Medan Regional Office	4665	4405
Padang Regional Office	2376	2260
Palembang Regional Office	3626	3505
Pekanbaru Regional Office	3029	2894
Semarang Regional Office	6747	6541
Surabaya Regional Office	5118	4923
Yogyakarta Regional Office	8521	8091
Head Office	2393	2687
Internal Audit	2681	2352
BRI Subsidiaries Office	23	75
Sharia Bank Office	16	10
Special Branch Office	157	150
Overseas Branch Office	16	37
BRI Corporate University	308	250
Grand Total	93.333	89.943

Self Development Opportunities

BRI realizes that the banking industry is an industry with a very rapid rate of change and development, especially in the midst of the current digitalization trend, hence the development of policies and competencies in the banking industry

need to be continuously updated to remain relevant to market conditions.

In 2018, BRI has facilitated education and/or training for employees from various positions with budget realization of Rp603,053,000,000, with cost per employee of Rp203,000/participant. Since 2016 BRI implemented Blended Learning, an

education method with a combination of face to face in-class learning and e-learning. The Company has organized training program with total participants of 2,803,224 personnel for the period of January – December 2018. Of the total, 131,114 are participants of In Class training and 2,672,110 participants of E-Learning training.

Corporate Social Responsibility Toward Employment, Occupational Health and Safety

Remuneration and Benefits

The competition in maintaining quality human resources is getting constricted, in accordance with the industry development, the presence of digital industry and the development era demands. In managing the wages, remuneration, and benefits, BRI follows and complies with the stipulations set by the government, which is adjusted with the company's development.

The Company provides fair, competitive compensation, and taking into account the company business strategy and development. BRI wages structure is designed to provide compensation to the employee based on their competencies and position weights, without distinguishing the employee genders. The compensation to employee is provided under fair system, competitive and according to the Company's capabilities and needs. The compensation is divided into 2 (two), namely fixed compensation that consists of Basic Salary and Benefits, as well as variable compensation provided to employee based on performance achievements.

The Company implements salary increase policy based on merit increase, hence the employee with high achievement will also obtain high salary increase. Moreover, in order to promote optimum working performance, BRI has in place the variable compensation program provided to the employee that successfully achieving and exceeding performance targets. High achievers employee will also receive high variable compensation. Conversely, the under-achievers employee will receive lower variable compensation, or do not receive any variable compensation at all.

BRI strives to ensure that the minimum wage provided to employee since joining has been above the applicable minimum wages in every region of the Company. The addition of total employee and fulfillment of compensation and benefits will impact on the fund allocation for employees. However, BRI considers that the allocation that aim to improve comprehensive employee competency is an accountable investment.

Employment Management Cost

Component	Amount Bank Only (Rp Million)		
	2016	2017	2018
Salary, Wage, and Benefits	8.542.413	9.096.616	10,590,613
Bonus, Incentive, and Tantiem	5.816.691	6.234.168	5,874,193
Education and Development	578.568	534.097	603.053
Health Benefits	358.918	371.686	397,009
Jamsostek Insurance	522.249	606.823	678,206
Work Relations Termination	153.281	304.976	309,403
Defined Fee Pension	231.105	256.675	291,569
Big Annual Leave	308.429	289.150	442,565
Defined Benefit Pension	513.384	457.552	744,509
Service Reward	150.349	155.894	129,291
Others	472.964	508.695	1,157,543
Total	17.648.351	18.816.332	21,217,954

Employee Turnover

Every year, BRI organized Employee engagement survey that aim to measure the percentage of Employee engagement to the Company. To maintain independency and prevent conflict of interest, BRI implements the Employee engagement survey with Work Unit outside of Human Capital Directorate under corporate research.

Corporate Social Responsibility Toward Employment, Occupational Health and Safety

In analysing the Employee engagement, the Company uses Aon Hewitt Engagement Model approach. This approach sees the influence form engagement drivers, which is the area where the management can control and conduct action, in influencing Employee engagement. The following are engagement drivers used in this survey, among others:

1. Vision and Mission of the Company
2. Communication
3. Leadership
4. Teamwork
5. Work and Personal Balance
6. Development Opportunity
7. Compensation
8. Working Conditions and Resources

The eight engagement drivers are described into 54 (fifty four) closed questionnaires related to the engagement drivers and 6 (six) questionnaires on the Say, Stay, and Strive (3S) components, which is the engagement outcomes.

The survey result indicated an index of BRI Employee engagement at 3.14 from scale of 4 or increased by 0.02 compared to 3.12 in 2017. This shown that the management improvement on human capital management has been experienced by the Employee of the Company.

The satisfaction of BRI Employee on the human capital development is one of them reflected from the turnover level. In 2018, the turnover level of BRI Employee was 2.97%, more lower than the Employee turnover level in the industry that reached 7%.

Total Employee based on Employment Status

The status of BRI employee in general are Permanent Employee (including probation employee) at 60,973, Contract Employee of 28,970, 63 trainees and 33,949 Outsourcing. The composition of BRI employee based on Employment status is as follows:

Status	2016	2017	Dec 2018
Permanent Employee	58,811	60,764	60,973
Contract Employee	34,262	31,994	28,970
Trainee	64	100	63
Outsourcing	36,197	37,929	33,949
Total	129,334	130,787	125,039

Employment Issues Complaint Mechanisms

The management of Employee complaint is one of the concerns of BRI Management. This is an affirm commitment of the Company in maintaining harmonious relations between the Management and all Employees. The Management commitment affinity toward Employee complaint handling is realized through the issuance of Whistle Blowing System (WBS) policy. The WBS alone is a monitoring and reporting system that can be accessed by all Employees through short message service (SMS), written letters, or through electronic form on the website, directly address to BRI President Director and directly manage by the Company's Top Management.

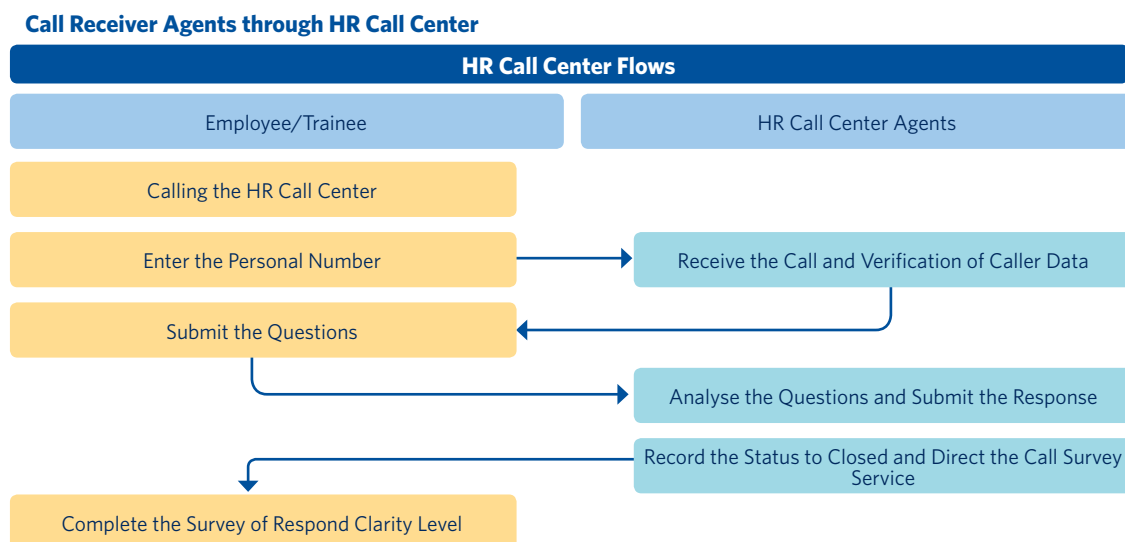
In addition through Whistleblowing System (WBS), BRI also has in place the communication channel HR Call Center to manage Employee complaint on HR. Through HR Call Center, employee may submit various existing issues, related to work or personal issues that may directly impact the works. Both communication system and facilities indicate the Company's strong commitment in maintaining harmonious relations between the Company and employee.

Total Employment Issues Complaint

Total Call Through HR Call Center

	2017	2018
Call received	23,649	15,337
Call resolved/responded	23,649	15,337

Corporate Social Responsibility Toward Employment, Occupational Health and Safety



OCCUPATIONAL HEALTH & SAFETY

The Occupational Health and Safety (OHS) aspect is one of the important operational risk. BRI strives to realize the OHS for employee and all stakeholders that are presence in BRI surrounding. BRI has in place the policy to provide safe and comfortable working environment. The policy has been stated in several company documents, among others are:

- Business Continuity Management (BCM) Circular Letter
BCM Circular Letter is a general guideline in preparing BRI to address and protect from various financial and non financial losses potential that are catastrophic as impacted by disasters event.
- Emergency Response Plan (ERP) Manual
ERP Manual is one of the BCM components as a guideline/manual in maintaining security and safety of all employees, customers, and third parties during disruptions/disasters event. ERP procedures focused on security and rescue efforts.

BRI OHS mangement are as follows:

Prevention

The following are activities conducted by BRI for the prevention of accidents, fires, emergency situation respond and first aids to employee:

1. Conduct risk potential asesment, conditions and dangers that may arise at work place.
2. Dissemination and trial-run of OHS programs.
3. Training for first aid.
4. Dissemination of emergency response to fire and earthquake disasters.
5. Trial-run of emergency respond to fire evacuation.
6. Trial-run of emergency respond to earthquake evacuation.
7. Availability of emergency respond equipment and safety at work.

Corporate Social Responsibility Toward Employment, Occupational Health and Safety

Occupational Accident Risk Management at BRI

Business Area	Non Business Area
Multilevel building, office house, shop house, and e-channel based mobile operating unit	Site review of project development and customer visit activities
· The OHS implementation is facilitated by building management policy	· OHS implementation is facilitated by project manager
· Training and provision of evacuation information from multistory buildings on a regular basis	· New employees are obliged to attend safety induction
· Training on the basic utilization of fire extinguishers	· Briefing of all workers on work accident insurance policy, covering personal accident and Work Accident Insurance program
· Training of rescuing victims inside buildings followed by building security workers	
· Provision of facilities with relevant and adequate basic safety equipment, including Oxygen (O2) tubes, first aid kit, emergency slide on the exit window	
· First aid training participated by employees, security and building management	
· Provision of two ambulances at Head Office in collaboration with BRI Medika (a subsidiary of BRI)	

GMCU Facility and Compensation

Health factors become very important and contribute to the productivity performance of human resources. To this end, BRI strives to provide various health facilities to employees, to maintain health as well as for the treatment of employees' illness. BRI facilitates general medical check-up and health benefit facilities. BRI places the employees with minor disabilities in accordance with the capability and provides general medical check-up and health insurance.

BRI also provides life and personal accident insurance for all employees that experienced accidents in carrying out their work throughout their working relationship with the Bank, with the benefits of passing or disability.

In the event that an employee dies as a result of an accident as stipulated, this facility will be granted to the legal heirs in accordance with the applicable stipulations.

Corporate Social Responsibility Toward Social and Community Development



BRI Peduli Program is the main corporate social & environmental responsibility program which implementation is integrated with the company business interest.

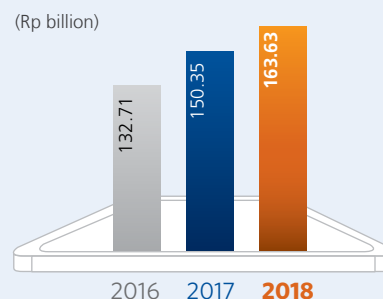
BRI Peduli Program implementation derives from the Community Development program that internally refers to the Circular Letter NOSE. S.12 – DIR/SKP/01/2018, dated 31 January 2018, concerning the Implementation of BRI Peduli Program Community Development of PT Bank Rakyat Indonesia (Persero) Tbk, where the Circular Letter refers to the Article 74 Law No.40 of 2007 on the Limited Liabilities Company; SOE Minister Regulation on the Implementation of Partnership and Community Development Program No. Per-09/MBU/07/2015 dated 03 July 2015 with its latest amendments namely SOE Minister Regulation No. Per-02/MBU/7/2017 dated 5 July 2017.

BRI Peduli Program implementation targets the following 7 sectors:

- The aid sector for victims of natural disasters, communicated under the name INDONESIA PEDULI
- The aid sector for education, such as training, education facilities and infrastructures, communicated under the name INDONESIA CERDAS
- Health quality improvement sector, communicated under the name INDONESIA SEHAT
- Public facilities and infrastructure sector, communicated under the name INDONESIA MEMBANGUN
- Worship facilities sector, communicated under the name INDONESIA TAKWA
- Environmental conservation sector, communicated under the name INDONESIA LESTARI
- Social assistance sector for poverty eradication, communicated under the name INDONESIA SEJAHTERA

Bank BRI implements Corporate Social & Environmental Responsibility through Community Development Program called BRI Peduli Program.

Increase of Distribution of BRI Peduli Program Period of 2016-2018



Corporate Social Responsibility Toward Social and Community Development

BRI Peduli Program Budget and Allocation

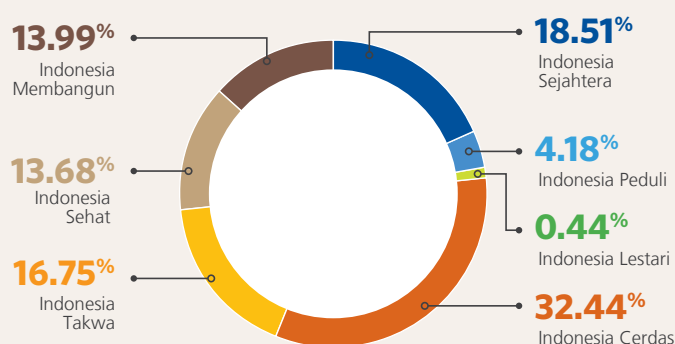
In 2018, BRI disbursed funds amounted to Rp163.63 billion for BRI Peduli Program.

Throughout 2018, Bank BRI has disbursed funds amounted to Rp163.63 billion for BRI Peduli Program implementation covering 7 (seven) sectors. The following is detailed disbursement of BRI Peduli Program during the last 3 (three) years:

Sectors	2016	%	2017	%	2018	%
Indonesia Peduli	1,414,781,307	1.07%	2,394,042,761	1.59%	6,845,484,366	4.18%
Indonesia Cerdas	27,027,916,471	20.37%	32,990,028,609	21.94%	53,087,712,848	32.44%
Indonesia Sehat	22,827,520,022	17.20%	21,596,164,343	14.36%	22,384,597,948	13.68%
Indonesia Membangun	26,463,322,958	19.94%	31,455,378,146	20.92%	22,895,422,555	13.99%
Indonesia Takwa	27,177,503,630	20.48%	29,095,446,575	19.35%	27,404,110,789	16.75%
Indonesia Lestari	1,992,366,872	1.50%	723,303,800	0.48%	722,965,000	0.44%
Indonesia Sejahtera	25,724,377,567	19.38%	32,094,333,268	21.35%	30,294,264,189	18.51%
Indonesia Bermitra*	80,795,000	0.06%	-	-	-	-
Total	132,708,583,827	100.00%	150,348,697,502	100.00%	163,634,557,695	100.00%

*since 2017 Indonesia Bermitra was transferred under Small Business & Partnership Division.

Budget Realization of BRI Peduli Program in 2018



Corporate Social Responsibility Toward Social and Community Development

BRI Peduli Program Awards

In 2018, through the implementation of corporate social responsibility, Bank BRI received appreciation through recognition or awards from various parties, both at home and abroad. They are as follows:

- **Asia Money – Best Bank For CSR 2018**
- **Top CSR – Top Leader On CSR Commitment 2018**
- **Top CSR – Top CSR 2018 Program PKBL BUMN**
- **Universitas Trisakti - Overall CSR Performance category of Finance Industry**
- **Universitas Trisakti – Best Community Involvement and Development**

Activities during 2018

Bank BRI implements BRI Peduli activities through 7 (seven) main programs namely Indonesia Peduli, Indonesia Cerdas, Indonesia Sehat, Indonesia Membangun, Indonesia Takwa, Indonesia Lestari, and Indonesia Sejahtera.

Throughout 2018, Bank BRI has implemented various corporate social responsibility activities under the BRI Peduli Program, the activities are as follows:

A. Indonesia Peduli

Throughout 2018, Indonesia experienced several natural disasters, including; Earthquakes in Lombok, NTB and its surroundings; Earthquake, Tsunami, and Liquidation in Palu City, Sigi, Donggala, Central Sulawesi and its surroundings; and the Tsunami due to the eruption of Mount Anak Krakatau in Banten and Lampung Provinces.

Bank BRI through Indonesia Peduli program granted fast respond on such disasters by providing emergency response such as community basic needs (foods, blankets, medicines, baby milk, clean water, etc), and and the construction of temporary shelter.



Corporate Social Responsibility Toward Social and Community Development

During 2018, Bank BRI has carried out Indonesia Peduli program in several locations experiencing natural disasters with realized total funds of Rp 6.85 billion. The following are detailed activities of Indonesia Peduli program or disaster emergency response activities:

No	Programs	Regions	Realization (Rp)
1	Basic needs and temporary shelter for earthquake emergency response in Lombok West Nusa Tenggara	Lombok, NTB	4,035,152,925
2	Floods Emergency Response	Wajo South Sulawesi, South Solok, Padang, South Aceh, Brebes, South Lampung, Mandailing Natal North Sumatra, Pasaman West Sumatra, Pacitan, Bojonegoro, Southeast Aceh, Tasikmalaya, Tuban, Cirebon, Demak, Mamuju.	1,036,853,106
3	Earthquake and Tsunami emergency response in Central Sulawesi Province	Palu, Donggala, Sigi	605,438,391
4	Earthquake emergency response	Sumenep, Poso, Banjarnegara, Mamuju, Parigi, Mamasa	509,107,400
5	Landslide emergency response	Kutacane, Kuningan, Pacitan, Banjarnegara, Wonogiri	405,064,050
6	Tsunami emergency response due to Anak Krakatau Mount eruption	Pandeglang	252,174,192



Corporate Social Responsibility Toward Social and Community Development

B. Indonesia Cerdas

Bank BRI committed to continually foster education development in Indonesia through the development and improvement of education facilities and infrastructures. To realize the Indonesia Cerdas Program in 2018, Bank BRI has allocated funds amounted to Rp 53.09 billion. The following are Indonesia Cerdas Program activities:

1) Scholarship Program

As a realization of BRI commitment to participate in advancing education sector and delivering qualified human resources, BRI consistently provide education scholarships with the category of achievement and/or underprivileged. BRI scholarships program in general is categorized into 2 (two) main programs, which are:



- Indonesia Cerdas Scholarship

Indonesia Cerdas Scholarship Program is an education fund assistance provided to students of Bachelor Degree and Diploma Degree.

Total budget allocated by Bank BRI to realize this activity reached Rp 10 billion that disbursed to 2,000 students from various universities across Indonesia.

No	Assistance	Location	Budget Allocation (Rp.)
1	Indonesia Cerdas Scholarship	Supervision area of BRI Regional Offices at Banda Aceh, Pekanbaru, Padang, Palembang, Medan, Bandar Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Malang, Surabaya, Banjarmasin, Makassar, Manado, Denpasar, Jayapura	10,000,000,000

- Other Scholarships

In addition to Indonesia Cerdas Scholarship Program, Bank BRI also has other scholarship programs cooperating with various parties among others:

No	Assistance	Location	Budget Allocation (Rp.)	Total Participants
1	Scholarship for University Students	- University of Padjajaran Bandung - Yakespen - Universitas Terbuka - University of Negeri Malang - Politeknik Ilmu Pelayaran Semarang - University of Airlangga	11,674,420,000	1,309

Corporate Social Responsibility Toward Social and Community Development

No	Assistance	Location	Budget Allocation (Rp.)	Total Participants
2	Education Scholarship for students of High School/ equivalent	Jakarta, Jambi, Central Java, Denpasar	6,511,400,000	1050
3	Nusantara Cerdas/BNC Scholarship Class IV cooperating with Ministry of Education and Culture (Continuation program 2017)	- University of Syiah Kuala - University of Mataram - University of Hasanuddin - University of Tanjung Pura - University of Mulawarman	962,596,200	25
4	Jurnalis Cerdas Scholarship (Continuation program 2017)	Jabodetabek	515,550,000	29

2) Other Education Facilities and Infrastructures Assistance

Education quality is influenced by several factors, among others are the availability of infrastructure and facility to support education. Through Indonesia Cerdas Program, BRI actively provides assistance such as through renovation of school buildings & islamic boarding schools, addition of educational support equipment, providing buses, Mobile library, procurement of laboratory equipment, literature books, multimedia tools, computers, and other supporting components of teaching and learning activities. The assistance for educational supporting infrastructures and facilities by Bank BRI, among others:



Corporate Social Responsibility Toward Social and Community Development

No	Assistance	Location	Budget Allocation (Rp.)
1.	Assistance for the construction and or renovation of school buildings, islamic boarding schools and other educational institutions	<ul style="list-style-type: none"> - University of Surabaya, University of Panca Budi Medan, University of Krisnadwipayana Jakarta, University of Teknologi Sumbawa - SMK Muhammadiyah 1 Wanareja, SMK Raudlatul Jannah Probolinggo, SMK Bangun Nusantara - SMP at PulaiLiran Maluku Barat Daya, SMP Adhyaksa 2 Kupang, SMP Plus Daanul Jannah Jakarta, SMP PGRI 1 Cianjur, SMP Maswati Cikalong Wetan, MTs. Sunan Ampel Gresik, MTs Darussalam, MTs Al Karimi 1, MTs Darulululum II Pamekasan, MTs Muchtarul Ulum Sampang, Madrasah Raudhatul Muata'Ilimin, MTs Mathbaul Huda, MTs N Kualuh Hulu Medan - SD Negeri 105 Bengkulu, SD Hang Tuah Piabung Pesawaran Lampung, SD Negeri Lalawang Mamuju, SDN Belendung II Cikampek, SDN Cengkong III Cikampek, SDIT Iqro Stabat Medan, MI Nurul Falah Cibalongsari, MI Al Ikhlas Karawang, MI Hidayatus Shibyan - Elementary School of Kartika Yonif Raider Khusus 111, TK Kartika Kodim 1412 Kolaka, TK Angkasa Lanud Iswahjudi Malang, Sekolah TK Kartika XXIX-12 Yonarmed 4 105 GS, Gita Adhyaksa dan TK Adhyaksa X Kupang, PAUD and TK Aisyiyah, PAUD Aisyiyah Bustanul Athfal, Paud Al Idrus Bekasi, - MDTA Ar-Rasyidin Kisaran, DTA Baitul Ankis Subang, TPQ Al Jamaah Masjid Al Jamaah, TPQ Tarbiyatus Shibyan, Boarding School Usysyaqul Quran, Boarding School Assalam Solo, Ponpes Al-Muttaqin Ponorogo, Tabungan Surga Cibirong Foundation, Perwanida Kemenag Madiun Foundation, Seminari Tinggi Hati Kudus Yesus Pineleng, INSAN MUMAYAZ (YAISMU) Bogor, Darul Quran Annayyiroh Boarding School Foundation 	16,148,930,602

Corporate Social Responsibility Toward Social and Community Development

No	Assistance	Location	Budget Allocation (Rp.)
2.	Assistance of vehicles to support education (Buses, Cars, and others)	<ul style="list-style-type: none"> - 3 units of Mobil Pintar for the Ministry of Education and Culture - Engineering Faculty & Administration Science Faculty of Brawijaya University - Bus for Negeri Jember University - Educational supporting Bus for Nusa Cendana (UNDANA) University, Kupang - Educational supporting Bus for IAIN Bengkulu - Educational supporting Bus for Politeknik Negeri Ujung Pandang - Educational supporting Bus for HKBP Nommensen University, Medan - Mini bus for students, Toyota Hiace brand for Institut Seni Indonesia (ISI) Padang Panjang - Educational supporting Bus for IAIN Batusangkar - Educational supporting Mini Bus for Kristen Duta Wacana (UKDM) University 	7,022,300,000
3.	Assistance in providing educational equipment, such as the procurement of laboratory equipment, literature books, multimedia tools, computers and other supporting components of teaching and learning activities	<ul style="list-style-type: none"> - Respati Yogyakarta University - Dharmas Indonesia (UNDHARI) University - Islamic Boarding School Buntet Cirebon - ISBI Bandung - PPPK Petra Surabaya - SMP Negeri 2 Bawen, Semarang - SLTP/SLTA mentoring of education office Kerinci Regency - Islamic Boarding School Luhur Al Tsaqofah Jagakarsa-South Jakarta 	6,248,009,795



Corporate Social Responsibility Toward Social and Community Development

3) Siswa Mengenal Nusantara (Learning about the Archipelago)

The Siswa Mengenal Nusantara is an exchange student program for High School/equivalent aim to develop and maintain pride to the nation and archipelago.

In addition to induction of other regional cultures, the students are also provided with capacity building, SOE business induction, benchmark study to excellent schools, and visit to SOE mentoring partners. With this program, the students are expected to understand the roles and functions of SOE in its participation to enhance community welfare, expand insights and knowledge on the nature and archipelago culture richness, as well as enhance nationalism.

No	Assistance	Location	Budget Allocation (Rp.)	Total Participants
1.	Siswa Mengenal Nusantara (SMN)	Sending 25 High School/Equivalent students from West Sulawesi to Bengkulu Province and accepted student exchange of 25 High School/Equivalent students from Bengkulu Province to West Sulawesi Province	469,603,500	50 students

4) School Reading Area

No	Activities	Budget Allocation	Beneficiaries
1	10 Reading Area for SDN 22 Ternate, SDN 7 Namlea, SD Inpress Wayabula, MTS Negeri Majenang, SDN 3 Pongo, SDN 01 Ngabang, SDN 1 Gelogor, SDN 13 Muara Siberut, SDN 004 Sebatik Tengah, SMPN 17 Serang	1,104,300,000	10 Schools in 8 provinces



Corporate Social Responsibility Toward Social and Community Development

C. Indonesia Sehat

Indonesia Sehat is BRI social responsibility program that aim to improve the community quality of life and health. Throughout 2018, BRI has disbursed funds amounted to Rp 22.38 billion for the implementation of this program. Some of the assistance related to Indonesia Sehat program, among others:

1) Assistance for Health Support Facilities

Assistance of health support facilities to municipality, hospitals, Indonesia National Army, Police Force, or other foundations and institutions in the form of ambulance, and other health support equipment.

In 2018 BRI has provided assistance for health support facilities, namely:

No	Assistance	Location	Budget Allocation (Rp.)	Total Participants
1.	Assistance for providing 72 ambulances	Meulaboh; Tapaktuan; Bandung; Purwakarta; Sukabumi; Cimahi; Cibadak; Bandung; Banjarmasin; Samarinda; Balikpapan; Tarakan; Martapura; Tanjung Selor; Jakarta Karawang; Depok; Pandeglang; Serang; Sanggau; Biak; Jayapura; Merauke; Bengkulu; Metro; Kendari; Sengkang; Pinrang; Makassar Somba Opu; Malang; Jember; Magetan; Nganjuk; Pacitan ; Lumajang; Malang; Manado; Gorontalo; Limboto; Medan Sisingamangaraja; Rembang; Bojonegoro; Jombang; Lamongan; Pamekasan; Sampang; Sumenep; Surabaya; Yogyakarta; Magelang; Surakarta; Temanggung; Wonosari	18.628.541.400	72 Hospitals/ Agencies/Other Institutions
2.	Assistance for Hospital health support equipment	- Dharmais Hospital - Police Force of Lahat - PKU Muhammadiyah Hospital	1,181,831,712	3 Hospitals/ Polyclinic/Health Institutions



Corporate Social Responsibility Toward Social and Community Development

2) Health Services

Bank BRI provide free-of-charge health services to the communities implemented periodically with the coverage that continually expanded. The health services is carried out in cooperation with various parties, through Free Medical Check-Up.

Some activities included in the health service category, are as follows:

No	Assistance	Location	Budget Allocation (Rp.)	Total Participants
1.	Free Medical Check-Up and Nutrition Supplementary Assistance	Jakarta	361,891,150	1,000 people

D. Indonesia Membangun

Indonesia Membangun is BRI Peduli Program to help the community conducted through the construction and renovation of public facilities and infrastructures. Some activities in this program include the construction of clean water facilities, sanitation, and other public facilities.

Budget realization for Indonesia Membangun program in 2018 reached Rp22,90 billion. The Indonesia Membangun program, among others:

1) Teras BRI Nusantara

Teras BRI Nusantara is a mentoring village program of BRI which focused on business cluster, and/or tourism areas development. This program aims to optimize economic potential of business area or community in order to be more advanced and developed amidst stringent business competition. Teras BRI Nusantara was carried out in 19 Regional Office across Indonesia.

No	Activities	Location	Budget Allocation (Rp.)
1.	Teras BRI Nusantara	Supervision area of 19 BRI Regional Offices at: Banda Aceh, Pekanbaru, Padang, Palembang, Medan, Bandar Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Malang, Surabaya, Banjarmasin, Makassar, Manado, Denpasar, Jayapura	17,100,000,000



Corporate Social Responsibility Toward Social and Community Development

2) Other Public Facilities

In addition to developing Teras BRI Nusantara, BRI also develops other public facilities. The development is prioritized on public facilities that may be beneficial to the communities directly, among others:

No	Activities	Location	Realization (Rp)
1	Clean Water Facility	Soe, Cibirong, Palembang, Tanjung Balai Karimun, Jepara	505.858.393
2	Rural Road Development	Subang, Majalengka, Cianjur, Jepara, Bandung, Buleleng, Ponorogo, Tulungagung, Jepara, Klaten, Sragen	1.239.679.000
3	Renovation and Construction of Markets, Security Gate, Community Hall	Bandung, Subang, Sumba Barat, Timor Tengah Utara, Bekasi, Aceh, Malang	947.583.500

E. Indonesia Takwa

Through Indonesia Takwa program, Bank BRI actively participates in developing religious community culture by providing construction assistance and renovation of religious facilities as well as religious activity support equipment. Total realized budget for Indonesia Takwa program in 2018 reached Rp27.40 billion. The Indonesia Takwa program implementation, among others are:

- 1) Construction and renovation of Religious Houses (Mosques, Churches, Temple, etc),
- 2) Assistance for worship activity supporting facilities and infrastructures



Corporate Social Responsibility Toward Social and Community Development

F. Indonesia Lestari

Bank BRI through Indonesia Lestari is actively participating in nature conservation efforts. Throughout 2018, Bank BRI has disbursed funds for Indonesia Lestari Program amounted to Rp722.97 million. Several activities supporting the implementation of Indonesia Lestari Program are as follows:

No	Activities	Location	Budget Allocation (Rp.)
1	Flower tourism construction at the Faculty of Social Science and Political Science of Padjadjaran University Bandung	Faculty of Social Science and Political Science of Padjadjaran University Bandung	267,840,000
2	Mangrove planting green program at Peukan Bada in cooperation with Kudam IM Banda Aceh	Kudam IM Banda Aceh	80,000,000
3	Community Development fund assistance for the procurement of plants pots at Glintung Village Malang	Glintung Village	43,000,000



Corporate Social Responsibility Toward Social and Community Development

G. Indonesia Sejahtera

Indonesia Sejahtera is BRI Peduli program related to community social assistance for the poverty eradication.



Total funds disbursed by Bank BRI in 2018 through Indonesia Sejahtera program reached Rp30.29 billion. Some of the activities conducted in this program, among others:

1) Empowerment of Micro, Small, and Medium Enterprise (MSME)

The MSME business is one of Indonesia economy main pillars. In 2018, Bank BRI through Indonesia Sejahtera program participates in enhancing MSME sector growth and development through several activities, among others:

No	Activities	Location	Budget Allocation (Rp.)
1.	Education and training for SOE Creative House Program of Bank BRI 2018	Supervision area of BRI Regional Offices at Banda Aceh, Pekanbaru, Padang, Palembang, Medan, Bandar Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Malang, Surabaya, Banajrmasin, Makassar, Manado, Denpasar, Jayapura	2,000,000,000
2.	Appreciation Program for Creative People with Disabilities	Jabodetabek	250,000,000
3.	Assistance of procurement of 50 units cart for MSME Pangkep	South Sulawesi	240,000,000

Corporate Social Responsibility Toward Social and Community Development

No	Activities	Location	Budget Allocation (Rp.)
4.	Assistance for renovation of kiosk pujasera Pantai Padang	West Sumatera	150,000,000
5.	Assistance of 10 units cart for MSME Tanah Laut, Banjarmasin	South Kalimantan	120,000,000
6.	Assistance of Lawn Mower for 20 Farmer Districts at Payakumbuh	West Sumatera	76,000,000
7.	Education & training for MSME Hebat, brave to Export in the MEA era	South Sulawesi	65,130,000
8.	Batik training in Gresik Regency	Gresik, East Java	23,625,000

2) Other Social Assistance

In an effort to eradicate poverty, Bank BRI also provide other social assistance, among others:

No	Activities	Location	Budget Allocation (Rp.)
1.	Free food staple, open fasting and orphanage assistance activity at BRI 19 Regional Offices	Supervision area of BRI Regional Offices at Banda Aceh, Pekanbaru, Padang, Palembang, Medan, Bandar Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Malang, Surabaya, Banjarmasin, Makassar, Manado, Denpasar, Jayapura	11,931,389,246
2.	Assistance of House Renovation or Unlivable Home Renovations	Majalengka, Cianjur Subang, Pamanukan, Banjarmasin, Denpasar, Pinrang, Bondowoso Medan, Rembang	1,164,707,000
3	Veteran house renovation at 39 units (continuation program 2017)	West Java	1,520,000,000
4	Cheap Market Assistance	Bau-Bau, South Sulawesi, Sukabumi, Riau Island	650,000,000

Corporate Social Responsibility Toward Social and Community Development



BRI Peduli Total Budget

The budget realization for BRI Peduli in 2018 reached Rp163.63 billion or increased by 8.83% from Rp150.35 billion in 2017. Of the total, 32.44% was disbursed for education program, 18.51% for social assistance to eradicate poverty, 16.75% for religious facility renovation and construction, 13.99% for public facilities renovation and construction, 13.68% for health, 4.18% for natural disaster assistance, and 0.44% for environmental preservation.

Partnership Program



Through Partnership Program, BRI strives to enhance the capability of small enterprise to become strong and independent. Partnership Program is among others disbursed through soft-interest loan schemes and grants funding.

As a SOE, BRI has social duty and responsibility to the state to assist the community economic empowerment through Partnership Program. The Partnership Program is carried out to enhance small enterprise to become strong and independent. The Partnership Program implementation refers to the SOE Minister Regulation No. Per-09/MBU/07/2015 dated 03 July 2015 on the Partnership Program and Community Development Program of State-Owned Enterprise, in lieu of the latest amendment of the SOE Minister Regulation No. Per-02/MBU/7/2017 dated 5 July 2017 and its amendments, the Partnership Program is carried out one of which is through the partnership loan distribution scheme.

Throughout 2018, BRI disbursed funds for Partnership Program through two schemes, namely:

- Soft-interest loan.
- Coaching for mentoring partners through grants

The soft-interest loan aims to help grow and develop the community economic potential around BRI Work Units, hence the communities have the economics capability to improve their quality of life through productive business. After the soft loans, the mentoring partners will be granted with coaching, which aim to support them in improving entrepreneurship competency, through education, training as well as marketing of their products one of which is through the exhibitions.

To provide good and optimum impact to both the community and the Company's business from the funding of Partnership Program, BRI applies general policy in realizing the funding, as follows:

- The commodities criteria of the prospective partners that are prioritized for assistance are among others: commodities that are able to utilize the surrounding potentials, commodities that are superior to the region, and commodities that are able to absorb labor/labor intensive
- The partnership lending is selectively implemented, taking into consideration the prospective mentoring partners conditions among others the characters, entrepreneurship ability, social conditions and society culture.
- The selection of prospective mentoring partners is carried out transparently and objectively, to select small enterprise of individual or group that have the potential to be developed as prospective commercial customers.
- Implemented to support people's economic development and in general guided by the stipulation of SOE Minister Regulations.

Based on these internal policies, the mentoring partners generally are small business scales, just developing, have limited marketing capabilities in term of knowledge and skills in developing their businesses.

Partnership Program

To that end, BRI disburses the Partnership Program through two schemes in order to developing the Mentoring Partners and eventually will be able to migrate from small to medium enterprise, even bigger size with improved economics scale that enabling them to become BRI loyal commercial customers.

The business sector coverage of Mentoring Partners that are being targeted for Partnership Program funding is spread into several sectors, including agriculture, fisheries, livestock, trading, industry and services. The general requirements to become BRI prospective mentoring partners, among others are:

- The assets of prospective mentoring partners is not exceeding Rp500 million excluding land and building of business premise.
- Maximum business margin of Rp2,5 billion per year.
- Are non-bankable.

Disbursement Realization

Throughout 2018 total realization of Partnership Program loan disbursement reached Rp344,152 billion, increased by 64.38% compared to the realization in 2017.

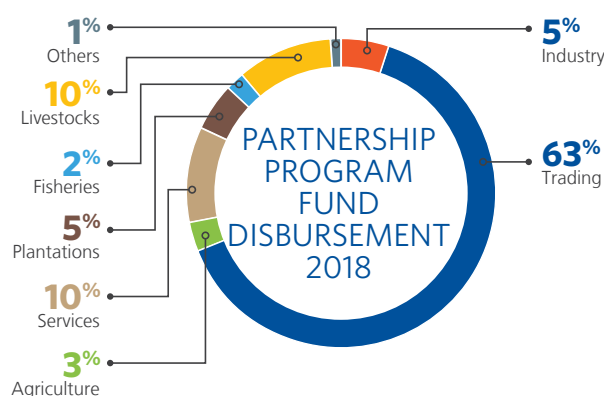
Funding for Partnership Program is provided through 2 (two) schemes, namely soft-interest loan and grants funding for the coaching of mentoring partners. In 2018 total realization of Partnership Program funding reached Rp344,152 billion. The fund disbursement of Partnership Program in 2018 increased by 64.38% (year on year) compared to 2017.

Realization of Partnership Program funding for last two years is as follows:

Business Sectors	2016 Realization (Rp billion)	%	2017 Realization (Rp billion)	%	Desember 2018 (Rp billion)	%
Industry	5.88	6.55	7,060	3.37	15,832	4.60
Trading	59.17	65.92	102,491	48.95	217,970	63.34
Agriculture	3.65	4.06	58,289	27.84	11,680	3.39
Livestocks	9.27	10.33	19,956	9.53	34,479	10.02
Plantations	1.89	2.10	4,085	1.95	18,852	5.48
Fisheries	3.58	3.99	3,876	1.85	7,794	2.26
Services	6.33	7.05	13,602	6.50	33,929	9.86
Others	0.00	0.00	-	0.00	3,615	1.05
Subtotal	89.76	100	209,359	100	344,152	100
Grants			198		323	
Total	89.76		209,557		344,475	

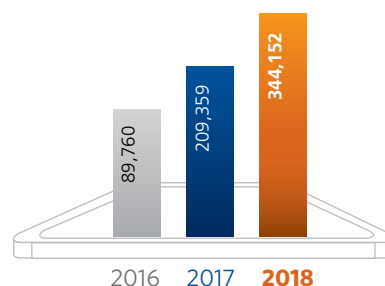
Partnership Program

The composition of Partnership Program Fund Disbursement per Sector as of December 2018 is as follows.



Partnership Program Fund Disbursement Development

Disbursement	Year		
	2016	2017	Dec 2018
Realization (Rp in Million)	89,760	209,359	344,152
Mentoring Partners	1,634	3,070	5,470



Partnership Loan Disbursement Methods

Partnership Program fund disbursement to prospective mentoring partners is carried out by using banking approach methods structured as the bank lending process. Assessment on prospective mentoring partners is conducted from various aspects, including: introduction on superior products, creative process to add product values, availability and capability of taking local manpower.

The Mentoring Partners that have acquired Partnership Program funding for their business performance and development, will also obtain mentoring program grants funding. The grants is provided through entrepreneurship assistance and coaching from BRI or appointed third parties, free of charge. After this process, the mentoring partners are expected to have the capability to develop its business independently, and able to access banking financing with commercial schemes.



Partnership Program

Partnership Coaching

To support and ensure the mentoring partner's business growth and development, BRI also provide grants funding for partnership coaching aim for education, training, apprentice, marketing, promotion and other programs that may improve the productivity or business development of BRI Mentoring Partners.

With the funding support, the Mentoring Partners have the opportunity to acquire training and entrepreneurship competency improvement according to business types, expand insights and can participate in the exhibitions to open up marketing opportunity of its products.

The realization of grants funding of partnership coaching until December 2018 was Rp309 million. The funding was used for promotional activity of product marketing of mentoring partners through exhibitions and trainings organized at various venues.

Throuh participation in those events, in both trainings and exhibitions, the mentoring partners are expected to have the opportunity to expand its product market access and expand business network. Moreover, the mentoring partners are expected to attain information on the current market trends.

Exhibitions and Trainings Activities

No	Date	Activities	Rp	Location	Description
1	2 - 4 May 2018	Dhawafest 2018 Exhibition	5,225,000	Finance Ministry	Organized by Ministry of Finance
2	14 - 16 May 2018	Bazaar KBUMN	21,855,991	KBUMN	Organized by Ministry of SOE
3	22 -25 May 2018	Bazaar Ramadhan	9,002,500	BRI Tennis Field	Organized by IWABRI and BRI Coperative
4	26 - 27 July 2018	Mentoring Partners Training of Denpasar Regional Office	87,237,900	Denpasar	Organized by Small and Partnership Business Division
5	22 - 23 November 2018	Mentoring Partners Training of Makassar Regional Office	186,000,000	Makassar	Organized by Small and Partnership Business Division

Corporate Social Responsibility Toward Consumers



Targets and Activities Planned by the Management in 2018

BRI strives to improve service quality to all customers that based on Customer Centric by enhancing communication network performance and revitalization of service standard. With these measures, it is expected that the ranking in the national banking will be continually increased. BRI performance in the last three years continue to improve. The performance improvement is followed by improved service quality. In 2018, the Company's performance grew above the industry average.

Service Monitoring Performance Results

Description	2016	2017	2018
BRI Performance	4,0205	4,0046	4,0665
Banking Industry	3,9979	3,9951	3,9999

Source: Service Quality Index By CAREE

Activities Conducted and Quantitative Impact on Activities

To support service quality, BRI improves its service system in order to serve customer complaints properly, fastly and satisfactorily. The customer complaint handling is carried out by using appropriate technology with the customers complaint and handling standard that has been set by the regulators and management policy. BRI also continues improving coordination with relevant parties on customer service and complaint in order to respond in proper time and satisfying results.

The following are activities conducted related to product responsibility to customers during 2018:

Developed Chatbot Artificial Intelligence named "Sabrina"

Sabrina is a Chatbot of artificial intelligence based that provide information services on product, promotional items, and event; location of ATM, Office and Top-up BRIZZI; and direct assistance by Contact Center Agent.

Sabrina aims to enable easy communication by the customers and obtain banking information.

Revitalization and Reinterpretation of Customer Centric based Service Standard

BRI has carried out strategic measures in order to improve service quality through transformation of two service strategy approaches to become "Customer Centric Service" namely:

1. Service Architecture which consists of:
 - Branch Service Design (Service Standard through Operating Units)
 - E-Channel Service Design (Service Standard through E Channel and E Banking)
 - Contact Center Service (Service Standard through Contact Center)
2. Service & Operational Quality which consists of People, Process, Product and Premises aspect to be more focus on external and internal customer.

Corporate Social Responsibility Toward Consumers

Service Standards Revitalization as one of the Initiative Strategies that does not replace or negate existing quality standards, but rather to improve Quality according to Customer expectations covering various aspects hence integrating the quality standards starting from the People, Process, Product and Premises aspects that will provide a better experience.

Developing an Integrated Complaint Handling System

An integrated complaint handling system at Bank BRI is implemented through the utilization of BRICare and BRISolutions apps. BRICare apps is used to record, escalate, settle, and report customer complaint. BRICare apps is used by every frontliner of Bank BRI including customer service in every Operating Unit as well as contact center agent. Through BRICare apps, customer complaints service becomes integrated and enable the customer to inform their complaint wherever and whenever they are. BRICare apps also connects the frontliner with back-office team that functions to settle every complaint received by Bank BRI. With an integrated customer complaint handling, the progress of customer complaint handling level can be monitored and supported Bank BRI efforts in improving customer service.

For internal problems at Operating Unit related to systems and applications, recording process and escalation on such issues are carried out through BRISolutions apps. The central function of helpdesk team in providing solutions and settlement of every systems and apps trouble, can be more effectively monitored to ensure its settlement through Service Level Agreement (SLA). With BRISolutions apps, the Operating Unit can provide optimum customer service.

National Customer Day Celebration

As an appreciation for BRI customers for their loyalty in using BRI banking services and products and appreciation for outstanding employees, Bank BRI held a National Customer Day on September 4, 2018.

The National Customer Day is a commitment of all Board of Directors as the Mentor to realize excellent Customer Experience which oriented to BRI Core Values "Customer Centric" and momentum to create service awareness on the importance of service improvement in all Operating Unit.

In the National Customer Day activities, BRI appreciates the customers by giving souvenirs such as chocolates, flowers, and others which was organized in all BRI Operating Units (Branch Office, Sub Branch Office, Cash Office and BRI Units) and appointment of contract employees with Frontliner positions that are outstanding employees to become permanent employees.

Complaint Settlement Details

Throughout 2018, BRI recorded an increase of customer information request and complaint. From the total complaint received by BRI, the respond was carried out immediately in accordance with the set procedures standard. Based on the received data, until December 2018 the received information request and complaint reached 3,544,225 complaint, with the completion reaching 3,488,797 (98.4%).

Corporate Social Responsibility Toward Consumers

The following is details of customer complaint settlement.

Complaint Types	2016		2017		2018	
	Total Received	Total Resolved	Total Received	Total Resolved	Total Received	Total Resolved
Financial	725,657	714,904	831,586	759,718	997,629	968,791
Information Availability	735,051	734,767	888,687	884,065	1,212,812	1,209,197
Non Financial	1,183,413	1,177,845	1,272,962	1,284,117	1,328,864	1,306,394
Service Quality	4,239	4,193	5,719	3,263	4,920	4,415
Others	0	0	0	0	0	0
Total	2,648,363	2,631,709	2,998,954	2,931,163	3,544,225	3,488,797

Complaint Procedures

- 1 Customer complaints are expressions of customer dissatisfaction caused by potential financial/customers losses due to suspected errors or omissions of the Bank.
- 2 The customer shall immediately report his/her complaint to BRI through the designated facilities as soon as possible if the customer experiences the condition in point 1.
- 3 Complaints may be made verbally or in writing to:
 - a. Special Branch Office/Branch Office/Sub-Branch Office/BRI Unit/Cash Office/Teras BRI, that will be received by customer service;
 - b. BRI Digital Branch Priority and Service Center (BRI Digital Branch), that will be received by Priority Banking Assistant;
 - c. Call Center BRI to Telephone No. 14017 or 1500017;
 - d. E-mail BRI (menu contact us on the www.bri.co.id website and/or callbri@bri.co.id);
 - e. Official social media of Bank BRI
- 4 Complaints made verbally should be accompanied by information:
 - a. Customers' Data;
 - b. Problems reported.
- 5 Complaints made in writing that is submitted to Operating Units/by fax shall be accompanied by:
 - a. Customer complaints form containing customer data and complaints;
 - b. Copy of customer's Identity Card (KTP);
 - c. Evidence of financial transactions at BRI relating to the complained issue/other supporting documents related to the complaint.
- 6 Complaints via Email must be equipped with:
 - a. Customer data and complaints;
 - b. Evidence of file scanned/data capture of financial transaction at BRI relating to the complaint filed;
- 7 The deadline for settlement of customer complaints filed verbally is 2 (two) business days. The deadline for settlement of customer complaints submitted in writing is 20 (twenty) working days.
- 8 In the event that the settlement of complaints related to financial losses has not satisfied the customer then it can be resolved by banking mediation.

Corporate Social Responsibility Toward Consumers

Customer Satisfaction Survey 2018

To measure the customer satisfaction, the Company periodically conducts survey. Generally, the survey result is used as one of evaluation materials to improve service quality to the customer. To attain accurate survey result and able to illustrate real conditions, BRI applies 2 (two) survey methods, namely:

1. Internal Survey
Internal Survey is a survey conducted by assurance function in Head Office cooperating with assurance function at BRI Selindo Regional Office.
2. External Survey
A Survey conducted by independent institution by using comparison variable, which is a service carried out by a competitor in the banking industry.

Based on the survey conducted in 2018 by Independent Institution Financial Wealth Group, BRI customer satisfaction result reached a level of 96.3%. This achievement is increased compared to 94.1% in the previous year. Factors supporting the achievement among others are:

1. Implementation of customer centric based service improvement programs across Indonesia.
2. Integrated complaint handling system, hence accelerating customer complaint settlement process.
3. Network improvement hence delivering optimum and fast services.

In 2018, BRI has received awards in service quality, among others are:

1. Diamond recognition in the category of Regular Banking, Priority Banking, Silver Credit Card in the Service Quality Index 2018 award organized by Carre.
2. Excellent recognition at the category of Regular Banking, Platinum Credit Card, Regular Credit Card, Mortgage and Personal Loan at the Contact Centre Service Excellence Index (CCSEI) award organized by Carre.
3. In Recognition of Outstanding Achievement in Building the Top Brand at the Top Brand Award 2018 organized by Frontier and Marketing Magazine.
4. Silver Champion at the Indonesia Brand Award 2018 organized by Markplus Inc.
5. Performa Terbaik Chatbot Excellent Performance at the Bank Service Excellence Monitor (BSEM) 2018 award organized by Marketing Research Indonesia.
6. Award Winning for Customer Recommendation at the Banking Service Achievement Award 2018 organized by FW Media Group & FW Research.



BANK BRI
BALKONDES DU
DESA TANJ



Consolidated Financial Statements 2018



PT Bank Rakyat Indonesia (Persero) Tbk and its Subsidiaries

Consolidated financial statements as of December 31, 2018
and for the year then ended with independent auditors' report



PT BANK RAKYAT INDONESIA (PERSERO) Tbk.

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44 - 46 Triasat Pcs 10641000 Jakarta 10210
 Telepon: 021 2510294, 2510295, 2510296, 2510299, 2510279
 Faksimili: 021 2500077 Kawat: KANPLR0049
 Teleks: 65292, 65456, 65466, 65461

**BOARD OF DIRECTORS' STATEMENT
 REGARDING
 THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2018
 AND FOR THE YEAR THEN ENDED
 PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARIES**

We, the undersigned:

1. Name : Suprajarto
 Office Address : Jl. Jenderal Sudirman No.44-46 Jakarta 10210
 Residential Address : Jl. Sumenep No. 11 Menteng, Jakarta Pusat
 Telephone : 021 - 575 1705
 Title : President Director
2. Name : Huru Kosumahargo
 Office Address : Jl. Jenderal Sudirman No. 44-46 Jakarta 10210
 Residential Address : Jl. MPR III / 09 Cilandak, Jakarta Selatan
 Telephone : 021 - 575 1751
 Title : Director

Declare that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries;
2. PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries has been disclosed in a complete and truthful manner;
 b. PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' consolidated financial statements do not contain any incorrect material information or facts, nor do they omit material information or facts;
4. We are responsible for PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' internal control system.

This statement has been made truthfully.

Jakarta, January 30, 2019
 For and on behalf of the Board of Directors

  
 Suprajarto Huru Kosumahargo
 President Director Director

Integrity, Professional

Integrity, Professional, Customer Centric



**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Table of Contents

	Page
Independent Auditors' Report	
Consolidated Statement of Financial Position	944 - 947
Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	948 - 950
Consolidated Statement of Changes in Equity.....	951 - 953
Consolidated Statement of Cash Flows	954 - 955
Notes to the Consolidated Financial Statements	956 - 1219
Statement of Financial Position - Parent Entity	Appendix 1
Statement of Profit or Loss and Other Comprehensive Income - Parent Entity.....	Appendix 2
Statement of Changes in Equity - Parent Entity	Appendix 3
Statement of Cash Flows - Parent Entity.....	Appendix 4
Notes to the Financial Statements - Parent Entity	Appendix 5

This report is exclusively issued in the Indonesian language.

Independent Auditors' Report

Report No. 00035/2.1032/AU.1/07/1008-2/1/A/2019

The Shareholders, Boards of Commissioners and Directors
PT Bank Rakyat Indonesia (Persero) Tbk

We have audited the accompanying consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2018, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



This report is originally issued in the Indonesian language.

Independent Auditors' Report (continued)

Report No. 00035/2.1032/AU.1/07/1008-2/1/I/2019 (continued)

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2018 and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matters

Our audit of the accompanying consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2018, and for the year then ended was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of PT Bank Rakyat Indonesia (Persero) Tbk (parent entity), which comprises the statement of financial position as of December 31, 2018, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "Parent Entity Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purpose of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements as a whole.

Purwantono, Sungkoro & Surja

Dani Setiadi Handaja, CPA
Public Accountant Registration No. AP.1008

January 30, 2019

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

		December 31,		
	Notes	2018	2017 ^{*)}	2016 ^{*)}
ASSETS				
Cash	2a,2c,3	27,421,625	24,798,037	25,212,226
Current Accounts with Bank Indonesia	2a,2c,2f,4	71,159,442	58,155,479	55,635,946
Current Accounts with Other Banks	2a,2c,2d,2e,2f,5,44	12,677,355	6,132,512	11,280,795
Placements with Bank Indonesia and Other Banks	2a,2c,2d,2e,2g,6,44	87,018,051	55,156,762	78,248,833
Securities	2a,2c,2d,2e,2h,7,44	184,284,810	186,939,596	132,086,758
Allowance for impairment losses		(758)	(758)	(758)
		184,284,052	186,938,838	132,086,000
Export Bills and Notes Receivable	2c,2d,2e,2i,8,44	27,442,690	10,654,353	11,580,175
Government Recapitalization Bonds	2c,2d,2h,9,44	1,505,273	3,317,840	3,318,434
Securities Purchased Under Agreement to Resell	2c,2d,2u,10,44	9,396,553	18,011,026	1,557,370
Derivatives Receivable	2c,2e,2ak,11	485,810	162,912	103,907
Loans	2c,2d,2e,2j,12,44	820,010,157	718,982,668	643,470,975
Allowance for impairment losses		(35,017,982)	(29,423,380)	(22,184,296)
		784,992,175	689,559,288	621,286,679
Sharia Receivables and Financing	2c,2d,2e,2k,13,44	20,178,401	17,864,869	17,748,943
Allowance for impairment losses		(497,141)	(577,257)	(492,156)
		19,681,260	17,287,612	17,256,787

^{*)} As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

		December 31,		
	Notes	2018	2017 ^{*)}	2016 ^{*)}
ASSETS (continued)				
Finance Lease Receivables	2c,2e,2l,	3,409,846	2,488,983	2,200,300
Allowance for impairment losses	14	(88,000)	(103,500)	(130,000)
		3,321,846	2,385,483	2,070,300
Acceptances Receivable	2c,2d,2e,2m,	11,643,003	5,693,425	5,692,583
	15,44			
Investment in Associated Entities	2c,2d,2e,2n,	460,146	83,150	11,768
Allowance for impairment losses	16,44	(50)	(50)	(50)
		460,096	83,100	11,718
Premises and Equipments	2d,2o,2p,	37,925,236	33,990,807	32,280,793
Cost	17,44			
Accumulated depreciation		(11,010,377)	(9,238,772)	(7,756,660)
Book value - net		26,914,859	24,752,035	24,524,133
Deferred Tax Assets - net	2al,38c	5,114,653	3,286,732	2,539,713
Other Assets - net	2c,2e,2p,	23,379,549	21,072,055	12,396,074
	2q,2r,18			
TOTAL ASSETS		1,296,898,292	1,127,447,489	1,004,801,673

^{*)} As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

		December 31,		
	Notes	2018	2017 ^{*)}	2016 ^{*)}
LIABILITIES AND EQUITY				
LIABILITIES				
Liabilities Due Immediately	2c,2s,19	8,462,958	6,584,201	5,410,313
Deposits From Customers	2c,2d,2t,44			
Demand Deposits	20	178,097,981	145,529,168	141,419,020
<i>Wadiah</i> Demand Deposits		2,277,850	1,766,901	1,127,843
<i>Mudharabah</i> Demand Deposits		293,264	139,535	-
Saving Deposits	21	379,918,705	343,420,737	298,110,406
<i>Wadiah</i> Saving Deposits		5,601,811	4,749,652	4,176,761
<i>Mudharabah</i> Saving Deposits		1,659,109	1,270,484	983,121
Time Deposits	22	357,413,513	326,417,937	293,029,378
<i>Mudharabah</i> Time Deposits		19,006,504	18,362,036	15,679,845
Total Deposits From Customers		944,268,737	841,656,450	754,526,374
Deposits From Other Banks and Financial Institutions	2c,2d,2t,23,44	9,131,158	5,593,367	2,229,538
Securities Sold Under Agreement to Repurchase	2c,2d,2u,7,24,44	37,379,394	12,136,684	7,302,398
Derivatives Payable	2c,2ak,11	332,343	200,858	347,217
Acceptances Payable	2c,2d,2m,15,44	11,643,003	5,693,425	5,692,583
Taxes Payable	2al,38a	153,833	569,016	956,553
Marketable Securities Issued	2c,2v,25	31,190,216	30,619,658	24,800,781
Fund Borrowings	2c,2d,2w,26,44	40,457,429	29,408,694	35,013,680
Estimated Losses on Commitments and Contingencies	2d,2e,2ao,27,44	1,222	2,134	895
Liabilities for Employee Benefits	2d,2af,28,42,44	11,789,366	12,194,261	9,479,930
Other Liabilities	2c,2y,2z,2ae,29,45b	15,339,787	13,794,513	10,498,804
Subordinated Loans and Marketable Securities	2c,2x,30	1,473,515	986,450	1,008,510
TOTAL LIABILITIES		1,111,622,961	959,439,711	857,267,576

^{*)} As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

		December 31,		
	Notes	2018	2017 ¹⁾	2016 ¹⁾
LIABILITIES AND EQUITY (continued)				
EQUITY				
Capital Stock - par value Rp50 (full Rupiah) per share as of December 31, 2018 and 2017, Rp250 (full Rupiah) per share as of December 31, 2016				
Authorized capital - 300,000,000,000 shares (consisting of 1 Series A Dwiwarna shares and 299,999,999,999 Series B shares) as of December 31, 2018 and 2017 and 60,000,000,000 shares (consisting of 1 Series A Dwiwarna and 59,999,999,999 Series B shares) as of December 31, 2016				
Issued and fully paid capital - 123,345,810,000 shares (consisting of 1 Series A Dwiwarna shares and 123,345,809,999 Series B shares) as of December 31, 2018 and 2017 and 24,669,162,000 shares (consisting of 1 Series A Dwiwarna and 24,669,161,999 Series B shares) as of December 31, 2016	1,31a	6,167,291	6,167,291	6,167,291
Additional paid-in capital	31b	2,692,663	2,773,858	2,773,858
Revaluation surplus arising from premises and equipments - net of tax	2o,17	13,824,692	13,824,692	13,824,692
Differences arising from the translation of foreign currency financial statements	2aj,31c	49,850	54,199	23,490
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds - net of deferred tax	2h	(2,070,378)	1,813,625	75,618
Gain on remeasurement of defined benefit plans - net of deferred tax	2af	1,154,343	706,403	665,870
Treasury Stock	1d	(2,418,948)	(2,418,948)	(2,418,948)
Stock Option		10,971	-	-
Provision for Bonus Shares Compensation	31f	426,670	-	-
Merging Entities' Equity		-	443,016	483,908
Retained Earnings	31d,31e			
Appropriated		3,022,685	3,022,685	3,022,685
Unappropriated		160,107,704	140,805,012	122,286,786
Total Retained Earnings		163,130,389	143,827,697	125,309,471
Total Equity Attributable to Equity Holders of the Parent Entity		182,967,543	167,191,833	146,905,250
Non-controlling Interest	2b	2,307,788	815,945	628,847
TOTAL EQUITY		185,275,331	168,007,778	147,534,097
TOTAL LIABILITIES AND EQUITY		1,296,898,292	1,127,447,489	1,004,801,673

¹⁾ As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year Ended December 31,		
		2018	2017 ¹⁾	2016 ¹⁾
Interest and Sharia Income	32			
Interest income	2aa	108,458,358	100,093,333	91,379,317
Sharia income	2k,2ac	3,124,446	2,819,042	2,636,677
Total Interest and Sharia Income		111,582,804	102,912,375	94,015,994
Interest and Sharia Expense	33			
Interest expense	2aa	(32,541,395)	(28,652,691)	(27,541,302)
Sharia expense	2ac	(1,375,637)	(1,241,590)	(1,035,502)
Total Interest and Sharia Expense		(33,917,032)	(29,894,281)	(28,576,804)
Interest and Sharia Income - net		77,665,772	73,018,094	65,439,190
Premium income	2ad	4,178,213	3,788,965	3,038,864
Claim expense	2ad	(3,232,491)	(3,403,551)	(2,760,154)
Premium income - net		945,722	385,414	278,710
Other Operating Income				
Other fees and commissions	2ab	12,018,941	10,442,411	9,226,076
Recoveries of assets written-off		6,209,435	5,050,717	4,496,838
Gain on sale of securities and Government Recapitalization Bonds - net	2h,7,9	534,952	784,501	450,895
Gain on foreign exchange - net	2ai,2aj	951,009	184,077	-
Unrealized gain on changes in fair value of securities	2h,7	338,097	55,555	34,602
Others		3,372,996	2,754,026	3,079,446
Total Other Operating Income		23,425,430	19,271,287	17,287,857
Provision for allowance for impairment losses on financial assets - net	2e,34	(17,792,693)	(16,994,115)	(13,700,241)
Reversal of (provision for) allowance for estimated losses on commitments and contingencies - net	2ao,27b	912	(1,239)	347
Provision for allowance for impairment losses on non-financial assets - net	2p	(528,982)	(258,524)	(103,705)

¹⁾ As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year Ended December 31,		
		2018	2017 ¹⁾	2016 ¹⁾
Other Operating Expenses				
Salaries and employee benefits	2d,2af,35,42,44	(22,423,271)	(20,440,958)	(18,593,976)
General and administrative	2o,36	(14,364,278)	(13,199,431)	(12,043,907)
Loss on foreign exchange - net	2ai,2aj	-	-	(274,109)
Others		(5,202,735)	(4,973,687)	(4,244,845)
Total Other Operating Expenses		(41,990,284)	(38,614,076)	(35,156,837)
OPERATING INCOME		41,725,877	36,806,841	34,045,321
NON OPERATING INCOME - NET	37	27,817	216,395	1,714
INCOME BEFORE TAX EXPENSE		41,753,694	37,023,236	34,047,035
TAX EXPENSE	2al,38b,38c	(9,335,208)	(7,978,187)	(7,761,784)
INCOME FOR THE YEAR		32,418,486	29,045,049	26,285,251
Other comprehensive income:				
Items not to be reclassified to profit or loss				
Remeasurement of defined benefit plans		601,819	61,655	159,569
Income tax related to item not to be reclassified to profit or loss		(150,455)	(15,414)	(530,727)
Revaluation surplus arising from premises and equipments	17	-	-	14,315,527
Items to be reclassified to profit or loss				
Differences arising from the translation of foreign currency financial statements	2aj	(4,349)	30,709	(25,579)
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds	2h	(5,141,381)	2,286,250	1,658,696
Income tax related to items to be reclassified to profit or loss		1,216,705	(527,459)	(416,966)
Other Comprehensive Income For the Year - After Tax		(3,477,661)	1,835,741	15,160,520
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		28,940,825	30,880,790	41,445,771

¹⁾ As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year Ended December 31,		
		2018	2017 ¹⁾	2016 ¹⁾
INCOME FOR THE YEAR				
ATTRIBUTABLE TO:				
Equity holders of the Parent Entity		32,351,133	28,997,141	26,234,256
Non-controlling interest		67,353	47,908	50,995
TOTAL		32,418,486	29,045,049	26,285,251
TOTAL COMPREHENSIVE INCOME				
FOR THE YEAR ATTRIBUTABLE TO:				
Equity holders of the Parent Entity		28,910,721	30,808,443	41,384,558
Non-controlling interest		30,104	72,347	61,213
TOTAL		28,940,825	30,880,790	41,445,771
BASIC EARNINGS PER SHARE				
ATTRIBUTABLE TO EQUITY				
HOLDERS OF THE PARENT ENTITY				
(full Rupiah)	2ah,49	264.66	236.93	214.04

¹⁾ As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Issued and Fully Paid Capital	Merging Entities' Equity	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Loss on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Recapitalization - Net of Deferred Tax	Treasury Stock	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
										Appropriated	Unappropriated			
Balance as of December 31, 2015 (as previously reported)		6,167,291	-	2,773,858	49,069	(1,145,471)	541,468	(2,286,375)	-	18,115,741	88,617,280	112,832,861	294,318	113,127,179
Merging entities' equity		-	483,276	-	-	-	-	-	-	-	-	483,276	237,467	720,743
Balance as of December 31, 2015 (as restated)		6,167,291	483,276	2,773,858	49,069	(1,145,471)	541,468	(2,286,375)	-	18,115,741	88,617,280	113,316,137	531,785	113,847,922
Income for the year		-	38,484	-	-	-	-	-	-	-	-	26,234,256	50,995	26,285,251
Other comprehensive income	2h, 2aj	-	5,698	-	(25,579)	1,221,089	124,402	-	13,824,692	-	-	15,160,302	10,218	15,160,520
Total comprehensive income for the year		-	44,182	-	(25,579)	1,221,089	124,402	-	13,824,692	-	26,195,772	41,384,558	61,213	41,445,771
Distribution of income Dividend	31d	-	(43,550)	-	-	-	-	-	-	-	(7,619,322)	(7,662,872)	(23,444)	(7,686,316)
Reclassification of appropriated retained earnings	31e	-	-	-	-	-	-	-	-	(15,093,056)	15,093,056	-	-	-
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	63,698	63,698
Treasury stock	1d	-	-	-	-	-	-	(132,573)	-	-	-	(132,573)	-	(132,573)
Changes in non-controlling interest in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(4,405)	(4,405)
Balance as of December 31, 2016 (as restated)		6,167,291	483,908	2,773,858	23,490	75,618	665,870	(2,418,948)	13,824,692	3,022,685	122,286,786	146,905,250	628,847	147,534,097

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Issued and Fully Paid Capital	Merging Entities' Equity	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Loss on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Recapitalization - Net of Deferred Tax	Remeasurement of Defined Benefit Plans	Treasury Stock	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
											Appropriated	Unappropriated			
Balance as of December 31, 2016 (as restated)		6,167,291	483,908	2,773,858	23,490	75,618	665,870		(2,418,948)	13,824,692	3,022,685	122,286,786	146,905,250	628,847	147,534,097
Income for the year		-	606	-	-	-	-	-	-	-	-	28,996,535	28,997,141	47,908	29,045,049
Other comprehensive income	2h, 2aj	-	2,053	-	30,709	1,738,007	40,533	-	-	-	-	-	1,811,302	24,439	1,835,741
Total comprehensive income for the year		-	2,659	-	30,709	1,738,007	40,533	-	-	-	-	28,996,535	30,808,443	72,347	30,880,790
Distribution of income Dividend	31d	-	(43,551)	-	-	-	-	-	-	-	-	(10,478,309)	(10,521,860)	(26,920)	(10,548,780)
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	133,613	133,613
Changes in non-controlling interest in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	8,058	8,058
Balance as of December 31, 2017 (as restated)		6,167,291	443,016	2,773,858	54,199	1,813,625	706,403		(2,418,948)	13,824,692	3,022,685	140,805,012	167,191,833	815,945	168,007,778

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and Fully Paid Capital	Merging Entities' Equity	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Loss on Available-for-Sale Securities and Government Recaptitalization Bonds - Net of Deferred Tax	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Provision for Bonus Shares Compensation	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
										Appropriated	Unappropriated			
Balance as of December 31, 2017 (as restated)	6,167,291	443,016	2,773,858	54,199	1,813,625	706,403	(2,418,948)	-	13,824,692	3,022,685	140,805,012	167,191,833	815,945	168,007,778
Income for the year	-	-	-	-	-	-	-	-	-	-	32,351,133	32,351,133	67,353	32,418,486
Other comprehensive income	-	-	-	(4,349)	(3,884,003)	447,940	-	-	-	-	-	(3,440,412)	(37,249)	(3,477,661)
Total comprehensive income for the year	-	-	-	(4,349)	(3,884,003)	447,940	-	-	-	-	32,351,133	28,910,721	30,104	28,940,825
Distribution of income Dividend	-	-	-	-	-	-	-	-	-	-	(13,048,441)	(13,048,441)	(21,655)	(13,070,096)
Bonus Shares	-	-	-	-	-	-	-	426,670	-	-	-	426,670	3,157	429,827
Stock Option	-	-	-	-	-	-	-	-	-	10,971	-	10,971	1,286	12,257
Changes in non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	166,550	166,550
Non-controlling interest due to acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	55,548	55,548
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	1,474,122	1,474,122
Reversal of entities under common control's equity	-	(443,016)	-	-	-	-	-	-	-	-	-	(443,016)	(217,269)	(660,285)
Acquisition transaction of entities under common control	-	-	(81,195)	-	-	-	-	-	-	-	-	(81,195)	-	(81,195)
Balance as of December 31, 2018	6,167,291	-	2,692,663	49,850	(2,070,378)	1,154,343	(2,418,948)	426,670	13,824,692	3,022,685	160,107,704	182,967,543	2,307,788	185,275,331

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

		Year Ended December 31,		
	Notes	2018	2017 ¹⁾	2016 ¹⁾
CASH FLOWS FROM OPERATING ACTIVITIES				
Income received				
Interest and investment income		102,362,129	100,171,404	91,595,203
Sharia income		3,124,446	2,819,042	2,636,677
Premium income		4,178,213	3,788,965	3,038,864
Expenses paid				
Interest expenses		(32,166,798)	(28,319,937)	(26,038,559)
Sharia expenses		(1,375,637)	(1,241,591)	(1,035,502)
Claim expenses		(3,232,491)	(3,403,551)	(2,760,154)
Recoveries of assets written-off		6,209,437	5,050,713	4,511,717
Other operating income		16,764,733	13,720,663	9,789,533
Other operating expenses		(42,230,943)	(32,309,044)	(35,031,871)
Non operating income - net		27,818	216,325	479
Payment of corporate income tax		(9,668,009)	(9,037,947)	(6,182,996)
Cash flows before changes in operating assets and liabilities		43,992,898	51,455,042	40,523,391
Changes in operating assets and liabilities:				
Decrease (increase) in operating assets:				
Placements with Bank Indonesia and other banks		190,262	(390,262)	100,000
Securities and Government Recapitalization Bonds at fair value through profit or loss		(2,566,448)	(702,761)	231,711
Export bills and notes receivable		(16,788,338)	925,822	(3,713,521)
Securities purchased under agreement to resell		8,614,473	(16,453,656)	(712,245)
Loans		(113,206,894)	(85,060,312)	(87,463,887)
Sharia receivables and financing		(2,600,698)	(258,240)	(1,254,192)
Finance lease receivables		(949,203)	(305,667)	(2,214,946)
Other assets		4,631,594	(9,154,866)	265,580
Increase (decrease) in operating liabilities:				
Liabilities due immediately		1,878,757	1,153,159	264,342
Deposits:				
Demand deposits		32,568,814	4,110,149	27,989,677
Wadiah demand deposits		510,949	639,058	190,098
Mudharabah demand deposits		153,729	139,535	-
Saving deposits		36,497,967	45,310,331	30,051,541
Wadiah saving deposits		852,159	572,891	460,832
Mudharabah saving deposits		388,625	287,363	286,923
Time deposits		30,995,577	33,388,560	25,144,974
Mudharabah time deposits		644,468	2,682,191	1,406,950
Deposits from other banks and financial institutions		3,537,792	3,363,829	(8,935,535)
Securities sold under agreement to repurchase		25,242,710	4,834,286	(4,075,560)
Other liabilities		2,673,187	2,530,874	3,632,605
Net Cash Provided by Operating Activities		57,262,380	39,067,326	22,178,738

¹⁾ As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

		Year Ended December 31,		
	Notes	2018	2017 ¹⁾	2016 ¹⁾
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of dividends	16	12,534	40	235
Acquisition of premises and equipments	17	(1,822,703)	(2,006,347)	(3,654,340)
(Increase) decrease in available-for-sale and held-to-maturity securities and Government Recapitalization Bonds		(25,188,955)	(28,915,361)	328,455
Net Cash Used in Investing Activities		(26,999,124)	(30,921,668)	(3,325,650)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from (payments of) fund borrowings		10,829,393	(5,663,083)	(652,860)
Repurchase of treasury stock	1d	-	-	(132,573)
Dividends paid		(13,048,441)	(10,483,777)	(7,621,316)
Proceeds from (payments of) subordinated loans and marketable securities		487,065	(22,060)	952,042
Proceeds from marketable securities issued	25	9,600,185	10,242,963	15,510,825
Payments of marketable securities due	25	(8,939,750)	(4,921,000)	(980,000)
Net Cash (Used in) Provided by Investing Activities		(1,071,548)	(10,846,957)	7,076,118
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		29,191,708	(2,701,299)	25,929,206
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES		(52,076)	(427)	1,279
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		186,617,516	189,319,242	163,388,757
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		215,757,148	186,617,516	189,319,242
Cash and cash equivalents at the end of year consist of:	2a			
Cash	3	27,421,625	24,798,037	25,212,226
Current accounts with Bank Indonesia	4	71,159,442	58,155,479	55,635,946
Current accounts with other banks	5	12,677,355	6,132,512	11,280,795
Placements with Bank Indonesia and other banks - maturing within three months or less since the acquisition date	6	86,818,051	54,766,500	78,248,835
Bank Indonesia Certificates and Bank Indonesia Deposit Certificates - maturing within three months or less since the acquisition date	7	17,680,675	42,764,988	18,941,440
Total Cash and Cash Equivalents		215,757,148	186,617,516	189,319,242

¹⁾ As restated (Note 50)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment

PT Bank Rakyat Indonesia (Persero) Tbk (hereinafter referred to as "BRI") was established on and started its commercial operations on December 18, 1968 based on Law No. 21 Year 1968. On April 29, 1992, based on Government of the Republic of Indonesia (the "Government") Regulation No. 21 Year 1992, the legal status of BRI was changed to a limited liability corporation (Persero). The change into a limited liability corporation was documented by Notarial Deed No. 133 dated July 31, 1992 of Notary Muhani Salim, S.H., approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-6584.HT.01.01.TH.92 dated August 12, 1992 and published in Supplement No. 3A of the Republic of Indonesia State Gazette No. 73 dated September 11, 1992. BRI's Articles of Association was then amended by Notarial Deed No. 7 dated September 4, 1998 of Notary Imas Fatimah, S.H., pertaining to Article 2 on "Term of Corporate Establishment" and Article 3 on "Purpose, Objectives and Business Activities" to comply with the provisions of Law No. 1 Year 1995 on "Limited Liability Company", approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-24930.HT.01.04.TH.98 dated November 13, 1998 and published in Supplement No. 7216 of the Republic of Indonesia State Gazette No. 86 dated October 26, 1999 and notarial deed No. 7 dated October 3, 2003 of Notary Imas Fatimah, S.H., among others, regarding BRI's status and compliance with the Capital Market Laws approved by the Minister of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. C-23726 HT.01.04.TH.2003 dated October 6, 2003 and published in Supplement No. 11053 of the Republic of Indonesia State Gazette No. 88 dated November 4, 2003.

Based on Bank Indonesia's Decision Letter No. 5/117/DPwB2/PWPwB24 dated October 15, 2003, regarding "SK appointment of BRI as a foreign exchange commercial bank", BRI has been designated as a foreign exchange bank through Letter of Monetary Board No. SEKR/BRI/328 dated September 25, 1956.

Based on Notarial Deed No. 51 dated May 26, 2008 of Notary Fathiah Helmi, S.H., BRI amended its Articles of Association, among others, to comply with the provisions of Law No. 40 Year 2007 on "Limited Liability Company" and Capital Market and Financial Institution Supervisory Agency's ("Bapepam-LK") Regulation, whose function has been transferred to the Financial Services Authority ("OJK") since January 1, 2013, No. IX.J.I on "The Main Principles of the Articles of Association of a Company that Conduct Public Offering of Shares and Public Company", which was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-48353.AH.01.02.Year 2008, dated August 6, 2008 and was published in Supplement No. 23079 of the Republic of Indonesia State Gazette No. 68 dated August 25, 2009.

Subsequently, BRI's Articles of Association has been amended several times, the latest amendment was documented in Notarial Deed No. 5 dated December 3, 2018, of Notary Fathiah Helmi, S.H., regarding the changes of some provisions in BRI's Articles of Association, which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia's Decision Letter No. AHU-0028948.AH.01.02.Year 2018 dated December 6, 2018.

According to Article 3 of the BRI's Articles of Association, BRI's scope of business is to conduct business in the banking sector and optimize the utilization of BRI's resources to produce high quality and highly competitive services to gain benefits in order to increase company value by implementing the principles of limited liability company.

BRI is owned by the Government of the Republic of Indonesia as the majority shareholder.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

b. Recapitalization Program

As a realization of the Recapitalization Program for Commercial Banks, set forth in Government Regulation No. 52 Year 1999, regarding the Addition of Capital Investment by the Republic of Indonesia in State-Owned Banks, BRI received in full the recapitalization with a nominal amount of Rp29,149,000 in the form of Government Recapitalization Bonds issued in 2 (two) stages at their nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000 (Note 9).

Furthermore, as stated in the Management Contract dated February 28, 2001 between the Republic of Indonesia represented by the Government through the Minister of Finance and BRI, the Government determined that in order to achieve a Minimum Capital Adequacy Liability of 4%, BRI's recapitalization requirement is Rp29,063,531. Therefore, BRI has returned the excess recapitalization of Rp85,469 in the form of Government Recapitalization Bonds to the Republic of Indonesia on November 5, 2001.

On September 30, 2003, the Minister of Finance issued Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 regarding the final amount and implementation of Government's rights, which arose as a result of the addition in capital investment during the Recapitalization Program for Commercial Banks. Based on the Decision Letter, the Minister of Finance determined the final amount of BRI's recapitalization requirement is Rp29,063,531.

c. Initial Public Offering of Shares and Stock Split

In relation to BRI's Initial Public Offering (IPO), based on the registration statement dated October 31, 2003, the Government, through the Minister of State-Owned Enterprises agreed to conduct an IPO of 3,811,765,000 Series B common shares of BRI, consisting of 2,047,060,000 Series B common shares owned by the Republic of Indonesia (divestment) and 1,764,705,000 new Series B common shares, alongside over-subscription option and over-allotment option.

The IPO consists of the international public offering (under Rule 144A of the Securities Act and "S" Regulation) and the Indonesian public offering. BRI submitted its registration to Bapepam-LK and the registration statement became effective based on the Chairman of Bapepam-LK Letter No. S-2646/PM/2003 dated October 31, 2003.

BRI's IPO consists of 3,811,765,000 shares with a nominal value of Rp500 (full Rupiah) per share and a sale price of Rp875 (full Rupiah) per share. Subsequently, over-subscription option of 381,176,000 shares and over-allotment option of 571,764,000 shares were exercised at Rp875 (full Rupiah) per share on November 10, 2003 and December 3, 2003, respectively. After BRI's IPO and the underwriters' exercise of the over-subscription option and the over-allotment option, the Republic of Indonesia owns 59.50% of BRI shares. On November 10, 2003, the offered shares started to be traded on Jakarta and Surabaya Stock Exchanges (currently the Indonesia Stock Exchange). At the same time, all BRI shares were also listed (Note 31b).

Based on Notarial Deed No. 38 dated November 24, 2010 of Notary Fathiah Helmi, S.H., stock split was performed from a nominal value of Rp500 (full Rupiah) per share to Rp250 (full Rupiah) per share. The deed had been received and recorded in the Legal Entity Administration System database in accordance with the Ministry of Law and Human Rights of the Republic of Indonesia Letter No. AHU.AH.01.10-33481 dated December 29, 2010. The stock split was performed in 2011 and BRI scheduled the last day on which shares with a nominal value of Rp 500 (full Rupiah) would be traded in Regular Market and Negotiated Market was January 10, 2011 and the date of commencement of legitimate trade for shares with new nominal value of Rp250 (full Rupiah) was January 11, 2011.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

c. Initial Public Offering of Shares and Stock Split (continued)

Based on Notarial Deed No. 54 dated October 27, 2017 of Notary Fathiah Helmi, S.H., stock split was performed from a nominal value of Rp250 (full Rupiah) per share to Rp50 (full Rupiah) per share. The deed had been received and recorded in the Legal Entity Administration System database in accordance with the Ministry of Law and Human Rights of the Republic of Indonesia Letter No. AHU.AH.01.03-0187521 dated November 3, 2017. The stock split was performed in 2017 and BRI scheduled the last day on which shares with a nominal value of Rp 250 (full Rupiah) would be traded in Regular Market and Negotiated Market was November 9, 2017 and the date of commencement of legitimate trade for shares with new nominal value of Rp50 (full Rupiah) was November 10, 2017.

d. Treasury Stock

BRI, through its letter No. R.224-DIR/DIS/09/2015 dated September 25, 2015, submitted a request for OJK's approval on BRI's shares buyback for as many as Rp5,000,000, and it was approved by OJK through its letter No. S-101/PB.31/2015 dated October 6, 2015. Furthermore, BRI conveyed its information disclosure to the Indonesia Stock Exchange in regards to the buyback plan for shares previously issued and listed on the Stock Exchange for as many as Rp2,500,000 through its letter No. B.696-DIR/SKP/10/2015 dated October 9, 2015. The buyback is carried out within a period of 3 months between October 12, 2015 until January 12, 2016. As of January 12, 2016, BRI repurchased 221,718,000 shares (nominal value of Rp250 (full Rupiah) per share) with acquisition cost of Rp2,418,498.

e. Structure and Management

BRI's head office is located in BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of December 31, 2018, 2017 and 2016, BRI has the following networks of work unit (unaudited):

	December 31,		
	2018	2017	2016
Regional Offices	19	19	19
Head Internal Audit Office	1	1	1
Regional Internal Audit Offices	19	19	19
Domestic Branch Offices	462	462	462
Special Branch Office	1	1	1
Overseas Branch/Representative Offices	5	5	4
Sub-branch Offices	609	610	609
Cash Offices	1,137	992	984
BRI Unit	5,381	5,382	5,380
Teras and Teras Mobile	2,688	3,171	3,180
Floating Teras	3	3	3

As of December 31, 2018, BRI has 3 (three) overseas branch offices located in the Cayman Islands, Singapore and Timor Leste, 2 (two) overseas representative offices located in New York and Hong Kong, and 7 (seven) subsidiaries, which are PT Bank BRI Syariah Tbk, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd., Hong Kong, PT Asuransi BRI Life, PT BRI Multifinance Indonesia, PT Danareksa Sekuritas and PT BRI Ventura Investama.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Structure and Management (continued)

As of December 31, 2017, BRI has 3 (three) overseas branch offices located in the Cayman Islands, Singapore and Timor Leste, 2 (two) overseas representative offices located in New York and Hong Kong, and 5 (five) subsidiaries, which are PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd., Hong Kong, PT Asuransi BRI Life and PT BRI Multifinance Indonesia.

As of December 31, 2016, BRI has 2 (two) overseas branch offices located in the Cayman Islands and Singapore, 2 (two) overseas representative offices located in New York and Hong Kong, and 5 (five) subsidiaries, which are PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd., Hong Kong, PT Asuransi Jiwa Bringin Jiwa Sejahtera and PT BRI Multifinance Indonesia.

Based on the accounting policies of BRI, the coverage of BRI's key management are members of boards of commissioners, boards of directors, senior executive vice president, audit committee, remuneration committee, head of divisions, head of internal audit work units and inspectors, head of regional offices, head of special branch and head of branches. The number of BRI's employees as of December 31, 2018, 2017 and 2016 are 60,553, 60,683 and 58,885 (unaudited), respectively.

The composition of the Board of Commissioners of BRI as of December 31, 2018 as appointed based on BRI's Extraordinary and Annual General Meeting of Shareholders as stated in the Notarial Deed No. 4 of Notary Fathiah Helmi, S.H., dated December 3, 2018, as of December 31, 2017 as appointed based on BRI's Annual and Extraordinary General Meeting of Shareholders as stated in the Notarial Deed No. 55 of Notary Fathiah Helmi, S.H., dated October 27, 2017, and as of December 31, 2016 as appointed based on BRI's Annual General Meeting of Shareholders held on March 23, 2016, as stated in the Notarial Deed No. 1 of Notary Fathiah Helmi, S. H., are as follows:

December 31,			
	2018	2017	2016
President/Independent Commissioner	Andrinof A. Chaniago	Andrinof A. Chaniago	Mustafa Abubakar
Vice President Commissioner	Gatot Trihargo	Gatot Trihargo	Gatot Trihargo
Independent Commissioner	Mahmud	Mahmud	Ahmad Fuad
Independent Commissioner	A. Fuad Rahmany	A. Fuad Rahmany	A. Fuad Rahmany
Independent Commissioner	A. Sonny Keraf	A. Sonny Keraf	A. Sonny Keraf
Independent Commissioner	Rofikoh Rokhim	Rofikoh Rokhim	Adhyaksa Dault
Commissioner	Jeffry J. Wurangian	Jeffry J. Wurangian	Jeffry J. Wurangian
Commissioner	Nicolaus Teguh Budi	Nicolaus Teguh Budi	Mahmud
	Harjanto	Harjanto	
Commissioner	Hadiyanto	Vincentius Sonny Loho	Vincentius Sonny Loho

The composition of the Board of Directors of BRI as of December 31, 2018 as appointed based on BRI's Extraordinary and Annual General Meeting of Shareholders as stated in the Notarial Deed No. 4 of Notary Fathiah Helmi, S.H. dated December 3, 2018, as of December 31, 2017 as appointed based on BRI's Annual and Extraordinary General Meeting of Shareholders as stated in the Notarial Deed No. 55 dated 27 October 2017 of Notary Fathiah Helmi, S.H., and as of December 31, 2016 as appointed based on BRI's Annual General Meeting of Shareholders

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Structure and Management (continued)

held on March 23, 2016 as stated in the Notarial Deed No. 1 of Notary Fathiah Helmi, S.H., are as follows:

		December 31,		
		2018	2017	2016
President Director	:	Suprajarto	Suprajarto	Asmawi Syam
Vice President Director	:	-*)	-*)	Sunarso
Director	:	Haru Koesmahargyo	Haru Koesmahargyo	Haru Koesmahargyo
Director	:	Kuswiyoto	Susy Liestiwaty	Susy Liestiwaty
Director	:	Mohammad Irfan	Kuswiyoto	Kuswiyoto
Director	:	Sis Apik Wijayanto	Donsuwan Simatupang	Donsuwan Simatupang
Director	:	Priyastomo	Mohammad Irfan	Mohammad Irfan
Director	:	Indra Utoyo	Sis Apik Wijayanto	Sis Apik Wijayanto
Director	:	R. Sophia Alizsa	Priyastomo	Priyastomo
Director	:	Handayani	Indra Utoyo	Zulhelfi Abidin
Director	:	Supari	R. Sophia Alizsa	Randi Anto
Director	:	Osbal Saragi	Handayani	-
Director	:	Rumahorbo	-	-
Director	:	Ahmad Solichin	-	-
	:	Lutfiyanto		

*) The position of Vice President Director was dispensed (change of position nomenclature) in accordance with the Notarial Deed No. 55 of Notary Fathiah Helmi, S.H

The composition of BRI's Audit Committee as of December 31, 2018 and 2017 as appointed based on Directors' Decision Letter No. Kep. 1101-DIR/KHC/12/2017 dated December 20, 2017 and Commissioners' Decision Letter No. R.58-KOM/11/2017 dated November 15, 2017, and as of December 31, 2016 as appointed based on Directors' Decision Letter No. Kep. 1059-DIR/KPS/12/2016 dated December 6, 2016 and Commissioners' Decision Letter No. R.57-KOM/11/2016 dated November 22, 2016, are as follows:

		December 31,		
		2018	2017	2016
Chairman	:	A. Fuad Rahmany	A. Fuad Rahmany	A. Fuad Rahmany
Member	:	A. Sonny Keraf	A. Sonny Keraf	A. Sonny Keraf
Member	:	Rofikoh Rokhim	Rofikoh Rokhim	Adhyaksa Dault
Member	:	Pamuji Gesang Raharjo	Pamuji Gesang Raharjo	Pamuji Gesang Raharjo
Member	:	I Gde Yadnya Kusuma	I Gde Yadnya Kusuma	I Gde Yadnya Kusuma
Member	:	Sunuaji Noor Widiyanto	Sunuaji Noor Widiyanto	Sunuaji Noor Widiyanto

As of December 31, 2018, the Corporate Secretary of BRI was Bambang Tribaroto as appointed based on Directors' Decision Letter No. R.13-DIR/KHC/01/2018 dated January 5, 2018, whereas, as of December 31, 2017 and 2016, the Corporate Secretary of BRI was Hari Siaga Amijarso as appointed based on Directors' Decision Letter No. Kep. 887-DIR/KPS/12/2015 dated December 21, 2015.

As of December 31, 2018 and 2017, the Head of Internal Audit Unit was Tri Wintarto as appointed based on Directors' Decision Letter No. Kep. 427-DIR/KPS/05/2017 dated May 24, 2017. The Heads of Internal Audit Unit as of December 31, 2016 were Adi Setyanto and Bardiyono Wiyatmojo, who were appointed as substitute heads based on Directors' Decision Letter No. Kep. S.147.e-DIR/KPS/12/2016 dated December 7, 2016.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries

PT Bank BRISyariah Tbk (BRIS)

On June 29, 2007, BRI entered into a Sale and Purchase of Shares Agreement with the shareholders of PT Bank Jasa Arta ("BJA") to acquire 100% of BJA's shares at a purchase price of Rp61 billion. Based on BRI's Extraordinary General Meeting of Shareholders, as stated in the Notarial Deed No. 3 dated September 5, 2007 of Notary Imas Fatimah, S.H., the shareholders approved the acquisition of BJA's shares and BRI have obtained the approval of Bank Indonesia based on letters No. 9/188/GBI/DPIP/Rahasia dated December 18, 2007 and No. 9/1326/DPIP/Prz dated December 28, 2007. The acquisition was completed on December 19, 2007 based on Acquisition Deed No. 61 of Notary Imas Fatimah, S.H., in which BRI acquired 99.99875% of the total shares issued by BJA and 0.00125% of the shares was granted to BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI).

Based on Notarial Deed No. 45 dated April 22, 2008 of Notary Fathiah Helmi, S.H., the name BJA was changed into PT Bank Syariah BRI ("BSB"). Based on the Governor of Bank Indonesia's Decision Letter No. 10/67/KEP.GBI/DpG/2008 dated October 16, 2008, BSB obtained the approval to change its business activities from a conventional commercial bank into a commercial bank that conducts business activities based on sharia principles. Within 60 (sixty) days from the decision letter date, BSB was obliged to perform its business activities based on sharia principles and within a maximum of 360 (three hundred sixty) days from the decision letter date, BSB was obliged to settle all its loans and liabilities to debtors or customers from the previous conventional banking activities.

On December 19, 2008, through "the Spin-off Agreement of BRI's Sharia Business Unit" No. 27 dated December 19, 2008 of Notary Fathiah Helmi, S.H., BRI agreed to spin-off BRI's Sharia Business Unit ("UUS BRI") into BSB effective from January 1, 2009. The spin-off, as of the effective date, resulted in the following:

1. All assets and liabilities of UUS BRI owned by BRI, through legal transfer, were to become the rights or property of, liabilities of or expenditures to be fulfilled by BSB, the receiving entity.
2. All UUS BRI's operations, business and activities were legally transferred to and thus were operated for the benefit of, at the risks of loss of and under the responsibility of BSB.
3. All UUS BRI's rights, claims, authorities and liabilities arising from any agreements, actions or events present, made, performed, or occurred on or before the effective spin-off date including but not limited to the stated list of assets and liabilities of UUS BRI and all legal relations between UUS BRI and other parties were legally transferred to and thus were operated for the benefit of, at the risks of loss of and under the responsibility of BSB.

Based on the Deed of Declaration on BSB Shareholders Decision No. 18 of Notary Fathiah Helmi, S.H., dated April 14, 2009, the name of PT Bank Syariah BRI was changed into PT Bank BRISyariah ("BRIS" or "BRISyariah"), and approved by Bank Indonesia based on Governor of Bank Indonesia's Decision Letter No. 11/63/KEP.GBI/DpG/2009 dated December 15, 2009.

Based on the Deed of Declaration on the Extraordinary General Meeting of PT Bank BRISyariah's Shareholders No. 8 dated January 8, 2018 of Fathiah Helmi, S.H., a Notary in Jakarta, the Articles of Association of BRIS has been amended regarding the increase in the authorized capital of BRIS to Rp7.5 trillion, consisting of 15 billion shares with a nominal value of Rp500 (full Rupiah) per share, and change of name from PT Bank BRISyariah to PT Bank BRISyariah Tbk. The amendment has been accepted and recorded in the Legal Entity Administration System in accordance with the Minister of Law and Human Rights of the Republic of

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRISyariah Tbk (BRIS) (continued)

Indonesia's Letter No. AHU-AH.01.03-0009250 dated January 10, 2018. The Deed also includes shareholders' approval on several other matters, which are:

1. BRIS' plan to raise funds from the public through Initial Public Offering (IPO).
2. Amendment to BRIS' Articles of Association, in order to become a Public Company, in accordance with laws and regulations in the Capital Market including Regulation No. IX.J.1, Regulation of the Financial Services Authority (POJK) No. 32/POJK.04/2014 with its amendments and POJK No. 33/POJK.04/2014.
3. The issuance of new shares in the course of the management and employees stock options program, maximum of 3% (three percent) of the issued and paid-up capital after the IPO is completed.

Based on Letter of Financial Service Authority (OJK) No. S.37/D.04/2018 dated April 30, 2018 regarding effective notification of PT Bank BRISyariah's IPO registration statement pursuant to the latest letter submitted to OJK No. S.B.147-PDR/04-2018 dated April 24, 2018, OJK does not require any additional information and has no further responses and the registration statement becomes effective.

BRIS' IPO (including Employee Stock Allocation) consists of 2,623,350,600 new shares, with a nominal value of Rp500 (full Rupiah) per share and a sale price of Rp510 (full Rupiah) per share. The offered shares started to be listed and traded on the Indonesian Stock Exchange on May 9, 2018. According to Government Regulations No. 29 Year 1999 regarding Commercial Bank Stock Purchase Article 4 Paragraphs 2 and 3, which stipulated that BRIS can only list its shares in the Stock Exchange at most 99% from its total shares, thus 97,161,135 of BRIS' shares owned by BRI is not listed on the Stock Exchange, therefore, BRIS' shares listed on the Stock Exchange totaled 9,618,952,363 shares. After BRIS' IPO, according to Letter No. DE/V/18-2545 dated May 24, 2018 from PT Datindo Entrycom, as Corporate Securities Administration Bureau, BRI owned 73.00% of BRIS' shares.

BRIS' Articles of Association has been amended several times. The latest amendment was documented in the Deed of Declaration on PT Bank BRISyariah Extraordinary General Meeting of Shareholders No. 92 dated May 31, 2018, of Fathiah Helmi, S.H., a Notary in Jakarta, regarding the increase in issued and paid-up capital resulting from the Initial Public Offering (after considering the increase in issued and paid-up capital through the capitalization of unappropriated retained earnings up to December 31, 2017 and BRI's cash deposit of Rp1 trillion as stated in the Deed of Declaration on BRIS Annual General Meeting of Shareholders Decisions No. 2 dated March 2, 2018 of Notary Fathiah Helmi, S.H.) from 7,092,762,898 shares or equivalent to Rp3,546,381,449,000 (full Rupiah) to 9,716,113,498 shares or equivalent to Rp4,858,056,749,000 (full Rupiah). The amendment has been accepted and recorded in the Legal Entity Administration System in accordance with the Minister of Law and Human Rights of the Republic of Indonesia's Letter No. AHU-AH.01.03-0211334 dated May 31, 2018.

BRIS' shares ownership structure as of December 31, 2018 consisted of BRI owning 73.00%, DPLK Bank Rakyat Indonesia-Sharia Shares owning 8.67%, and the public owning 18.33%.

According to Article 3 of BRIS' latest Articles of Association, the scope of BRIS' business is to conduct banking activities based on the sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRIsyariah Tbk (BRIS) (continued)

Total assets of BRIS as of December 31, 2018, 2017 and 2016 amounted to Rp37,926,776, Rp31,543,384 and Rp27,687,188 or 2.92%, 2.80%, and 2.76%, respectively, of the consolidated total assets. Total fund management income for the years ended December 31, 2018, 2017 and 2016, amounted to Rp3,120,416, Rp2,816,524 and Rp2,634,201 or 2.70%, 2.64%, 2.71%, respectively, of the consolidated total income from interest, sharia and premium.

BRIS has 2,941, 3,048 and 3,091 employees (unaudited) as of December 31, 2018, 2017 and 2016, respectively.

BRIS' head office is located in Jl. Abdul Muis No. 2-4, Central Jakarta and has 54 domestic branch offices and 207 sub-branch offices.

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

On August 19, 2010, BRI entered into a Sale and Purchase of Shares Agreement (PPJB) with Agricultural Estate Pension Fund (Dapenbun), which holds 95.96% of PT Bank Agroniaga Tbk ("Bank Agro") shares, to acquire Bank Agro's shares at a total nominal value of Rp330,296 for 3,030,239,023 shares, with a price of Rp109 (full Rupiah) per share. After the acquisition, the composition of shareholders would be 76% owned by BRI, 14% owned by Dapenbun and 10% owned by the public.

According to BRI's Extraordinary General Meeting of Shareholders, in accordance with Notarial Deed No. 37 dated November 24, 2010 of Notary Fathiah Helmi, S.H., shareholders approved the acquisition of Bank Agro. Bank Indonesia, in its Letter No. 13/19/GBI/DPIP/Rahasia dated February 16, 2011, also granted its approval for the acquisition of Bank Agro. The acquisition was completed on March 3, 2011 based on the Notarial Deed No. 14 of Notary Fathiah Helmi, S.H., from which BRI owned 88.65% of Bank Agro's total issued and fully paid shares, as stated in Notarial Deed No. 68 dated December 29, 2009, of Notary Rusnaldy, S.H. The above mentioned matter also considered the effects of Warrants Series I which are exercisable up to May 25, 2011.

In compliance with Bapepam-LK's Regulation No. IX.H.1, Appendix to the Chairman of Bapepam-LK Decision Letter No. Kep-259/BL/2008 dated June 30, 2008 regarding the "Takeover of Public Company", BRI, as the new controlling shareholder of Bank Agro, had the obligation to execute Tender Offer on the remaining Bank Agro's shares which are owned by the public. The Tender Offer statement became effective on May 4, 2011 based on Chairman of Bapepam-LK's Letter No. S-4985/BL/2011 and was announced on May 5, 2011, in two daily newspapers, *Bisnis Indonesia* and *Investor Daily*. The Tender Offer period commenced on May 5, 2011 and concluded on May 24, 2011. At the end of the Tender Offer, BRI purchased 113,326,500 shares (3.15% of the total shares of Bank Agro) at an offer price of Rp182 (full Rupiah) per share.

On July 1, 2011, Dapenbun exercised its option to buy 256,375,502 shares at a price of Rp109 (full Rupiah) per share. Based on Bapepam-LK's Regulation No. IX.H.1, the payback period of Tender Offer is within 2 (two) years. However, specifically for Bank Agro, BRI had the obligation to meet minimum public shareholding of 10% at no later than May 24, 2013. This is to comply with the Letter from the Indonesia Stock Exchange No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011. As of December 31, 2011, 500,000 of Bank Agro shares have been successfully sold back to the public resulting in BRI's ownership of 79.78% and Dapenbun's of 14%. While there was no sale of shares during the year 2012 and 2013, 130,000 shares were sold in 2014. Thus, as of December 31, 2014, BRI was unable to meet the requirement of Indonesia Stock Exchange stated on its letter No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011, to have a minimum public shareholding of 10% by May 24, 2013 due to the inactivity of Bank Agro's share price in the capital market.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

Based on the Notarial Deed of Meeting Decision Statement No. 30 dated May 16, 2012 of Notary Rusnaldy, S.H., the name PT Bank Agroniaga Tbk was changed into PT Bank Rakyat Indonesia Agroniaga Tbk ("BRI Agro"). This change has been approved by Bank Indonesia in its Governor's Decision Letter No. 14/72/KEP.GBI/2012 dated October 10, 2012.

On May 10, 2013, BRI Agro submitted Registration Statement of Limited Public Offering IV ("PUT IV") to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 3,846,035,599 Common Shares with nominal value of Rp100 (full Rupiah) per share. On June 26, 2013, the Board of Commissioners of OJK through its letter No. S-186/D.04/2013, approved the Registration Statement of Limited Public Offering IV, thus increasing the number of its issued capital stock by 3,832,685,599 shares.

As a result of PUT IV, BRI Agro's Articles of Association was amended as stated in Deed of Meeting Decision Statement No. 107 dated July 30, 2013, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, increasing BRI's ownership to 80.43%, Dapenbun's to 14.02% and public's to 5.55%. This amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0074249.AH.01.09.Year 2013 dated August 1, 2013.

On May 11, 2015, BRI Agro submitted Registration Statement of Limited Public Offering V ("PUT V") to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 5,588,085,883 Common Shares with nominal value of Rp100 (full Rupiah) per share. On June 17, 2015, the Board of Commissioners of OJK through its letter No. S-259/D.04/2015 notified BRI Agro that its Registration Statement of Limited Public Offering V has become effective, thus increasing the number of its issued capital stock by 4,028,934,521 shares.

As a result of PUT V, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement and Amendment of Articles of Association No. 68 dated July 14, 2015 of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, increasing BRI's ownership to 87.23%, Dapenbun's to 9.10% and public's to 3.67%. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0951264 dated July 14, 2015.

On October 17, 2016, BRI Agro submitted Registration Statement of Limited Public Offering VI ("PUT VI") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 3,845,996,122 Common Shares at most with nominal value of Rp100 (full Rupiah) per share and the issuance of Warrants Series II of 616,908,103. On November 25, 2016, the Board of Commissioners of OJK through its letter No. S-695/D.04/2016 notified BRI Agro that its Registration Statement of Limited Public Offering VI has become effective, thus increasing the number of its issued capital stock by 3,845,996,122 shares. The period to convert Warrants Series II into BRI Agro shares at Rp130 (full Rupiah) per share is from June 9, 2017 until June 11, 2018.

As a result of PUT VI, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 58 dated December 27, 2016, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, resulting in BRI's ownership to be at 87.23%, Dapenbun's to be at 7.08% and public's to be at 5.69%. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0112637 dated December 27, 2016.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

Up to June 11, 2018 (the ending period of warrants conversion), total warrants converted into shares are 612,937,654 shares, thereby increasing BRI Agro's capital stock by Rp61,294.

On May 2, 2017, BRI Agro submitted Registration Statement of Limited Public Offering VII ("PUT VII") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 2,515,555,707 common shares at most with nominal value of Rp100 (full Rupiah) per share. On June 12, 2017, the Board of Commissioners of OJK through its letter No. S-293/D.04/2017 notified BRI Agro that its Registration Statement of Limited Public Offering VII has become effective, thus increasing the number of its issued capital stock by 2,515,555,707 shares.

As a result of PUT VII, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 19 dated July 27, 2017, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, resulting in BRI's ownership to be at 87.16%, Dapenbun's to be at 6.44% and the public's to be at 6.39%. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0154825 dated July 21, 2017.

On July 16, 2018, BRI Agro submitted Registration Statement of Limited Public Offering VIII ("PUT VIII") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 5,001,089,604 common shares at most with nominal value of Rp100 (full Rupiah) per share. On August 30, 2018, the Board of Commissioners of OJK through its letter No. S-113/D.04/2018 notified BRI Agro that its Registration Statement of Limited Public Offering VIII has become effective, thus increasing the number of its issued capital stock by 2,889,085,049 shares.

As a result of PUT VIII, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 1 dated October 2, 2018, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0249178 dated October 4, 2018.

The share conversion of Warrants Series II and the result of BRI Agro PUT VIII resulted in BRI's shareholding of BRI Agro as of December 31, 2018 to be 87.10%, Dapenbun's at 6.33% and the public's at 6.57%.

BRI Agro's Articles of Association has been amended several times. The latest amendment was documented in Notarial Deed of Decision Meeting Statement No. 1 dated October 2, 2018 of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital. This amendment has been accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk's Articles of Association Amendment Notice No. AHU-AH.01.03-0249178 dated October 4, 2018.

Total assets of BRI Agro as of December 31, 2018, 2017 and 2016 amounted to Rp23,327,019, Rp16,325,247 and Rp11,377,960 or 1.80%, 1.45%, and 1.13%, respectively, of the consolidated total assets. Total interest income for the years ended December 31, 2018, 2017 and 2016 amounted to Rp1,660,449, Rp1,252,069 and Rp965,085 or 1.43%, 1.17% and 0.99%, respectively, of the consolidated total income from interest, sharia and premium.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

In accordance with Article 3 of its Articles of Association, BRI Agro's scope of business is to conduct commercial banking activities. BRI Agro has obtained its license as a commercial bank based on Bank Indonesia Letter No. 22/1037/UUps/Ps6D dated December 26, 1989.

BRI Agro has 515, 499 and 444 employees (unaudited) as of December 31, 2018, 2017 and 2016, respectively.

BRI Agro's head office is located in BRI Agro Building, Jl. Warung Jati Barat No. 139, Jakarta, and has 18 branch offices and 20 sub-branch offices.

BRI Remittance Co. Limited Hong Kong (BRI Remittance)

On December 16, 2011, BRI signed the 'Instrument of Transfer' and the 'Bought and Sold Notes' to acquire BRIngin Remittance Co. Ltd. (BRC) Hong Kong in full (equivalent to 1,600,000 shares) at a purchase price of HKD1,911,270. This acquisition was legalized by the Hong Kong Inland Revenue Department (IRD) with stamp duty dated December 28, 2011 and approved by Bank Indonesia in its letter No. 13/32/DPB1/TPB1-3/Rahasia dated December 1, 2011.

According to the Annual General Meeting of BRIngin Remittance Co. Ltd. dated July 2, 2012, and the issuance of a Certificate of Change of Name No. 961091 dated October 11, 2012 by the Registrar of Companies Hong Kong Special Administrative Region, the name BRIngin Remittance Co. Ltd. was officially changed to BRI Remittance Co. Limited Hong Kong.

Total assets of BRI Remittance as of December 31, 2018, 2017 and 2016 amounted to Rp6,865, Rp8,370 and Rp5,952 or 0.0005%, 0.0007%, and 0.0006%, respectively, of the consolidated total assets.

BRI Remittance's scope of business is to conduct remittance services for Indonesian migrant workers and other operational services related to BRI's accounts owned by BRI customers domiciled in Hong Kong in accordance with stipulations permitted by Hong Kong authorities.

BRI Remittance has 6 employees (unaudited) as of December 31, 2018, 2017 and 2016.

BRI Remittance's head office is located in Shop 3 G/F, 24-26 Causeway Road, Causeway Bay, Hong Kong.

PT Asuransi BRI Life (BRI Life)

On October 6, 2015, BRI signed a Sale and Purchase of Shares Agreement with the shareholders of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BRI Life") to acquire 91.001% shares of BRI Life at a purchase price of Rp1,627 billion. Based on BRI's Extraordinary General Meeting of Shareholders in accordance with Deed No. 14 dated December 14, 2015 of Notary Fathiah Helmi, S.H., the shareholders have approved the acquisition of BRI Life and has also received approval from OJK through its letter No. S-151/PB.31/2015 dated December 23, 2015. The acquisition was completed on December 29, 2015 based on Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera Shares Deed No. 41 of Notary Fathiah Helmi, S.H., whereby BRI has 91.001% of BRI Life issued shares and 8.999% of it was granted to the BRI Employee Welfare Foundation.

Based on Notarial Deed No. 31 dated February 23, 2017, of Notary Dahlia, S.H., surrogate of Fathiah Helmi, S.H., a notary in Jakarta, the name of PT Asuransi Jiwa Bringin Jiwa Sejahtera was changed into PT Asuransi BRI Life and according to the Decision of the Board of Commissioners of OJK No. KEP-140/NB.11/2017 dated March 20, 2017, BRI Life obtained the business license in life insurance in relation to the change of company name.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Asuransi BRI Life (BRI Life) (continued)

BRI Life's Articles of Association has been amended several times. The latest amendment was documented in the Notarial Deed No. 31 dated February 23, 2017, of Notary Dahlia, S.H., surrogate of Fathiah Helmi, S.H., Notary in Jakarta, regarding the changes on the types of shares which are Series A shares of 1 share and Series B shares of 2,199,999 shares (full amount). This amendment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0004875.AH.01.02.Year 2017 dated February 27, 2017.

According to Article 3 of BRI Life's latest Articles of Association, the scope of BRI Life's business is to conduct business in the insurance sector.

BRI Life started its operation on January 1, 1989 based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP-181/KMK.13/1988 dated October 10, 1988.

BRI Life obtained its license to open its branches and sharia-principled units based on the Minister of Finance Decision Letter No. KEP-007/KM/6/20013 dated January 21, 2003.

Total assets of BRI Life as of December 31, 2018, 2017 and 2016 amounted to Rp9,384,976, Rp8,162,961 and Rp6,176,329 or 0.72%, 0.72% and 0.61%, respectively, of the consolidated total assets. Total premium income for the years ended December 31, 2018, 2017 and 2016, amounted to Rp4,380,817, Rp3,797,723 and Rp3,027,256 or 3.74%, 3.56% and 3.12%, respectively, of the consolidated total income from interest, sharia and premium.

BRI Life has 530, 489 and 422 employees (unaudited) as of December 31, 2018, 2017 and 2016, respectively.

BRI Life's head office is located in Graha Irama Building 15th floor, Jl. H.R Rasuna Said Blok X-1 Kav. 1 and 2, Jakarta, and it has 6 regional offices with 34 sales offices.

PT BRI Multifinance Indonesia (BRI Finance)

On July 12, 2016, BRI signed a Conditional Shares Sale and Purchase Agreement (PPJB) with The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") to increase BRI's share ownership in PT BTMU-BRI Finance ("BBF") from 45% to 99%. The transaction was executed with a purchase price of Rp378,548. The agreement has been approved by OJK in its letter No. S-102/PB.31/2016 dated September 21, 2016. This transfer of shares was completed on September 30, 2016 as stated in Notarial Deed No. 75, of Fathiah Helmi, S.H., a notary in Jakarta, where BRI owned 99% of the total shares issued by PT BRI Multifinance Indonesia (BRI Finance) and BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI) owned the remaining 1%. As a result of the acquisition of BRI Finance, BRI recorded goodwill amounting to Rp51,915 in "Other Assets".

Based on the Notarial Deed 'Statement of Decision Outside of the Annual General Meeting of Shareholders No. 67', dated September 15, 2016, of I Gede Buda Gunamanta, S.H., a notary in Jakarta, the name PT BTMU-BRI Finance was changed into PT BRI Multifinance Indonesia. In accordance with Board of Commissioners of OJK Decision No. KEP-771/NB.11/2016 dated October 17, 2016, with regards to the change of name, BRI Finance obtained the business license in financing industry for the Business License previously granted to PT Sanwa-BRI Finance, which then changed its name to PT UFJ-BRI Finance and PT BTMU-BRI Finance.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT BRI Multifinance Indonesia (BRI Finance) (continued)

BRI Finance's Articles of Association has been amended several times. The latest amendment was documented in the Deed of PT BRI Multifinance General Meeting of Shareholders Decision No.117 dated December 20, 2018, of I Gede Buda Gunamanta, S.H., a notary in Jakarta, regarding the amendment of the stipulations of Article 4 paragraph 2 and Article 28 of BRI Finance's Articles of Association in connection with the increase in issued and paid-up capital through BRI's cash deposit amounting to Rp100 billion. This amendment has been approved and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in accordance with the Acceptance Letter of PT BRI Multifinance Indonesia's Articles of Association Amendment Notice No. AHU-AH.01.03-0279579 dated December 24, 2018.

According to Article 3 of its Articles of Association, BRI Finance's scope of business is to conduct financing activities.

Total assets of BRI Finance as of December 31, 2018, 2017 and 2016 amounted to Rp3,626,760, Rp2,607,098 and Rp2,399,828 or 0.28%, 0.23% and 0.24%, respectively, of the consolidated total assets. Total interest income for the years ended December 31, 2018, 2017 and 2016, amounted to Rp298,737, Rp206,304 and Rp101,345 or 0.26%, 0.19% and 0.10%, respectively, of the consolidated total income from interest, sharia and premium.

BRI Finance has 262, 157 and 137 employees (unaudited) as of December 31, 2018, 2017 and 2016, respectively.

BRI Finance's head office is located in Wisma 46 Building, 10th floor, BNI City, Jl. Jenderal Sudirman Kav.1, Central Jakarta, and has 4 branches located in Bandung, Surabaya, Samarinda and Medan, as well as 16 marketing offices located in Bekasi, Jakarta, Balikpapan, Solo, Palembang, Makassar, Denpasar, Semarang, Pekanbaru, Banjarmasin, Lampung, Depok, Tangerang, Malang, Cirebon and Banyuwangi.

PT BRI Ventura Investama (BRI Ventura)

On June 29, 2018, BRI signed the Conditional Sale and Purchase of Shares Agreement of PT Sarana Nusa Tenggara Timur Ventura ("Sarana NTT Ventura") with PT Bahana Artha Ventura ("BAV") to takeover all BAV's share ownership of Sarana NTT Ventura so BRI's share ownership is 97.61% with a purchase price of Rp3,090, and have obtained the approval of the Board of Commissioners of BRI as the representative of the shareholders through its Letter No. R. 67-KOM/09/2018, dated September 26, 2018, and of OJK through its Letter No. S-112/PB.31/2018 dated September 25, 2018. The shares takeover was effective on December 20, 2018 as stated in the Deed Sale and Purchase of Shares No. 70, of Ashoya Ratam, S.H., M.Kn, a notary in South Jakarta, where BRI owned 97.61% of the total shares issued by PT BRI Ventura Investama (formerly known as Sarana NTT Ventura).

Based on the Deed of Declaration on the Extraordinary General Meeting of Shareholders Decision No. 74, dated November 14, 2018, of Zantje Mathilda Voss Tomasowa, S.H., M.Kn, a Notary in Kupang, the name of PT Sarana Nusa Tenggara Timur Ventura was changed into PT BRI Ventura Investama ("BRI Ventura"), along with the change of Company's domicile from Kupang to Jakarta. This amendment has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-00030398.AH.01.02 Year 2018, dated December 14, 2018. In relation to the change in the company name, BRI Ventura is in the process of obtaining the enactment of business license in venture capital business previously granted to PT Sarana Nusa Tenggara Timur Ventura with business license No. 75/KMK.017/1998, dated February 19, 1998.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT BRI Ventura Investama (BRI Ventura) (continued)

BRI Ventura's Articles of Association has been amended several times. The latest amendment was documented in the Deed No. 71 dated December 20, 2018, of Notary Ashoya Ratam, S.H., M.Kn, a notary in South Jakarta, regarding the amendment of the Company's Shares Transition. The amendment has been accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of BRI Ventura's Articles of Association Amendment Notice No. AHU-AH.01.03-0278583 dated December 20, 2018.

According to Article 3 of its Articles of Association, BRI Ventura's scope of business is to conduct venture capital activities including management of venture funds, fee based service activities and other business activities with OJK's approval, and venture capital activities in the form of equity capital in a business partner and or debtor who has productive business and/or ideas for productive business development.

Total assets of BRI Ventura as of December 31, 2018, 2017 and 2016 amounted to Rp7,204, Rp7,834 and Rp7,182 or 0.0006%, 0.0007% and 0.0007%, respectively, of the consolidated total assets.

BRI Ventura has 8, 7 and 7 employees (unaudited) as of December 31, 2018, 2017 and 2016, respectively.

BRI Ventura's head office is located in AD Premier Building, 6th floor, Jl. TB Simatupang No. 5, Ragunan, Pasar Minggu, South Jakarta.

PT Danareksa Sekuritas

On September 27, 2018, BRI signed a Conditional Sale and Purchase of Shares Agreement with PT Danareksa (Persero) to takeover part of the shares ownership of PT Danareksa Sekuritas ("Danareksa Sekuritas") from PT Danareksa (Persero) and to gain 67% ownership, with a purchase price of Rp446,888, and have obtained the approval from OJK based on its Letter No. S-1496/PM.21/2018 dated December 21, 2018. The takeover was effective on December 21, 2018, as stated in the Deed of Shares Takeover No. 53, of Masjuki S.H., surrogate of M. Nova Faisal, S.H., M.Kn, a notary in Jakarta, where BRI owned 67% and PT Danareksa (Persero) owned 33% of Danareksa Sekuritas' total shares.

Danareksa Sekuritas' Articles of Association has been amended several times. The amendment adjusting its Articles of Association with Law No. 40 year 2007 regarding the Limited Liability Company and the increase in authorized capital and issued and paid-up capital of Danareksa Sekuritas, was stated in the Notarial Deed No. 91 dated August 12, 2008, of Notary Imas Fatimah, S.H. This amendment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. AHU-83282.AH.01.02.Th.2008, dated November 10, 2008 and has been published in Supplement No. 9870 of the Republic of Indonesia State Gazette No. 28, dated April 7, 2009.

In 2017, there were amendments to the purposes and objectives of Danareksa Sekuritas in accordance with Article 3 of the Articles of Association as stated in the Notarial Deed No. 1, dated July 5, 2017 of Ffidiana, S.H., S.S., M.Kn. This amendment had been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0013998.AH.01.02.Year 2017 dated July 7, 2017.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Danareksa Sekuritas (continued)

The latest amendment was documented in Deed No. 52 dated December 21, 2018, of Masjuki, S.H., surrogate of M. Nova Faisal, S.H., M.Kn, a notary in Jakarta, regarding the amendment of in Share Ownership Transition and Change in Danareksa Sekuritas' Shareholders. This amendment has been accepted and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in its Acceptance Letter of Corporate Data Amendment Notice No. AHU-AH.01.03-0279737 dated December 26, 2018.

In accordance with Article 3 of Danareksa Sekuritas' Articles of Association, the scope of its activities comprises underwriting, securities brokerage, and other supporting business activities determined and/or approved by OJK.

Danareksa Sekuritas obtained its business license as a securities broker and an underwriter from the Chairman of the Capital Market Supervisory Agency in accordance with its Decision Letters No. KEP-291/PM/1992 dated October 16, 1992 and No. KEP-292/PM/1992 dated October 16, 1992.

As part of its licensing, Danareksa Sekuritas has obtained approval of supporting business activities as Arranger of Medium-Term Notes, Negotiable Certificates of Deposit, Hybrid Product as Perpetuity Notes, syndicated loans, Global Medium Term Note, Global Bonds and Financial Advisory from Financial Services Authority (OJK) based on its Letter No. S-143/PM.21/2017 dated March 16, 2017.

Total assets of Danareksa Sekuritas as of December 31, 2018, 2017 and 2016 amounted to Rp869,102, Rp1,191,212 and Rp1,150,064 or 0.07%, 0.11% and 0.11%, respectively, of the consolidated total assets.

Danareksa Sekuritas has 197, 192 and 202 employees (unaudited) as of December 31, 2018, 2017 and 2016, respectively.

Danareksa Sekuritas' head office is located in Danareksa Building, Jl. Medan Merdeka Selatan No. 14, Jakarta, and it has 10 branches, 13 outlets and 3 partnerships.

2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements as of and for the year ended December 31, 2018, are prepared and presented in accordance with Indonesian Financial Accounting Standards, which includes the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and Bapepam-LK's Regulation No. VIII.G.7, Appendix of the Decision of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the "Guidelines on Financial Statements Presentations and Disclosures for Issuers or Public Companies".

The consolidated financial statements have been prepared in accordance with Statements of Financial Accounting Standards (SFAS) No. 1 (2015 Amendment), "Presentation of Financial Statements about Disclosures Initiative".

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements (continued)

BRIS (subsidiary), which is engaged in banking activities based on sharia principles, presents its financial statements in accordance with SFAS No. 101 (Revised 2016) on "Sharia Financial Statements Presentation", SFAS No. 102 (Revised 2016) on "Accounting for *Murabahah*", SFAS No. 104 on "Accounting for *Istishna*", SFAS No. 105 on "Accounting for *Mudharabah*", SFAS No. 106 (Revised 2016) on "Accounting for *Musyarakah*" and SFAS No. 107 on "Accounting for *Ijarah*", which supersede SFAS No. 59 on "Accounting for Sharia Banking" associated with recognition, measurement, presentation and disclosure for the respective topics, SFAS No. 110 (Revised 2015) on "Accounting for Sukuk", SFAS No. 111 on "Accounting for *Wa'd*" and the Indonesia Sharia Banking Accounting Guidelines (PAPSI Revised 2013) issued by Bank Indonesia and Indonesian Institute of Accountants (IAI).

The consolidated financial statements have been presented on a historical cost basis, except for some accounts that were assessed using another measurement basis as explained in the accounting policies of the account. The consolidated financial statements have been prepared on accrual basis, except for the revenue from *istishna* and the profit sharing from the *mudharabah* and *musyarakah* financing and the consolidated statement of cash flows.

The consolidated statement of cash flows has been prepared using the direct method by classifying cash flows into operating, investing and financing activities. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia and other banks, Bank Indonesia Certificates and Bank Indonesia Deposit Certificates maturing within 3 (three) months from the date of acquisition, provided they are neither pledged as collateral for fund borrowings nor restricted.

The presentation currency used in the consolidated financial statements is the Indonesian Rupiah (Rp). Unless otherwise stated, all figures presented in the consolidated financial statements are rounded off to millions of Rupiah.

b. Principles of Consolidation

The consolidated financial statements includes the financial statements of BRI and its subsidiaries whose majority of shares are owned or controlled by BRI.

When control over a subsidiary began or ceased during the period, the results of operations of a subsidiary are included in the consolidated financial statements only limited to the results from the date that control was acquired or up to the date that control has ceased.

Control is acquired when BRI is exposed, or has the rights of variable returns from its involvement in a subsidiary and has the ability to affect those returns through its power over the subsidiary.

BRI controls a subsidiary if, and only if, BRI has the following:

- a) Power over a subsidiary (existing rights that provide the current ability to direct the relevant activities that significantly affect the returns of a subsidiary).
- b) Exposure or right of variable returns from its involvement in a subsidiary.
- c) The ability to use its power over the subsidiary to affect BRI's returns.

Business combination transaction between entities under common control are recorded based on SFAS No. 38 (Revised 2012) "Business Combination of Entities Under Common Control", in which the difference between the acquisition cost paid and the carrying value of net assets acquired is recorded in additional paid-in capital in equity. Based on SFAS No. 38 (Revised 2012), the elements of the financial statement of the merging entities, for the period the business combination of entities under common control occurred and for the presented comparative periods, are

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

presented as if the business combination had occurred from the beginning of the period the entities are under common control. The business combination of entities under common control occurring in 2018 is explained in Note 50.

All significant intercompany balances and transactions, including unrealized gain or loss, are eliminated to reflect the financial position and results of BRI and subsidiaries' operations as a single entity.

The consolidated financial statements are prepared using uniform accounting policies for similar events and transactions in identical circumstances. If the subsidiaries' financial statements use accounting policies that are different from those adopted in the consolidated financial statements, then appropriate adjustments are made to the subsidiaries' financial statements.

The non-controlling interest are stated at the non-controlling shareholders' proportionate share in the net income and equity of the subsidiaries based on the percentage of ownership of the non-controlling shareholders in the subsidiaries.

c. Financial assets and financial liabilities

Financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, export bills and notes receivable, Government Recapitalization Bonds, securities purchased under agreement to resell, derivatives receivable, loans, sharia receivables and financing, finance lease receivables, acceptances receivable, investment in associated entities at cost method and other assets.

Financial liabilities consist of liabilities due immediately, deposits from customers, deposits from other banks and financial institutions, securities sold under agreement to repurchase, derivatives payable, acceptances payable, marketable securities issued, fund borrowings, other liabilities and subordinated loans and marketable securities.

(i) Classification

BRI classifies its financial assets into the following categories at initial recognition:

- Financial assets at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;
- Loans and receivables;
- Held-to-maturity investments;
- Available-for-sale investments.

Financial liabilities are classified into the following categories at initial recognition:

- Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities classified as held for trading;
- Other financial liabilities that are not classified as financial liabilities at fair value through profit or loss are categorized and measured at amortized cost.

Classes of financial assets and liabilities measured at fair value through profit or loss consist of financial assets and liabilities held for trading which BRI acquired or owned especially for the purpose of sale or repurchase in the near future, or holds as part of a certain financial instrument portfolio that is managed together to obtain short-term profit or position taking.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification (continued)

Loans and receivables are non-derivatives financial assets with fixed or determined payments that are not quoted in an active market, except:

- Those that BRI intends to sell immediately in the near future, which are classified as held for trading and those upon initial recognition designated as fair value through profit or loss;
- Those upon initial recognition designated as available-for-sale investments; or
- In the event that BRI may not recover substantially all of its initial investment, except due to loans and receivables deterioration, which are classified as available-for-sale.

Held-to-maturity investments consist of non-derivatives financial assets with fixed or determined payments and fixed maturity that BRI has the positive intention and ability to hold this financial assets to maturity. Investments intended to be held for an undetermined period are not included in this classification.

Available-for-sale investments consists of non-derivatives financial assets that are designated as available-for-sale or are not classified as one of the other categories of financial assets.

After initial recognition, available-for-sale investments are measured at fair value with gains or losses recognized as part of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gains or losses previously reported in equity is included in the consolidated statement of profit or loss and other comprehensive income. The effective yield and (where applicable) results of foreign exchange are restated for available-for-sale investments and reported in the consolidated statement of profit or loss and other comprehensive income.

Other financial liabilities pertain to financial liabilities that are neither held for trading nor designated at fair value through profit or loss upon recognition of the liabilities.

(ii) Initial recognition

- a. Purchase or sale of financial assets that requires transfer of assets within a time frame specified by regulations or conventions in the market (regular purchases) is recognized on the settlement date.
- b. Financial assets and financial liabilities are initially recognized at fair value. For those financial assets or financial liabilities not measured at fair value through profit or loss, the fair value includes directly attributable transaction costs. The subsequent measurement of financial assets and financial liabilities depends on their classification.

Transaction costs only include costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and is an additional cost that would not occur if the financial instrument is not acquired or issued. For financial assets, transaction costs are added to the amount recognized in the initial recognition of the asset, while for financial liabilities, transaction costs are deducted from the amount of debt recognized in the initial recognition of a liability. These transaction costs are amortized over the life of the instrument based on the effective interest rate method and recorded as part of interest income for transaction costs related to the financial asset or as part of interest expense for transaction costs related to financial liabilities.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition (continued)

BRI, upon initial recognition, may designate certain financial assets as fair value through profit or loss (fair value option). The fair value option can only be applied when the following conditions are met:

- The determination as a fair value option reduces or eliminates an accounting mismatch that would arise; or
- The financial assets are part of a financial instruments portfolio that the risk are managed and reported to key management on a fair value basis; or
- The financial assets consist of a host contract and embedded derivatives that must be bifurcated.

The fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate swap, but does not meet the criteria for hedge accounting. Otherwise, the loans would be recorded at amortized cost, while the derivatives are measured at fair value through profit or loss.

The fair value option is also applied to investment funds that are part of a portfolio managed on a fair value basis. The fair value option is also applied to structured investments that include embedded derivatives.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets and financial liabilities measured at fair value through profit or loss are subsequently measured at fair value.

Loans and receivables, held-to-maturity investments and financial liabilities measured at amortized cost are measured at amortized cost using the effective interest rate method.

(iv) Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows arising from the financial assets have expired; or
- BRI has transferred its rights to receive cash flows arising from the financial assets or has assumed an obligation to pay the cash flows received in full without significant delay to a third party under a “pass-through” arrangement; and either (a) BRI has substantially transferred all the risks and rewards of the assets, or (b) BRI has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

When BRI has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset or not transferred the control of the asset, the asset is recognized to the extent of BRI's continuing involvement in the asset.

Loans are written off when there is no longer a realistic prospect of repayment or the normal relationship between BRI and the debtors has ended. These uncollectible loans, are written off against the related allowance for impairment losses.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition (continued)

- b. Financial liabilities are derecognized when they end, i.e. when the liabilities under the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same creditor on a substantially different terms, or the terms of an existing liability are substantially modified, then the exchange or modification is treated as derecognition of the initial liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

(v) Income and expense recognition

- a. Interest income and expense on available-for-sale assets and financial assets and financial liabilities measured at amortized cost, are recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest rate method.
- b. Gains and losses arising from changes in the fair value of the financial assets and financial liabilities measured at fair value through profit or loss are recognized in the consolidated statement of profit or loss and other comprehensive income.
- c. Gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognized directly in equity, except for gains or losses due to changes in the exchange rate of monetary items, derecognition or impairment of the financial asset.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity should be recognized in the consolidated statement of profit or loss and other comprehensive income.

(vi) Reclassification of financial assets

BRI is not allowed to reclassify any financial instrument from measured at fair value through profit or loss category, if upon initial recognition it was designated by BRI as measured at fair value through profit or loss.

BRI is not allowed to classify any financial assets as held-to-maturity investments, if BRI, during the current period or during the 2 (two) preceding years, has sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than an insignificant amount compared to the total amount of held-to-maturity investments) except these sales or reclassifications:

- a. Done when the financial asset is nearing maturity or the financial asset's repurchase date that changes in the interest rate would not significantly affect the financial asset's fair value;
- b. Occured after BRI has obtained substantially all of the principal amount of the financial assets in accordance with the repayment schedule or BRI has obtained an accelerated settlement; or
- c. Are attributable to certain events that are beyond BRI's control, are non-recurring and can not be reasonably anticipated by BRI.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(vii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if and only if, BRI has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business, event of default, or bankruptcy of the entity over all the counterparties.

Income and expenses are presented on a net basis only when permitted by the Financial Accounting Standards.

(viii) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount of the financial asset or financial liability measured at initial recognition, less principal repayments, plus or minus the cumulative amortization using the effective interest rate method calculated from the difference between the amount at initial recognition and the amount at maturity, less any impairment.

(ix) Fair value measurement

Fair value is the price that would be accepted to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell an asset or to transfer a liability takes place either:

- In the principal market for the assets and liabilities; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when determining the price of the asset and liability assuming that market participants act in their own best economic interest.

The fair value measurement of non-financial assets considers the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to other market participants that would use the asset in its highest and best use.

BRI and subsidiaries uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are classified within a fair value hierarchy, based on the lowest input level significant to the overall fair value measurement:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2: inputs other than quoted prices included in level 1 for the assets and liabilities, which is directly or indirectly observable.
- Level 3: unobservable inputs for the assets and liabilities.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

For assets and liabilities recognized in the consolidated financial statements on a recurring basis, BRI determines whether transfers have occurred between levels in the hierarchy by re-assessing the categories (based on the lowest input level significant to the fair value measurement) at the end of each reporting period.

For the fair value disclosures purposes, BRI has determined the classes of assets and liabilities based on the nature, characteristics, risks of the asset and liability, and the level of the fair value hierarchy (Note 40).

(x) Sukuk Financial Assets

In accordance with SFAS No.110 (Revised 2015), BRI determines investment in sukuk *ijarah* and *mudharabah* as follows:

a. Measured at acquisition cost

- The investment is held in a business model whereby the primary purpose is to obtain contractual cash flows and there are contractual terms in determining the specific date of principal payments and or the results.
- Sukuk acquisition cost includes transaction cost and the difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the period of the sukuk and is recognized in profit or loss.

b. Measured at fair value through other comprehensive income

- The investment is held in a business model whereby the primary purpose is to obtain contractual cash flows and to sell the sukuk, and there are contractual terms in determining the specific date of principal payments and or the results.
- Sukuk acquisition cost includes transaction cost and the difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the period of the sukuk and is recognized in profit or loss.
- Gains or losses from changes in the fair value is recognized in other comprehensive income after considering the difference between acquisition cost and unamortized nominal value and accumulated gain or loss of fair value previously recognized in other comprehensive income. When sukuk investment is derecognized, the accumulated gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.

b. Measured at fair value through profit or loss

Sukuk acquisition cost excludes transaction cost and the difference between the fair value and the carrying amount is recognized in profit or loss.

d. Transactions with related parties

BRI and subsidiaries engage in transactions with related parties as defined in SFAS No. 7 (Revised 2010) on "Related Party Disclosures".

A party is considered a related party to BRI and subsidiaries if:

- 1) directly or indirectly, through one or more intermediaries, a party (i) controls, or controlled by, or under common control with BRI and subsidiaries; (ii) has an interest in BRI and subsidiaries that provides significant influence on BRI and subsidiaries; or (iii) has joint control over BRI and subsidiaries;

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

d. Transactions with related parties (continued)

A party is considered a related party to BRI and subsidiaries if (continued):

- 2) it is a related entity with BRI and subsidiaries;
- 3) it is a joint venture in which BRI and subsidiaries have ventured in;
- 4) it is a member of key management personnel in BRI and subsidiaries or the parent entity;
- 5) it is a close family member of the individual described in clause (1) or (4);
- 6) it is an entity that is controlled, jointly controlled or significantly influenced by or for whom has significant voting rights in several entities, directly or indirectly, by the individual described in clause (4) or (5); and
- 7) it is a post-employment benefit plan for the employees benefit of either BRI and subsidiaries or entities related to BRI and subsidiaries.

Transactions with related parties are made on the same terms and conditions as those transactions with third parties. All transaction done by BRI have complied with Capital Market and Financial Institution Supervisory Agency Regulation No. IX.E.1 regarding "The Affiliate Transactions and Conflict of Interest of Certain Transactions", at the time the transaction were made. All material transactions and balances with related parties are disclosed in the relevant notes to the consolidated financial statements and the details have been presented in Note 44 of the consolidated financial statements. Furthermore, material transactions and balances between BRI and subsidiaries and the Government of the Republic of Indonesia and other entities related to the Government of the Republic of Indonesia are also disclosed in Note 44.

e. Allowance for impairment losses on financial assets

On each statement of financial position reporting date, BRI assesses whether there is an objective evidence that financial assets not measured at fair value through profit or loss are impaired.

Financial assets are impaired when an objective evidence shows that a loss event has occurred after the initial recognition of the financial asset and that the loss event has an impact on the future cash flows of the financial asset that can be estimated reliably.

The criterias used by the entity to determine objective evidence of impairment loss are as follows:

- a) Significant financial difficulty of the issuer or obligor;
- b) A breach of contract, such as a the occurrence of default or arrears of principal or interest payments;
- c) The creditor, for economic or legal reasons related to the debtor's financial difficulties, grants concession to the debtor that is unlikely granted if the debtor doesn't experience such difficulties;
- d) It becomes probable that the debtor will be declared bankrupt or carry out other financial reorganization;
- e) The disappearance of an active market for the financial asset because of financial difficulties; or
- f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - 1) Adverse changes in the payment status of debtors in the portfolio; and
 - 2) National or local economic conditions that correlated with the defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and the identification of loss is determined by management for each identified portfolio. In general, the period used vary between 3 (three) months and 12 (twelve) months. in certain cases, a longer period is required.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

BRI first assesses whether an objective evidence of impairment exists individually, for financial assets that are individually significant, or collectively, for financial assets that are not individually significant. If BRI determines that no objective evidence of impairment exists for an individually assessed financial asset, regardless of whether the financial asset is significant or not, then BRI includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses the group for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss has been or continues to be recognized, are not included in the collective assessment of impairment.

BRI determines the loans to be evaluated for impairment individually if one of the following criteria is met:

1. Loans which individually have significant value and there is an objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, BRI performs individual assessment for: (a) Loans that have significant value in accordance with BRI's policy with collectibility classification of substandard, doubtful and loss; or (b) Restructured loans that have significant value in accordance with BRI's policy.

BRI determines loans to be evaluated for impairment collectively if one of the following criteria is met:

1. Loans which individually have significant value but there is no objective evidence of impairment;
2. Loans which individually have insignificant value;
3. Restructured loans which individually have insignificant value.

Based on the above criteria, BRI performs collective assessment for: (a) Loans that have significant value in accordance with BRI's policy with collectibility classification of current and special mention which have never been restructured; or (b) Loans that have insignificant value in accordance with BRI's policy.

The calculation of allowance for impairment losses on financial assets assessed collectively is grouped based on similar credit risk characteristics and taking into account the loan segmentation based on historical loss experience and the probability of default. For loans that have historical loss data and information that is categorized as disaster prone areas by the Government of the Republic of Indonesia and supported by internal policies of BRI, the calculation of allowance for impairment losses is done by calculating the overall loss rate which include the actual loss rate plus the relevant associated risk factors based on the survey conducted periodically to external parties and BRI's internal parties.

BRI uses the migration analysis method, which is a statistical analysis method to collectively assess allowance for impairment losses on loans. BRI uses moving average from a minimum of 3 (three) years historical data in computing the Probability of Default (PD) and the Loss of Given Default (LGD).

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

BRI uses the fair value of collateral as the basis for future cash flow if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is only from the collateral;
2. Foreclosure of collateral is most likely to occur and supported by legally binding collateral agreement.

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted using the financial assets initial effective interest rate. If loans or held-to-maturity securities and Government Recapitalization Bonds have variable interest rate, the discount rate used to measure any impairment loss is the prevailing effective interest rate determined under the contract.

As a practical guideline, BRI may measure impairment based on the instrument's fair value by using an observable market price, the calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure of collateral less costs for obtaining and selling the collateral, regardless of whether the foreclosure is likely to occur or not.

Losses that occurred are recognized in the consolidated statement of profit or loss and other comprehensive income and recorded in allowance for impairment losses account as a deduction to the financial assets carried at amortized cost.

Interest income of the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows in measuring the impairment loss. When an event subsequent to the impairment causes the amount of impairment loss to decrease, the impairment loss previously recognized must be recovered and the recovery is recognized in the consolidated statement of profit or loss and other comprehensive income.

For financial assets classified as available-for-sale, BRI assesses on each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A significant or prolonged decline in the fair value of the investment in the equity instrument below its acquisition cost is an objective evidence of impairment and resulting in the recognition of an impairment loss.

Impairment losses on available-for-sale securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the consolidated statement of profit or loss and other comprehensive income. The cumulative loss transferred from equity and recognized in the consolidated statement of profit or loss and other comprehensive income is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any financial asset's impairment loss previously recognized in the consolidated statement of profit or loss and other comprehensive income.

Impairment losses recognized in the consolidated statement of profit or loss and other comprehensive income on equity instrument investments classified as available-for-sale should not be recovered through a reversal of a previously recognized impairment loss in the current period consolidated statement of profit or loss and other comprehensive income.

If in the subsequent period, the fair value of debt instrument classified as available-for-sale increases and the increase can be objectively related to an event that occurred after the impairment loss was recognized in the consolidated statement of profit or loss and other comprehensive income, the impairment loss has to be recovered in the consolidated statement of profit or loss and other comprehensive income.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

If the terms of the loans, receivables or held-to-maturity securities are renegotiated or modified because of financial difficulties of the debtor or issuer, then the impairment is measured using the initial effective interest rate before the modification of terms.

If in the subsequent period, the amount of impairment losses is decreased and the decrease can be objectively related to an event that occurred after the recognition of the impairment losses (e.g. debtor's or issuer's collectibility upgrade), the impairment loss that was previously recognized has to be recovered, by adjusting the allowance account. The recovered amount of financial assets is recognized in the current period consolidated statement of profit or loss and other comprehensive income.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. The recoveries of written-off financial assets from previous years are recorded as operating income other than interest income.

The minimum allowance to be provided in accordance with Bank Indonesia (OJK) Regulation are as follows:

- a) 1% of earning assets classified as Current, excluding placements with Bank Indonesia, Government Bonds, other debt instruments issued by the Government of the Republic of Indonesia and earning assets secured by cash collateral;
- b) 5% of earning assets classified as Special Mention, net of deductible collateral;
- c) 15% of earning assets classified as Sub-standard, net of deductible collateral;
- d) 50% of earning assets classified as Doubtful, net of deductible collateral; and
- e) 100% of earning assets classified as Loss, net of deductible collateral.

The criteria for assessing the deductible collateral value in calculating the allowance for impairment losses are in accordance with Bank Indonesia (OJK) Regulations.

f. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. The current accounts with Bank Indonesia and other banks are classified as loans and receivables.

g. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks consist of fund placements in Bank Indonesia are Deposit Facility, Term Deposit and Sharia Deposit Facility whereas fund placements with other banks represent placements of funds in the form of placements in money market (inter-bank call money), time deposits and banker's acceptance.

Placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as loans and receivables.

h. Securities and Government Recapitalization Bonds

Securities consist of securities traded in the money and capital market such as Bank Indonesia Certificates, Bank Indonesia Deposit Certificates, Sharia Bank Indonesia Certificates, Government bonds, promissory notes, subordinated bonds, mutual fund units, Medium-Term Notes, U.S Treasury Bonds, Singapore Government Securities, Negotiable Certificates of Deposit, Monetary Authority of Singapore (MAS) bills and bonds traded in the stock exchange.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Securities and Government Recapitalization Bonds (continued)

Securities include bonds issued by the Government that are not related with the recapitalization program such as Government Debentures (Surat Utang Negara or SUN), Government Treasury Bills (Surat Perbendaharaan Negara or SPN) and Government bonds in foreign currencies obtained from primary and secondary markets.

Government Recapitalization Bonds are bonds issued by the Government in connection with the recapitalization program for commercial banks which consist of bonds related to BRI's recapitalization and Government Recapitalization Bonds purchased from the secondary market.

Securities and Government Recapitalization Bonds are initially presented at fair value. After the initial recognition, the securities and Government Recapitalization Bonds are recorded according to their category, i.e. as held-to-maturity, fair value through profit or loss or available-for-sale.

The valuation of securities and Government Recapitalization Bonds is based on the classification as follows:

- 1) Held-to-maturity securities and Government Recapitalization Bonds are recorded at amortized cost using the effective interest rate method. BRI does not classify securities and Government Recapitalization Bonds as held-to-maturity financial assets if BRI, during the current year or during the 2 (two) preceding years, has sold or reclassified more than an insignificant amount of held-to-maturity securities or Government Recapitalization Bonds before maturity other than sales or reclassifications that are defined in SFAS No. 55 (Revised 2014) which is applicable in the relevant period.
- 2) Securities and Government Recapitalization Bonds classified as trading (fair value through profit or loss) are stated at fair value. Gains and losses arising from changes in fair value of securities and Government Recapitalization Bonds are recognized in the consolidated statement of profit or loss and other comprehensive income.
- 3) Securities and Government Recapitalization Bonds classified as available-for-sale investments are stated at fair value. Interest income is recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. Foreign exchange gains or losses on available-for-sale securities and Government Recapitalization Bonds are recognized in the consolidated statement of profit or loss and other comprehensive income. Other fair value changes are recognized directly in equity until the securities and Government Recapitalization Bonds are sold or impaired, whereby the cumulative gains and losses previously recognized in equity must be recognized in the consolidated statement of profit or loss and other comprehensive income.

i. Export bills and notes receivables

Export bills represent export bills negotiated on a discounted basis and pledged by other banks, while notes receivable are bills or billing documents in the form of drafts/bills of exchange to the collectible parties/drawee on the basis of discount or a certain financing. Export bills and notes receivable are stated at amortized cost less allowance for impairment losses. Export bills and notes receivable are classified as loans and receivables.

j. Loans

Loans represent the granting of money or other similar form of receivables under agreements or borrowing and lending commitments with debtors, whereby the debtors are required to repay their debts after a specified period of time in return for interest.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Loans (continued)

Loans are initially measured at fair value plus transaction costs that are directly attributable and is the additional costs to obtain the financial assets and after the initial recognition, are measured at amortized cost using the effective interest rate method less allowance for impairment losses.

Loans are classified as loans and receivables.

Syndicated loans are stated at the loans' principal amount to the extent of the risks borne by BRI.

Restructured loans are stated at the lower of the loans' carrying amount on the restructuring date or the present value of future cash receipts after the restructuring. Losses due to the difference between the loans' carrying amount on the restructuring date and the present value of future cash receipts after the restructuring are recognized in the consolidated statement of profit or loss and other comprehensive income.

After the restructuring, all future cash receipts specified in the new terms are recorded as a principal payment of loans and interest income in accordance with the restructuring terms.

Loans are written-off when there is no realistic prospect of collections in the future and all collateral have been sought to be realized or foreclosed. The uncollectible loans are written-off against the allowance for impairment losses. Subsequent payment of loans that was written-off are credited to the allowance for impairment losses in the consolidated statement of financial position.

k. Sharia receivables and financing

Financing/receivables based on sharia principles is provision of money or other similar form of receivables arising from transactions based on sale or purchase arrangements and profit sharing between BRIS and other parties for a certain period of time. These receivables consist of *murabahah* receivables, *istishna* receivables and *qardh*, and for financing consists of *mudharabah* financing and *musyarakah* financing.

Murabahah is a sale and purchase contract between the customer and BRIS, whereby BRIS finances the consumption, investment and working capital needs of the customers that are sold with a principle price plus a given margin that is mutually informed and agreed. Payments on this financing is made in installments for a specified period of time.

Murabahah receivables are initially measured at fair value plus directly attributable transaction costs and is the additional cost to obtain the financial assets and after the initial recognition, are measured at amortized cost using the effective margin method less allowance for impairment losses.

Mudharabah is a joint financing contract between BRIS as the owner of the funds (*shahibul maal*) and the customer as a business executor (*mudharib*) for a certain period of time. The profit sharing from the project or business is determined in accordance with the mutually agreed *nisbah* (pre-determined ratio). On the statement of financial position date, *mudharabah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review of the existing financing quality.

Musyarakah is a partnership contract among capital owners (*musyarakah* partners) to joint the capital and conduct a business on a joint basis through partnership with an agreed profit-sharing *nisbah*, while the losses are borne proportional to the capital contribution. On the statement of financial position date, *musyarakah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review on the existing financing quality.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

k. Sharia receivables and financing (continued)

Istishna is a sale and purchase contract between *al-mustashni* (buyer) and *al-shani* (manufacturer who also act as the seller). Based on the contract, the buyer orders the manufacturer to produce or to supply *al-mashnu* (goods ordered) according to the specifications required by the buyer and sell them at the agreed price. *Istishna* receivables are stated at outstanding term billings to final buyer less allowance for impairment losses. Deferred *istishna* margin are stated as contra account of *istishna* receivables.

Qardh is the granting of funds or other similar form of receivables based on an agreement or deal between the borrower and the lender that requires the borrower to repay the debts after a certain period of time. *Qardh* financing are stated at outstanding financing balance less allowance for impairment losses based on the management's review on the existing financing quality.

l. Finance lease receivables

Determining whether an arrangement is a lease agreement or an agreement containing leases is based on the substance of the agreement at lease inception date and whether the fulfillment of the agreement depends on the use of an asset and the agreement provides a right to use the asset.

Leases are classified as finance leases if the lease transfer substantially all the risks and rewards related to the ownership of the asset. A lease is classified as operating lease if the lease does not transfer substantially all the risks and rewards that related to the ownership of the asset.

Finance lease receivables are recognized at the net investment which is the fair value less administrative income and plus transaction cost (if any) that directly attributable and subsequently measured at amortized cost using the effective interest rate method.

At initial recognition, the fair value of net investment in finance lease is finance lease receivables plus the residual value which will be received at the end of the lease term less deferred finance lease income and collateral deposit. The difference between the gross receivable amount and the present value of finance lease receivables are recognized as unrecognized finance lease income. Unrecognized finance lease income is allocated as current year income using the effective interest rate.

m. Acceptances receivable and payable

Acceptances receivable and payable represent letters of credit (L/C) transactions that are accepted by the accepting banks.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are presented net of allowance for impairment losses.

Acceptances receivable are classified as loans and receivables. Acceptances payable are classified as financial liabilities measured at amortized cost.

n. Investment in associated entities

BRI's investments in its associated entities are measured using the equity method. An associated entity is an entity in which BRI has significant influence or share ownership more than 20% of the voting rights. The initial recognition of investments in associated entities are recognized at acquisition cost and the carrying amount is added or deducted to recognize BRI's portion of profit or loss of the associated entities after the acquisition date. BRI's portion of profit or loss of the associated entities are recognized in profit or loss of BRI. Receipt of distributions from associated entities reduces the carrying amount of the investment.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

n. Investment in associated entities (continued)

The consolidated statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associated entities. If there is any change recognized directly in the equity of the associated entities, BRI recognizes its share of these changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between BRI and the associated entities are eliminated to the extent of BRI's interest in the associated entities.

After applying the equity method, BRI determines whether it is necessary to recognize additional impairment loss on BRI's investment in its associated entities. BRI determines at each reporting date whether there is any objective evidence that indicating the investment in the associated entities is impaired. In this case, BRI calculates the amount of impairment as the difference between the recoverable amount of the investment in the associated entities and its carrying value, and recognizes it in the consolidated statement of profit or loss and other comprehensive income.

BRI's investment in its associated entities with no significant influence or share ownership under 20% are recorded in accordance with SFAS No. 55 (Revised 2014) less allowance for impairment losses.

o. Premises and equipments

Premises and equipments are initially recognized at acquisition cost, which comprises its purchase price and additional costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Subsequent to initial recognition, premises and equipments (excluding landrights) are stated at acquisition cost less accumulated depreciation and impairment losses.

Premises and equipments acquired in exchange for a non-monetary asset or a combination of monetary and non-monetary assets are measured at fair values, unless:

- (i) the exchange transaction lacks commercial substance, or
- (ii) the fair value of the assets received or the assets given up can not be measured reliably.

Depreciation of an asset begins when it is ready for its intended and is calculated using the straight-line method based on the estimated economic useful lives of the assets as follows:

	Years
Buildings	15
Motor vehicles	5
Computers and machineries	3 - 5
Furniture and fixtures	5
Satellite	15

Premises and equipments valuation is carried out on the impairment and possible impairment of the fair value of asset if an event or change in circumstances indicates that the carrying amount may not be fully realized.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Premises and equipments (continued)

The carrying amount of an item of premises and equipments is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition is recognized in the profit or loss for the year of the derecognition.

The residual values, useful lives and depreciation methods are evaluated at the end of each year and adjusted prospectively if necessary.

Land are initially stated at acquisition cost and not depreciated. Subsequent to initial recognition, land is measured at fair value at the revaluation date less any accumulated impairment losses after the revaluation date. Valuation of land is performed by appraisers with professional qualifications, and is conducted periodically to ensure that the carrying amount does not differ materially from its fair value at the end of the reporting period (Note 17).

If the fair value of the revalued asset experiences significant and fluctuating changes, it has to be revalued annually, whereas if the fair value of the revalued asset does not experience significant and fluctuating changes, it has to be revalued once every 3 (three) years.

Increase in the carrying amount arising from revaluation is recorded in "Revaluation Surplus arising from Premises and Equipments" and presented in other comprehensive income. However, the increase are recognized in profit or loss, to the extent of the amount of impairment of the same assets due to revaluation previously recognized profit or loss. A decrease in the carrying amount arising from the revaluation is recognized in profit or loss.

Maintenance and repair expenses are charged to profit or loss when incurred. Restoration and addition expenses in significant amounts are capitalized to the carrying amount of the related premises and equipments when it is probable that the future economic benefits exceeded the predefined initial performance standard and are depreciated over the remaining useful life of the related premises and equipments.

Assets under construction are stated at cost, including capitalized borrowing costs and other costs incurred regarding the financing of the assets under constructions. The accumulated costs will be reclassified to the appropriate "Premises and Equipments" account when the construction is completed and the assets are ready for their intended use. Assets under construction are not depreciated as these are not yet available for use.

The legal cost of landrights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Right ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was initially acquired are recognized as part of the acquisition cost of the land under the "Premises and Equipments" account. The legal extension or renewal costs of landrights are recognized as intangible assets and amortized over life of the legal rights or the economic life of the land, whichever is shorter.

p. Impairment of Non-Financial Assets

BRI assesses, at the end of each reporting period, whether there is an indication that an asset may be impaired. If any such indication exists, or when the testing at the reporting date, impairment is required for a certain asset (i.e. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination), then BRI will make an estimate of the asset's recoverable amount.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

p. Impairment of Non-Financial Assets (continued)

The specified recoverable amount for an individual asset is the higher amount between an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal, and its value in use, unless the asset does not generate cash inflows that are largely independent from other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and the asset's carrying amount is reduced to its recoverable amount. Impairment losses from continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In determining the fair value less costs of disposal, refer to SFAS No. 68, "Fair Value Measurements" (Note 2c).

Impairment losses from continuing operations, if any, are recognized in the consolidated statement of profit or loss and other comprehensive income in accordance with expense categories that are consistent with the functions of the impaired assets.

q. Foreclosed collaterals

Foreclosed collaterals regarding the settlement of loans (presented in "Other Assets") are recognized at net realizable values or the carrying amount of the loans, whichever is lower. Net realizable value is the fair value of the collateral after deducting the estimated costs of disposal. The excess in loan balances, which has not been paid by debtors over the value of foreclosed collaterals, is charged as provisions for allowance for possible losses on loans in the current year. The difference between the value of the foreclosed collateral and the proceeds from the sale are recognized as a gain or loss at the time of sale of the collateral.

BRI evaluates the value of foreclosed collaterals periodically. The allowance for losses on foreclosed collaterals is assessed based on the impairment of the foreclosed collaterals.

Reconditioning costs arising after the foreclosure of the collateral are capitalized in the accounts of the foreclosed collaterals.

r. Prepaid expenses

Prepaid expenses are amortized over the useful lives using the straight-line method.

s. Liabilities due immediately

Liabilities due immediately represent the liability of BRI to external parties which by nature should be paid immediately in accordance with the requirements in the agreement which have been previously determined. Liabilities due immediately is classified as financial liabilities and measured at amortized cost.

t. Deposits from customers and other banks and financial institutions

Demand deposits are funds deposited by customers whereby the withdrawal can be done at any time using a check, or through transfer with a bank draft or other forms of payment order. Demand deposits are stated at the amount due to the account holder.

Wadiah demand deposits are third party fund deposits available for returns at any time and earn bonus based on BRIS' policy. *Wadiah* demand deposits are stated at the amount due to the account holder of the deposit in BRIS.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

t. Deposits from customers and other banks and financial institutions (continued)

Mudharabah demand deposits are customer funds investment that can be withdrawn in accordance with the agreed payment order method. *Mudharabah* demand deposits are recorded at BRIS' liabilities.

Saving deposits are the funds deposited by customers which can only be withdrawn under certain agreed conditions. Saving deposits are stated at the amount due to the account holders.

Wadiah saving deposits are funds deposited by customers in BRIS, which is entrusted and can be withdrawn at any time and for the deposits, BRIS are not required to give rewards unless in the form of voluntary bonus. *Wadiah* saving deposits are stated at BRIS' liabilities.

Mudharabah saving deposits are funds deposited by third parties which earn a share of BRIS' profits for the management of funds based on a predetermined and pre-agreed *nisbah*. *Mudharabah* saving deposits are recorded at the customers' deposit balance.

Time deposits are funds deposited by customers that can be withdrawn only at a certain time as agreed by the depositor and BRI and BRI Agro. Time deposits are stated at the nominal amount stated in the certificates of deposit or at the amount stated in the agreement.

Mudharabah time deposits are third party deposits which can only be withdrawn at a certain time as agreed by the *mudharabah* time deposit holder and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the time deposit holders and BRIS.

Deposits from other banks and financial institutions consist of liabilities to other banks, either domestic or overseas, in the form of demand deposits, saving deposits, time deposits and inter-bank call money with promissory notes with a term of up to 90 (ninety) days and stated at the amount due to other banks and financial institutions.

Deposits from customers and other banks and financial institutions are classified as financial liabilities measured at amortized cost using effective interest rate except deposits and temporary *syirkah* funds which are stated at the BRI and its subsidiaries' liability amount to customers. Additional costs directly attributable to the acquisition of deposits from customers are deducted from the amount of the deposits received.

u. Securities purchased under agreement to resell and securities sold under agreement to repurchase

Securities purchased under agreement to resell

Securities purchased under agreement to resell are presented as financial assets in the consolidated statement of financial position, at the resale amount less any unamortized interest and allowance for impairment losses. The difference between the purchase price and the resale price is treated as deferred interest income (unamortized) and recognized as income over the period starting from when those securities are purchased until they are resold using effective interest rate.

Securities purchased under agreement to resell are classified as loans and receivables measured at amortized cost.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

u. Securities purchased under agreement to resell and securities sold under agreement to repurchase (continued)

Securities sold under agreement to repurchase

Securities sold under agreement to repurchase are presented as financial liabilities in the consolidated statement of financial position, at the repurchase amount less any unamortized prepaid interest. The difference between the sale price and the repurchase price is treated as prepaid expense and recognized as expense over the period starting from when those securities are sold until they are repurchased using effective interest rate.

Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

v. Marketable securities issued

Marketable securities issued by BRI consist of Bonds and Medium-Term Notes (MTN).

The marketable securities issued are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

w. Fund borrowings

Fund borrowings represent funds received from other banks, Bank Indonesia or other parties with a repayment obligation in accordance with the terms of the borrowing agreements.

Fund borrowings are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

x. Subordinated loans and marketable securities

Subordinated loans and marketable securities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, while for BRIS (subsidiary) measures the amortized cost using the straight line method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

y. Provisions

Provisions are recognized when BRI and subsidiaries have a current obligation (both legal or constructive) that, as a result of past events, the settlement of these obligations will likely result in an outflow of resources that contain economic benefits and a reliable estimation of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the most current best estimation. If the outflow of resources to settle the obligation is unlikely to occur, the provision is reversed.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

z. Provision and timely interest payment in BRI Unit

Timely Interest Payment ("Pembayaran Bunga Tepat Waktu" or "PBTW") is an incentive given to General Rural Loans ("Kredit Umum Pedesaan" or "Kupedes") debtors who settled their loans by repaying the loans in accordance to the mutually agreed installment schedules. The amount of PBTW is 25% of the interest received from either Working Capital Kupedes or Investment Kupedes. PBTW is presented as a deduction from interest income of loans. BRI provided Allowance for Timely Interest Payment (CPBTW) for the PBTW and presented in "Other Liabilities" account (Note 29).

aa. Interest income and interest expense

Interest income and expense for all interest bearing financial instruments are recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the interest rate that precisely discounts the estimated future cash payments or receipts during the expected life of the financial asset or financial liability (or, if more precise, a shorter period) to obtain the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, BRI and subsidiaries estimate the future cash flows by considering all contractual terms in the financial instruments except the future credit losses.

This calculation includes all commissions, fees and other forms received by the parties in the contract that are inseparable from the effective interest rate, transaction costs and all other premiums or discounts.

If a financial asset or group of similar financial assets has been impaired as a result of impairment losses, then the interest income subsequently obtained is recognized based on the interest rate used to discount the future cash flows in calculating the impairment losses.

ab. Fees and commissions income

Fees and commissions income directly related to lending activities, or fees and commissions income related to a specific period of time, are amortized over the term of the contract using the effective interest rate and classified as part of interest income in the consolidated statement of profit or loss and other comprehensive income.

Fees and commissions income not related to the lending activities or a specific period of time and/or related to provision of a service, are recognized as income at the time of the transaction occurred and recorded in other operating income account.

ac. Sharia income and expense

Sharia income consists of income from *murabahah*, *istishna* and *ijarah* receivables transactions and profit sharing from *mudharabah* and *musyarakah* financing.

Income from *ijarah* transactions is recognized using the accrual method. Income from *istishna* transactions and profit sharing from *mudharabah* and *musyarakah* financing are recognized when the cash installments are received. Expenses based on sharia principles consist of *mudharabah* profit sharing expense and *wadiah* bonus expense.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ac. Sharia income and expense (continued)

Income from *murabahah* receivables is recognized using the effective margin method. Effective margin is the margin that precisely discounts the estimated future cash payments or receipts through the expected life of the *murabahah* receivables. When calculating the effective margin, BRIS estimates the future cash flows by considering all contractual terms in the financial instrument, except the future credit losses. This calculation includes all commissions, fees and other forms received by the parties in the contract that are an inseparable from the effective margin, transaction costs and all other premiums or discounts.

Mudharabah and *musyarakah* profit sharing income are recognized upon receipt or in a period when the right of profit sharing occurred in accordance with the agreed profit-sharing portion (nisbah).

ad. Premium income and claim expense

Premiums of short-term insurance contracts are recognized as income within the contract period in accordance with the proportion of the amount of the insurance protection provided. Premiums of non short-term insurance contracts are recognized as income when due from the policyholders. Premiums received prior to the issuance of insurance policies or premium due date is recorded as premium deposit.

Premiums related to investment contract and the amount of financial risk component of insurance contract are recorded as deposit through the consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

Gross reinsurance premiums are recognized as expenses when paid or on the date when the policy becomes effective.

Insurance claims and benefits are approved claims. These claims and benefits are recognized as expense when the liabilities to cover the claims are incurred. A portion of claims from the reinsurers is recognized and recorded as reinsurance claim in the same period as the recognition of claim expenses.

Insurance claims and benefits related to investment contract and the amount of financial risk component of insurance contract are recorded as withdrawal through the consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

ae. Insurance and investment contract liabilities and reinsurance

Insurance contract liabilities

a. Liabilities for future policy benefits

Liabilities for future policy benefits represent the present value of estimated payments of all the agreed benefits including all the available options, the estimated present value of all costs incurred and also considering the future premium receipt. Liabilities for future policy benefits represent liabilities of non short-term insurance contracts.

The increase in liability for future policy benefits is recognized as expense in the profit or loss for the year, while the decrease in liability for future policy benefits is recognized as income in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Insurance and investment contract liabilities and reinsurance (continued)

Insurance contract liabilities (continued)

b. Estimated claim liabilities

Estimated claim liabilities represents claims in the settlement process which are determined based on the estimated loss from claims that are still in settlement process at the consolidated statement of financial position date, including claims that have incurred but not reported ("IBNR").

The changes in estimated claim liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

c. Unearned premium

Unearned premium represents part of the premiums that already received but not yet earned, because the insurance coverage period not yet due at the end of the year. Unearned premium represents liabilities of short-term insurance contract.

Unearned premium is calculated individually from each coverage, where the amount determined proportionally to the amount of protection provided during the coverage period or risk period, consistent with the recognition of short-term insurance premium income.

The increase in unearned premium is recognized as expense in the profit or loss for the year, while the decrease in unearned premium is recognized as income in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

Investment contract liabilities

Investment contract liabilities represent liabilities that calculated on investment contract (including the amount of financial risk component in separated insurance contract) using the valuation principle in accordance with SFAS No.55 (Revised 2014). Deposits and withdrawals related to the investment contract (including the amount of financial risk component in separated insurance contract) are recorded directly as an adjustment to the investment contract liabilities in the consolidated financial statement and are not recorded as premium income in the profit or loss. Except for deposits and withdrawals, all changes in investment contract liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

Reinsurance

BRI Life (subsidiary) cedes insurance risk in the normal course of business for each of its business lines.

The benefits of BRI Life on reinsurance contracts owned are recognized as reinsurance assets. These assets consist of receivables that depend on the expected claims and benefits arising under the related reinsurance contracts. As required by SFAS No. 62, reinsurance assets are not offset against the related insurance contract liabilities.

Reinsurance receivables are estimated consistently with approved claims related to the reinsurer's policies and in accordance with the related reinsurance contract.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Insurance and investment contract liabilities and reinsurance (continued)

Reinsurance (continued)

BRI Life reinsures a portion of risk of the expectation of obtained coverage to other insurance and reinsurance companies. The amount of the premium paid or the premium portion of the prospective reinsurance transaction are recognized as reinsurance premium over the reinsurance contract period proportional to the protection provided. Payment or obligation for retrospective reinsurance transaction are recognized as reinsurance receivable in the equivalent amount to the recorded liability related to the reinsurance contract.

Reinsurance assets include balances expected to be paid by the reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities, and ceded unearned premium. The amounts of benefits borne by the reinsurers are estimated consistently with the liability associated with the reinsurance policy.

BRI Life presents reinsurance assets separately as assets of future policy benefit liabilities, unearned premium, and estimated claim liabilities.

Reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that BRI Life may not receive the whole amount because it is under the terms of the contract, and the impact of the amount to be received from the reinsurer can be measured reliably.

If the reinsurance asset is impaired, BRI Life reduces the carrying amount and recognizes the impairment loss in the profit or loss for the year.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to other party.

af. Employee benefits

Short-term employee benefits

Short-term employee benefits such as salaries, social security contributions, short-term leaves, bonuses and other non-monetary benefits are recognized during the period when the services are rendered. Short-term benefits are calculated using undiscounted amounts.

Defined contribution pension plan

Defined contribution pension plan is the contribution to pension fund at a certain percentage of salaries of employees who are participants of BRI's defined contribution pension plan. The contribution is accrued and recognized as expense when services have been rendered by the qualified employees and actual payments are deducted from the contribution payable. Contribution payable is measured using undiscounted amounts.

Defined benefit plan and other long-term employee benefits

The post-employment benefits and other long-term employee benefits such as gratuity for services, grand leaves and BPJS post-employment health program are accrued and recognized as expense when services have been rendered by these employees. The benefits are determined based on BRI's policy and the minimum requirements of Labor Law No. 13/2003.

The post-employment benefits and other long-term employee benefits are determined using the Projected Unit Credit Method by an actuary.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

af. Employee benefits (continued)

Defined benefit plan and other long-term employee benefits (continued)

Remeasurement of net defined benefit liabilities (assets), which is recognized as other comprehensive income, consist of:

- (i) Actuarial gains and losses.
- (ii) Return on plan assets, excluding amounts that are included in the net interest on liabilities (assets).
- (iii) Any change in the impact of the asset limit, excluding amounts that are included in the net interest on the liabilities (assets).

Remeasurement of net defined benefit liabilities (assets) is recognized as other comprehensive income which is not reclassified to profit or loss in the subsequent period.

For other long-term employee benefits, the current service cost, the net interest expense on net defined benefit liabilities (assets), and the remeasurement of net defined benefit liabilities (assets) are recognized immediately in the current period consolidated statement of profit or loss and other comprehensive income.

Past service costs are recognized as expense at the earlier date between the amendment or curtailment program occurs and when the restructuring or severance costs are recognized, therefore, unvested past service cost can no longer be deferred and recognized over the future vesting period.

ag. Stock option

The stock compensation cost at the issuance date is calculated based on the fair value of the stock options and recognized in "Salaries and Employee Benefits Expense" based on the cliff-vesting scheme using the straight-line method over the vesting period. The accumulation of stock compensation cost is recognized as "Stock Option" in equity.

The fair values of the stock options are assessed using the Black-Scholes option pricing model.

ah. Earnings per share

Basic earnings per share is calculated by dividing the income for the year attributable to the Parent Entity (BRI) with the weighted average number of issued and fully paid shares during the related year.

ai. Foreign currency transactions and balances

BRI and its subsidiaries maintain their accounting records in Indonesian Rupiah. Transactions involving foreign currencies are recorded at the prevailing exchange rates at the time of the transactions. As of December 31, 2018, 2017 and 2016, all foreign currency denominated monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time). The resulting gains or losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ai. Foreign currency transactions and balances (continued)

The exchange rates used in the translation of foreign currency amounts into Rupiah are as follows (full Rupiah):

	December 31,		
	2018	2017	2016
1 United States Dollar	14,380.00	13,567.50	13,472.50
1 Great Britain Pound Sterling	18,311.50	18,325.62	16,555.01
1 Japanese Yen	130.62	120.52	115.07
1 European Euro	16,440.66	16,236.23	14,175.77
1 Hong Kong Dollar	1,836.28	1,736.21	1,737.34
1 Saudi Arabian Riyal	3,833.50	3,617.71	3,591.90
1 Singaporean Dollar	10,554.91	10,154.56	9,311.93
1 Malaysian Ringgit	3,476.79	3,352.07	3,003.23
1 Australian Dollar	10,162.35	10,594.19	9,723.11
1 Renminbi	2,090.57	2,083.64	1,939.19
1 Thailand Baht	443.62	416.31	376.12
1 Swiss Franc	14,595.28	13,901.13	13,208.98
1 Canadian Dollar	10,560.72	10,821.97	9,986.29
1 Bruneian Dollar	10,453.24	10,083.61	9,311.29
1 Danish Krone	2,201.84	2,180.78	1,906.86
1 South Korean Won	12.92	12.74	11.20
1 New Zealand Dollar	9,659.05	9,650.57	9,362.72
1 Papua New Guinean Kina	4,270.90	4,219.51	4,243.86
1 United Arab Emirates Dirham	3,914.90	3,693.95	3,667.98
1 Swedish Krone	1,605.04	1,650.05	1,482.52
1 Norwegian Krone	1,653.52	1,649.87	1,560.42
1 Indian Rupee	206.12	212.49	198.40
1 Philippine Peso	273.85	272.13	271.63
1 Pakistani Rupee	1.99	1.99	1.99
1 Taiwanese Dollar	471.51	457.19	416.86
1 Vietnamese Dong	0.62	0.60	0.59

aj. Translation of the financial statements of Overseas Branch and Representative Offices

BRI has 1 (one) Subsidiary in Hong Kong, 3 (three) branch offices in Cayman Islands, Singapore and Timor Leste and 2 (two) representative offices in New York and Hong Kong which are considered as separate foreign entities.

For consolidated financial statements purposes, all accounts of subsidiary, overseas branch and representative offices are translated into Rupiah with the following exchange rates:

- Assets and liabilities, as well as commitments and contingencies - use Reuters spot rates at 4.00 p.m. WIB on the statement of financial position date.
- Income, expenses, gains and losses - use the average middle rate prevailing in the related month. The year-end balances is the sum of the monthly balances of income, expenses, gains and losses during the year.
- Equity - Capital Stock and Additional Paid-in Capital use historical rates.
- Statement of cash flows - using the Reuters spot rates at 4.00 p.m. WIB on the statement of financial position date, except for the profit and loss accounts which use middle rates and equity accounts which use historical rates.

The difference arising from the translation process of the financial statements are presented in equity as "Differences Arising from The Translation of Foreign Currency Financial Statements".

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Derivatives Instruments

Derivatives financial instruments are assessed and recognized in the consolidated statement of financial position at fair value. Each derivatives contract is recorded as asset when the fair value is positive and as liability when the fair value is negative.

Derivatives receivable and payable are classified as financial assets and liabilities measured at fair value through profit or loss.

Gains or losses resulting from fair value changes are recognized in the consolidated statement of profit or loss and other comprehensive income.

The fair value of derivatives instruments are determined based on discounted cash flows and pricing models or quoted prices from the brokers of other instruments with similar characteristics, which refers to SFAS No. 68: "Fair Value Measurement" (Note 2c).

al. Taxation

Current tax expense is determined based on the estimated taxable income for the current year. Deferred tax assets and liabilities are recognized for temporary differences between the commercial and the fiscal reporting of assets and liabilities at each reporting date.

Deferred tax assets are recognized for all deductible temporary differences and uncompensated tax loss balance to the extent that it is probable for the temporary differences and uncompensated tax loss balance to be utilized to deduct the future taxable profit.

The carrying value of deferred tax assets is reviewed at each financial position date and is reduced if there is no longer probable that sufficient taxable profits will be available to compensate part or all of the benefit of the deferred tax assets.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply on the year when the asset is realized or the liability is settled based on the tax regulations that have been enacted or substantively enacted at the statement of financial position date. The tax effect related to the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are recognized as "Income Tax Benefit (Expense), Deferred" and included in the net income or loss for the year, except for transactions previously charged or credited directly to equity.

Amendments to tax obligations are recorded when the tax assessment is received or, if an appeal is submitted, when the decision on the appeal is determined.

For each of the consolidated entity, the tax effects on temporary differences and accumulated tax loss, which can be either asset or liability, are presented in the net amounts for each of the entity.

Assets and liabilities on deferred tax and current tax can be offset if there is a legal enforceable right to offset.

am. Segment information

A segment is a distinguishable component of the Business Group engaged either in providing certain products (operational segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

am. Segment information (continued)

The segment income, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on an appropriate basis to that segment. The segment items are determined before intercompany balances and transactions are eliminated as part of consolidation process.

BRI and subsidiaries present operational segments based on the internal consolidated report that is presented to the Board of Directors as the operational decision maker.

BRI has identified and disclosed financial information based on main business (operational segments) classified into micro, retail, corporate and others as well as subsidiaries, and based on geographical segments.

The geographical segment includes provision of products or services within a particular economic environment with different risks and returns compared to other operating segments in other economic environments. BRI's geographical segments are Indonesia, United States of America, Hong Kong, Singapore and Timor Leste.

an. Use of significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements for BRI and subsidiaries requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in material adjustments to the carrying amounts of the assets and liabilities in the subsequent reporting periods.

Judgments

The following judgments are made by management in applying BRI and subsidiaries' accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements for BRI and subsidiaries, as follows:

Going concern

BRI's management has assessed the ability of BRI and subsidiaries to continue as going concerns and believes that BRI and subsidiaries have the resources to continue their businesses in the future. Furthermore, BRI's management is not aware of any material uncertainties that may cast significant doubt to the ability of BRI and subsidiaries to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

Classification of financial assets and liabilities

BRI and subsidiaries' management determines the classifications of certain assets and liabilities as financial assets and financial liabilities by considering if they meet the definition set forth in SFAS No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are recognized in accordance with BRI and subsidiaries' accounting policies disclosed in Note 2c.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the consolidated financial statements are classified within fair value hierarchy, based on the lowest level of input that is significant to the overall fair value measurement:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2: inputs other than quoted prices included in level 1 for the assets and liabilities, which is directly or indirectly observable.
- Level 3: unobservable inputs for the assets and liabilities.

Held-to-maturity investment

Securities under held-to-maturity classification requires significant judgment. In making this judgment, BRI and subsidiaries evaluate their intention and ability to hold the investments to maturity. If BRI and subsidiaries fail to hold these investments to maturity other than in certain circumstances, for example, selling an insignificant amount close to maturity, BRI and subsidiaries will be required to reclassify the entire portfolio as available-for-sale securities. The available-for-sale securities would be measured at fair value and not at amortized cost.

Contingencies

The management of BRI and subsidiaries are currently involved in legal proceedings. The estimates of the probable cost for the settlement of claims have been developed through consultation with the aid of the legal consultant of BRI and subsidiaries and are based on the analysis of potential results. BRI and subsidiaries' management does not believe that the outcome of this matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or effectiveness of the strategies related to these proceedings.

Estimates and Assumptions

The key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities for the subsequent year disclosed below. BRI and subsidiaries based its assumptions and estimates used on the parameters available when the consolidated financial statements were prepared.

Assumptions and circumstances regarding future developments may change due to market changes or circumstances arising beyond the control of BRI and subsidiaries. These changes are reflected in the assumptions used when they occur.

Allowance for impairment losses on loans, sharia receivables and financing and finance lease receivables

The management of BRI and subsidiaries review its loans, sharia receivables and financing and finance lease receivables portfolio to assess impairment on an annual basis by updating the allowance for impairment losses formed during the required period based on the continuing analysis and monitoring of individual accounts by the loan officers.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Allowance for impairment losses on loans, sharia receivables and financing, and finance lease receivables (continued)

In determining whether impairment loss should be formed in the consolidated statement of profit or loss and other comprehensive income, BRI and subsidiaries assess for any observable data indicating the existence of measurable decrease in the estimated future cash flows from loan portfolio before the decrease could be individually identified in the portfolio.

This evidence may include observable data indicating that there has been adverse change in the payment status of the borrower group, or national or local economic conditions that correlate with the default on assets in the group. BRI and subsidiaries use estimates in determining the amount and timing of future cash flows when determining the level of allowance for impairment losses required. These estimates are based on assumptions of several factors and actual results may differ, resulting in changes in the amount of allowance for impairment losses in the future.

Impairment of securities

The management of BRI determines that securities are impaired based on the same criteria as the financial assets recorded at amortized cost.

Useful lives of premises and equipments

The management of BRI estimates the useful lives of premises and equipments based on the period in which the assets are expected to be available for use. The estimated useful lives of premises and equipments are reviewed periodically and updated if it has different expectations from previous estimates due to physical and technical damage or commercial or legal obsolescence or other limitations on the use of these assets. In addition, the estimation of useful lives of premises and equipments is based on the collective assessment using industry practice, internal technical evaluation and experience with the similar assets. It is possible, however, that future results could be materially affected by changes in estimates caused by changes in the aforementioned factors. The amounts and timing of recording expenses for each period will be affected by changes of those factors and circumstances at the time of recording. Reduction in the estimated useful lives of premises and equipments would increase the operating expenses.

Impairment of non-financial assets

BRI and subsidiaries evaluates impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of non-financial asset may not be recoverable. The factors that considered important which may lead to impairment assessment are as follow:

- a) Significant underperformance against historical expectation or projection of operating results in the future;
- b) Significant changes in the assets' manner of use or the overall business strategy; and
- c) Significant negative industry or economic trends.

The management of BRI and subsidiaries recognizes an impairment loss if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher amount between the fair value less the costs of disposal and the use of asset value (or cash-generating unit). The recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that the taxable income will be available to be compensated against the losses that can be used. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, in accordance with the timing and amount of future taxable income in line with tax planning strategies.

BRI reviews its deferred tax assets at each statement of financial position date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable income will be available to compensate part or all of the deferred tax assets.

Present value of employee benefits

The cost of defined pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves the use of assumptions regarding discount rates, expected rates of return on assets, future salary increases, mortality rates and disability rates. Due to the long-term nature of these plans, then the estimates are subject to significant uncertainty.

Estimated claim liability

Estimated claims liability is liability set aside to provide the incurred and still in the settlement process claims liability arising from insurance policies in force. BRI's management judgment is required to determine the recognizable amount of estimated claims liability.

Liabilities for future policy benefits

BRI records long-term insurance contract liabilities using the present value method of estimated payment for all agreed benefits including all the available options plus the present value of all estimated expenses that will be incurred and considering the future receipt of premium. The main assumption underlying this method is the past claim experience and discount rate.

ao. Allowance for impairment losses on non-earning assets and commitments and contingencies

In accordance with Letter of Bank Indonesia (BI) No. 13/658/DPNP/IDPnP dated December 23, 2011, BRI and BRI Agro are no longer required to provide allowance for impairment losses on non-earning assets and administrative accounts transactions (commitments and contingencies), but the management of BRI is required to continue calculating the allowance for impairment losses in accordance with the applicable accounting standards.

For non-earning assets, the management of BRI and BRI Agro determine the impairment losses at the lower amount between the carrying amount and the fair value after deducting the cost of disposal.

For commitments and contingencies with credit risk, BRI and BRI Agro determine the allowance for impairment losses based on the difference between the carrying amount and the present value of the payment obligations that are expected to occur (when payment for the guarantee becomes probable).

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ap. Changes in accounting policies and disclosures

BRI and its subsidiaries have applied the following accounting standards starting January 1, 2018, which are considered relevant to the consolidated financial statements, specifically:

- a. SFAS No. 2 (2016 Amendment), "Disclosure Initiative on Statement of Cash Flow", requires the entity to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and as well as non-cash changes.
- b. SFAS No. 46 (2016 Amendment), "Recognition of Deferred Tax Assets for Unrealized Losses on Income Tax", clarifies:
 - the temporary difference may be deducted when the carrying amount of the debt instrument assets measured at fair value and the fair value is less than its tax base, regardless of whether the entity estimates to recover the carrying amount of the debt instrument through sale or use,
 - to determine whether the taxable profit will be available so that the deductible temporary differences can be utilized, then the valuation of the deductible temporary differences shall be made in accordance with the tax regulations,
 - tax deductions arising from the reversal of deferred tax assets are excluded from future estimated taxable income. Then the entity compares the deductible temporary differences with the estimated future taxable income that does not include the tax deductions resulting from the reversal of the deferred tax asset,
 - some of the entity's assets exceed the carrying amount if there is sufficient evidence that it is probable that the entity will achieve it.
- c. SFAS No. 15 (2017 Adjustment), "Investments in Associates and Joint Ventures", at initial recognition, the entity may choose to measure its investee at fair value on an investment-by-investment basis.
- d. SFAS No. 67 (2017 Adjustment), "Disclosure of Interests in Other Entities", disclosure requirements in SFAS No. 67, other than those described in paragraphs PP 10 - PP 16, are also applied to any interest in an entity classified in accordance with SFAS No. 58 "Non-current Assets Held for Trading and Discontinued Operations".
- e. SFAS No. 13 (2017 Amendment), "Investment Property", amends paragraph 57 to reflect the principle that the usage change includes the assessment on whether the property meets, or stops meeting, the definition of investment property and the supporting evidence that the change of utility has occurred. Moreover, the amendment of SFAS No. 13 regarding the Diversion of Investment Property also recharacterized the list of conditions in paragraph 57(a)-(d) as an incomprehensive list of examples.
- f. SFAS No. 53 (2017 Amendment), "Share-Based Payment, Classification and Measurement of Share-Based Payment Transactions", aims to clarify the accounting treatment regarding the classification and measurement of share-based payment transactions.
- g. SFAS No. 111, "Accounting for *Wa'd*", regulates the entity that give or receive *wa'd* not recognizing assets and liabilities that may happen from *wa'd* when the contract occurs. The SFAS No. 111 is complemented with examples of *wa'd* application on sharia hedging and repo transactions.

The application of the above SFAS does not result in significant changes to financial reporting and disclosures in the consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

3. CASH

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Rupiah</u>		26,155,113		23,780,462		24,499,705
<u>Foreign Currencies</u>						
United States Dollar	34,541,940	496,713	24,518,731	332,658	25,130,556	338,571
Saudi Arabian Riyal	82,420,172	315,958	44,538,523	161,128	27,860,774	100,072
Singaporean Dollar	17,361,429	183,248	12,426,367	126,185	8,179,992	76,171
Australian Dollar	9,900,880	100,616	9,523,110	100,890	4,901,050	47,653
European Euro	3,460,220	56,888	5,057,112	82,108	3,703,923	52,506
Renminbi	14,311,263	29,919	8,298,458	17,291	7,706,154	14,944
Malaysian Ringgit	4,810,352	16,725	21,343,230	71,544	5,869,535	17,628
Japanese Yen	126,504,293	16,524	107,417,978	12,945	113,550,640	13,066
United Arab Emirates Dirham	2,735,641	10,694	2,264,530	8,365	1,805,500	6,623
Papua New Guinean Kina	2,424,145	10,353	20,351,860	85,875	6,273,700	26,625
Great Britain Pound Sterling	312,286	5,718	279,611	5,124	324,900	5,379
New Zealand Dollar	585,883	5,659	143,509	1,385	109,491	1,025
Bruneian Dollar	436,918	4,567	196,065	1,977	237,922	2,215
Swiss Franc	242,859	3,545	165,269	2,297	130,200	1,720
Hong Kong Dollar	1,665,711	3,059	2,558,587	4,442	2,981,757	5,180
Thailand Baht	4,042,015	1,793	3,624,785	1,509	5,394,605	2,029
Canadian Dollar	160,735	1,698	140,265	1,518	72,670	726
Philippine Peso	5,247,730	1,437	-	-	-	-
Taiwanese Dollar	1,572,870	742	-	-	-	-
South Korean Won	31,093,164	402	25,910,970	330	34,316,799	384
Vietnamese Dong	361,623,064	224	-	-	-	-
Indian Rupee	146,077	30	19,307	4	19,307	4
		1,266,512		1,017,575		712,521
Total		27,421,625		24,798,037		25,212,226

As of December 31, 2018, 2017 and 2016, cash balance includes cash in ATMs (Automated Teller Machines) amounted to Rp7,701,794, Rp8,572,694 and Rp9,148,888, respectively, and USD960,269 (full amount), USD187,828 (full amount) and USDNil, respectively.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
Rupiah		57,318,490		47,081,113		44,066,637
United States Dollar	962,513,784	13,840,952	816,242,160	11,074,366	858,735,147	11,569,309
Total		71,159,442		58,155,479		55,635,946

As of December 31, 2018, 2017 and 2016, current accounts with Bank Indonesia based on Sharia banking principles amounted to Rp1,498,333, Rp1,797,626 and Rp1,201,177, respectively.

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

As of December 31, 2018, 2017 and 2016, the GWM ratios of BRI (Parent Entity) (unaudited) are as follows:

	December 31,		
	2018	2017	2016
GWM - Rupiah	7.16%	6.52%	6.94%
GWM - Foreign Currency	8.01	8.15	8.03
Secondary GWM - Rupiah	-	15.09	9.96
PLM	10.31	-	-

The calculation of GWM ratios as of December 31, 2018 is based on Bank Indonesia Regulation (PBI) No. 20/3/PBI/2018 dated March 29, 2018, regarding "GWM in Rupiah and Foreign Currency for Conventional Commercial Bank, Sharia Commercial Bank and Sharia Business Units" applicable since July 16, 2018, whereas the calculation of Macroprudential Liquidity Buffer ratio (Penyanga Likuiditas Makroprudensial or PLM) is calculated based on PBI No. 20/4/PBI/2018 dated March 29, 2018, regarding "Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Bank, Sharia Commercial Bank and Sharia Business Units", which regulates the changes in the terms from secondary GWM to PLM and from GWM Loan to Funding (LFR) to Macroprudential Intermediation Ratio (Rasio Intermediasi Makroprudensial or RIM).

The calculation of GWM ratios as of December 31, 2017 is based on PBI No. 19/6/PBI/2017 dated April 17, 2017, regarding "Fifth Amendment to Bank Indonesia Regulation No. 15/15/PBI/2013 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Commercial Bank".

The calculation of GWM ratios as of December 31, 2016 is based on PBI No. 18/3/PBI/2016 dated March 10, 2016, regarding "Third Amendment to Bank Indonesia Regulation No. 15/15/PBI/2013 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Commercial Bank".

As of December 31, 2018, 2017 and 2016 based on Bank Indonesia regulation mentioned above, BRI is required to maintain minimum GWM of 6.5% in Rupiah, of 8% in foreign currencies, and secondary GWM and PLM of 4% in Rupiah.

As of December 31, 2018, 2017 and 2016, BRI must also maintain its RIM and GWM LFR, if the RIM and GWM LFR of BRI is less than the Bank Indonesia (BI) lower limit of 80% or exceeds the BI upper limit of 92% and BRI's Capital Adequacy Ratio (CAR) is lower than BI CAR incentives of 14%.

BRI has complied with Bank Indonesia regulation regarding the Minimum Legal Reserve Requirement as of December 31, 2018, 2017 and 2016.

5. CURRENT ACCOUNTS WITH OTHER BANKS

a) By Currency:

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>		154,669		172,765		235,413

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

a) By Currency (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties (continued)</u>						
<u>Foreign currencies</u>						
United States Dollar	674,135,360	9,694,067	241,576,730	3,277,592	442,035,654	5,955,324
European Euro	45,049,368	740,641	30,492,030	495,075	216,459,901	3,068,485
Renminbi	348,797,098	729,185	368,054,977	766,894	289,301,367	561,010
Japanese Yen	3,005,682,949	392,602	2,640,107,545	318,173	1,850,099,200	212,882
Singaporean Dollar	28,114,685	296,748	32,967,208	334,767	44,289,848	412,424
Australian Dollar	25,707,794	261,252	5,448,385	57,721	14,336,181	139,392
Swiss Franc	8,192,718	119,575	3,707,809	51,543	2,559,185	33,804
Hong Kong Dollar	39,110,165	71,817	186,764,137	324,261	91,641,803	159,213
Great Britain Pound Sterling	4,135,264	75,723	3,124,408	57,257	9,564,477	158,340
Saudi Arabian Riyal	3,737,692	14,328	33,258,310	120,319	13,268,872	47,660
United Arab Emirates Dirham	2,642,819	10,346	3,057,362	11,294	26,818,881	98,371
Canadian Dollar	827,592	8,740	527,067	5,704	1,152,637	11,511
New Zealand Dollar	850,227	8,212	1,624,150	15,674	1,349,992	12,640
Norwegian Krone	2,493,816	4,124	3,170,148	5,230	4,765,927	7,437
Swedish Krone	1,038,835	1,667	439,543	725	2,249,280	3,335
Malaysian Ringgit	250,179	870	-	-	-	-
Thailand Baht	838,250	372	-	-	-	-
		12,430,269		5,842,229		10,881,828
		12,584,938		6,014,994		11,117,241
<u>Related parties (Note 44)</u>						
<u>Rupiah</u>		68,348		100,720		149,390
<u>Foreign currencies</u>						
Hong Kong Dollar	8,754,394	16,075	5,669,667	9,844	5,273,792	9,162
United States Dollar	555,894	7,994	512,577	6,954	371,230	5,002
		24,069		16,798		14,164
		92,417		117,518		163,554
		12,677,355		6,132,512		11,280,795

b) By Bank:

	December 31,		
	2018	2017 ¹⁾	2016 ¹⁾
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank CIMB Niaga Tbk	71,142	85,742	102,839
PT Bank Central Asia Tbk	54,561	57,458	43,033
BPR Warga Dani Bringin Dana Sejahtera	6,747	6,587	6,431
PT Bank Permata Tbk	6,712	4,019	4,868
PT Bank Danamon Indonesia Tbk	5,426	7,442	9,560
Others	10,081	11,517	68,682
	154,669	172,765	235,413

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b) By Bank (continued):

	December 31,		
	2018	2017 ¹⁾	2016 ¹⁾
<u>Third parties (continued)</u>			
<u>Foreign currencies</u>			
JP Morgan Chase Bank, N.A.	6,693,664	1,647,615	5,344,626
Citibank, N.A.	1,350,672	176,120	31,620
Standard Chartered Bank	841,259	785,300	863,323
Bank of China, Ltd.	714,754	705,571	490,368
Bank of America, N.A.	572,241	243,081	446,363
Others	2,257,679	2,284,542	3,705,528
	12,430,269	5,842,229	10,881,828
	12,584,938	6,014,994	11,117,241
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Bank Mandiri (Persero) Tbk	55,425	89,673	142,311
PT Bank Negara Indonesia (Persero) Tbk	9,067	6,953	6,926
PT Bank Tabungan Negara (Persero) Tbk	3,809	3,982	5
PT Bank Syariah Mandiri	44	33	74
PT Bank BNI Syariah	3	79	74
	68,348	100,720	149,390
<u>Foreign currencies</u>			
PT Bank Negara Indonesia (Persero) Tbk	17,224	10,476	9,627
PT Bank Mandiri (Persero) Tbk	6,845	6,322	4,537
	24,069	16,798	14,164
	92,417	117,518	163,554
Total	12,677,355	6,132,512	11,280,795

c) By Collectibility:

All current accounts with other banks as of December 31, 2018, 2017 and 2016 are classified as "Current".

d) Average annual interest rate:

	December 31,		
	2018	2017	2016
Rupiah	0.18%	0.37%	0.27%
Foreign currencies	1.52	0.35	0.26

e) BRI assessed allowance for impairment losses on current accounts with other banks individually based on whether objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2018, 2017 and 2016, because management believes that current accounts with other banks are fully collectible.

As of December 31, 2018, 2017 and 2016, there are no current accounts with other banks which are used as collateral.

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a) By Currency and Type:

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>						
Bank Indonesia						
Term Deposit		42,987,847		12,997,000		5,997,961
Deposit Facility		4,398,775		11,087,984		52,359,589
Sharia Deposit Facility		3,132,000		1,968,000		963,000
		<u>50,518,622</u>		<u>26,052,984</u>		<u>59,320,550</u>
Inter-bank call money						
PT Bank Mega Tbk		500,000		100,000		-
PT BPD Jawa Barat dan Banten Tbk		439,000		110,000		245,000
PT Bank DKI		350,000		-		-
PT Bank Riau Kepri		250,000		150,000		25,000
Citibank, N.A.		200,000		-		-
PT Bank Aceh Syariah		200,000		200,000		200,000
PT Bank Danamon Indonesia Tbk		200,000		400,000		70,000
PT Bank HSBC Indonesia		200,000		-		-
PT Bank OCB NISP Tbk		200,000		300,000		80,000
PT Bank Sumitomo Mitsui Indonesia		200,000		180,000		250,000
PT BPD Sumatera Selatan		150,000		-		-
PT BPD Kalimantan Timur dan Kalimantan Utara		130,000		85,000		-
PT Bank Maybank Indonesia Tbk		125,000		-		20,000
PT Bank Nasionalnoba Tbk		100,000		-		-
PT BPD Jawa Tengah		100,000		20,000		50,000
PT BPD Sulawesi Tengah		100,000		50,000		50,000
PT Bank KEB Hana Indonesia		80,000		30,000		-
PT Bank Victoria International Tbk		80,000		-		30,000
The Bank of Tokyo-Mitsubishi UFJ Ltd.		70,000		-		-
PT Bank Woori Saudara Indonesia Tbk		60,000		-		-
PT BPD Maluku dan Maluku Utara		50,000		-		50,000
PT Trimegah Sekuritas Indonesia Tbk		50,000		-		-
PT BPD Sulawesi Tenggara		47,000		75,000		-
PT Bank Yudha Bhakti Tbk		40,000		-		-
PT Bank CIMB Niaga Tbk		20,000		50,000		70,000
PT Bank Sinarmas Tbk		20,000		-		80,000

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>(continued)</u>						
<u>Rupiah (continued)</u>						
Inter-bank call money						
(continued)						
PT Bank Pan						
Indonesia Tbk	-		300,000		60,000	
PT BPD Jambi	-		100,000		50,000	
PT BPD Jawa						
Timur Tbk	-		100,000		50,000	
PT Bank ANZ						
Indonesia	-		100,000		-	
PT Bank ICBC						
Indonesia	-		100,000		-	
J.P. Morgan						
Chase Bank						
N.A.	-		100,000		100,000	
PT Bank						
Tabungan						
Pensiunan						
Nasional Tbk	-		75,000		-	
PT Bank CTBC						
Indonesia	-		50,000		-	
Standard						
Chartered						
Bank						
Indonesia	-		-		200,000	
PT Bank						
Bukopin Tbk	-		-		80,000	
PT Bank Panin						
Dubai Syariah Tbk	-		-		70,000	
PT BPD						
Lampung	-		-		50,000	
PT Bank DBS						
Indonesia	-		-		20,000	
PT Bank Victoria						
Syariah	-		-		20,000	
PT Bank						
Kesejahteraan						
Ekonomi	-		-		20,000	
		3,961,000		2,675,000		1,940,000
<u>Time Deposits</u>						
PT BPD Sumatera						
Selatan	45,000		-		-	
PT Bank Pan						
Indonesia Tbk	45,000		-		-	
PT Bank						
OCBC NISP Tbk	45,000		-		-	
PT Bank CIMB						
Niaga Tbk	45,000		-		-	
PT BPD Sulselbar	41,000		-		-	
PT BPD						
Sumatera Utara	36,000		-		-	
PT Bank DKI	36,000		-		-	
PT BPD Jambi	27,000		-		-	
PT BPD Sulutgo	20,000		-		-	
PT Bank Permata Tbk	9,650		-		-	
PT Bank Capital						
Indonesia Tbk	5,000		-		-	
PT Bank						
Sahabat						
Sampoerna	2,000		2,000		2,000	
PT Bank						
Bukopin Tbk	750		9,250		3,300	
PT Bank						
Artha Graha						
Internasional Tbk	330		-		-	
PT Bank Danamon						
Syariah	150		-		-	

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>(continued)</u>						
<u>Rupiah (continued)</u>						
Time Deposits						
(continued)						
PT Bank						
Ganesha Tbk	-		4,800		-	
PT Bank						
Muamalat	-		4,800		-	
Indonesia Tbk						
PT Bank						
Danamon	-		2,200		-	
Indonesia Tbk						
PT Bank						
Mayapada	-		1,700		-	
Internasional						
Tbk						
PT BPD Jawa	-		1,300		-	
Barat dan						
Banten Tbk						
PT Bank						
Artha Graha	-		825		1,850	
Internasional						
Tbk						
PT Bank Riau	-		300		-	
Kepri						
PT Bank	-		250		1,000	
Bukopin Tbk						
PT Bank HSBC	-		200		-	
Indonesia						
		357,880		27,625		8,150
Deposits on call						
PT BPD Jawa						
Barat dan		50,000	-			50,000
Banten Tbk						
PT Bank						
Maybank	-		50,000		-	
Indonesia Tbk						
PT Bank MNC	-		-		40,000	
Internasional						
PT Bank	-		-		230	
Bukopin Tbk						
		50,000		50,000		90,230
Other Placements						
(Banker's						
Acceptance)						
PT Bank						
Sumitomo	-		400,000		-	
Mitsui						
Indonesia						
PT Bank	-		-		130,000	
KEB Hana						
Indonesia						
		-		400,000		130,000
		54,887,502		29,205,609		61,488,930

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u> <u>(continued)</u> <u>United States Dollar</u>						
Bank Indonesia						
Term Deposit	1,239,449,071	17,823,278	1,399,887,185	18,992,969	999,961,670	13,471,984
 Inter-bank call money						
Wells Fargo						
Bank, N.A.	400,700,000	5,762,066	261,100,000	3,542,474	70,300,000	947,117
Citibank, N.A.	184,320,000	2,650,521	27,530,000	373,513	29,940,000	403,367
Federal Reserve						
Bank	104,507,840	1,502,823	101,662,902	1,379,311	62,352,096	840,039
The Bank of New York Mellon Corporation	34,200,000	491,796	52,900,000	717,721	33,700,000	454,023
The Bank of Tokyo-Mitsubishi UFJ Ltd.	17,000,000	244,460		-		-
The Hongkong and Shanghai Banking Corporation Limited	11,792,260	169,573		-		-
PT Bank ICBC Indonesia	10,017,618	144,053		-		-
PT Bank Commonwealth	7,000,000	100,660		-		-
PT Bank CTBC Indonesia	5,000,000	71,900		-		-
PT BPD Kalimantan Timur dan Kalimantan Utara	4,000,000	57,520		-		-
PT Bank Pan Indonesia Tbk	3,000,000	43,140		-		-
ING Bank N.V.	2,530,000	36,381		-		-
PT Bank BNP Paribas Indonesia	911,420	13,106		-	1,310,193	17,651
JP Morgan Chase Bank, N.A.	660,000	9,491		-		-
TD Bank, N.A.	29,799	429	119,787	1,625	627,068	8,448
		11,297,919		6,014,644		2,670,645
 Time Deposits						
U.S. Bank	35,802,938	514,846	9,776,443	132,643	228,828	3,083
TD Bank, N.A.	56,040	806	260,475	3,534	511,630	6,893
		515,652		136,177		9,976
 Other placements (Banker's Acceptance)						
PT Bank Maybank Indonesia Tbk	10,000,000	143,800	25,000,000	339,188		-
PT Bank Mega Tbk		-	10,000,000	135,675	9,996,546	134,678
		143,800		474,863		134,678
		29,780,649		25,618,653		16,287,283
		84,668,151		54,824,262		77,776,213

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Related parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>						
Inter-bank call-money						
Lembaga						
Pembiayaan						
Ekspor						
Indonesia		1,200,000		-		200,000
PT BNI						
Multifinance		100,000		-		-
PT Mandiri						
Utama Finance		200,000		-		-
PT Sarana						
Multigriya						
Finansial		100,000		-		-
PT Bank Mandiri						
(Persero) Tbk	-		-			40,000
PT Bank						
Negara						
Indonesia						
(Persero) Tbk	-		-			200,000
		1,600,000		-		440,000
Deposits on call						
PT Bank Mandiri						
(Persero) Tbk	-		-			13,000
Time deposits						
PT Bank Mandiri						
Syariah		36,000		-		-
PT BTN Syariah		30,200		8,550		4,000
PT Bank						
Tabungan						
Negara						
(Persero) Tbk		29,500		7,200		8,220
PT Bank Mandiri						
(Persero) Tbk		3,100		43,400		5,400
PT Bank BNI						
Syariah		2,000		2,000		2,000
PT Bank						
Negara						
Indonesia						
(Persero) Tbk		2,000		-		-
		102,800		61,150		19,620
		1,702,800		61,150		472,620
<u>United States</u>						
<u>Dollar</u>						
Inter-bank call-money						
PT Bank Mandiri						
(Persero) Tbk	45,000,000	647,100	-			-
Other placements						
(Banker's						
Acceptance)						
Lembaga						
Pembiayaan						
Ekspor						
Indonesia	-		10,000,000	135,675		-
PT Bank Negara						
Indonesia	-		10,000,000	135,675		-
(Persero) Tbk						
		647,100		271,350		-
		2,349,900		332,500		472,620
Total		87,018,051		55,156,762		78,248,833

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

b) By Time Period:

The classifications of placements based on their remaining period to maturity are as follows:

	December 31,		
	2018	2017 ¹⁾	2016 ¹⁾
<u>Third parties</u>			
<u>Rupiah</u>			
≤ 1 month	54,865,502	28,575,609	61,358,930
> 1 month - 3 months	22,000	630,000	130,000
	54,887,502	29,205,609	61,488,930
<u>Foreign currencies</u>			
≤ 1 month	28,205,442	25,008,603	16,287,283
> 1 month - 3 months	1,575,207	270,863	-
> 3 months - 1 year	-	339,187	-
	29,780,649	25,618,653	16,287,283
	84,668,151	54,824,262	77,776,213
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
≤ 1 month	1,365,600	61,150	472,620
> 1 month - 3 months	115,000	-	-
> 3 months - 1 year	222,200	-	-
	1,702,800	61,150	472,620
<u>United States Dollar</u>			
≤ 1 month	647,100	-	-
> 1 month - 3 months	-	271,350	-
	647,100	271,350	-
	2,349,900	332,500	472,620
Total	87,018,051	55,156,762	78,248,833

c) By Collectibility:

All placements with Bank Indonesia and other banks were classified as "Current" as of December 31, 2018, 2017 and 2016.

d) The average interest rates:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
Placements with Bank Indonesia	5.58%	3.83%	4.35%
Placements with other banks	7.75	5.13	6.56
<u>Foreign Currencies</u>			
Placements with Bank Indonesia	2.50%	0.69%	0.44%
Placements with other banks	2.71	1.40	0.62

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

BRI assessed allowance for impairment losses on placements with Bank Indonesia and other banks individually based on whether objective evidence of impairment exists.

As of December 31, 2018, 2017 and 2016, there are no placements with Bank Indonesia and other banks which are impaired or restricted.

Management believes that no allowance for impairment losses is necessary as of December 31, 2018, 2017 and 2016, because management believes that placements with Bank Indonesia and other banks are fully collectible.

7. SECURITIES

a) By Purpose, Currency and Type:

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Fair value through Profit or loss						
Third parties						
Rupiah						
Mutual funds		1,228,656		812,205		273,602
Bank Indonesia						
Certificates		569,017		-		-
Bank Indonesia						
Deposit						
Certificates		99,272		385,040		-
Subordinated bonds		55,957		50,976		45,880
Bonds		26,213		35,833		54,416
Others		125,672		134,493		111,525
		2,104,787		1,418,547		485,423
United States Dollar						
Mutual funds	538,620	7,745	542,921	7,366		-
Related parties (Note 44)						
Rupiah						
Government bonds		1,453,780		169,425		85,722
Bonds		102,556		35,545		10,329
Mutual funds		14,699		21,264		19,786
Others		77,980		82,796		72,988
		1,649,015		309,030		188,825
United States Dollar						
Government bonds	49,313	709	1,989,302	26,990		-
Mutual funds		-	154,753	2,100	147,263	1,984
		709		29,090		1,984
		3,762,256		1,764,033		676,232
Available-for-sale						
Third parties						
Rupiah						
Bank Indonesia						
Certificates		12,020,153		-		8,895,833
Bank Indonesia						
Deposit						
Certificates		3,557,671		35,482,251		6,023,957
Bonds		3,369,218		2,994,315		2,141,239
Mutual funds		1,669,202		1,086,590		552,481
Negotiable						
Certificates of Deposit		1,007,337		686,354		-

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Available-for-sale (continued)						
Third parties (continued)						
Rupiah (continued)						
Subordinated bonds		723,860		796,981		812,649
Medium-Term Notes		14,163		-		40,000
Others		132,255		121,918		104,186
		<u>22,493,859</u>		<u>41,168,409</u>		<u>18,570,345</u>
United States Dollar						
Bank Indonesia Certificates	99,760,983	1,434,563	445,640,048	6,046,221	276,240,564	3,721,651
Bonds	24,482,413	352,057	32,756,717	444,427	59,913,082	807,179
U.S. Treasury Bonds	18,728,295	269,313	17,316,502	234,941	25,822,008	347,887
		<u>2,055,933</u>		<u>6,725,589</u>		<u>4,876,717</u>
Singaporean Dollar						
Monetary Authority of Singapore (MAS) Bills	69,855,211	737,315	42,460,236	431,165	35,000,048	325,918
Singapore Government Securities (SIGB)	18,154,080	191,615	18,167,760	184,486	21,338,863	198,706
		<u>928,930</u>		<u>615,651</u>		<u>524,624</u>
Related parties (Note 44)						
Rupiah						
Government bonds		72,339,882		50,412,771		21,158,568
Bonds		6,603,043		6,078,903		2,408,561
Negotiable Certificates of Deposit		496,120		77,807		-
Medium-Term Notes		402,114		207,000		155,074
Mutual funds		151,369		418,278		373,303
Others		241,911		102,264		77,508
		<u>80,234,439</u>		<u>57,297,023</u>		<u>24,173,014</u>
United States Dollar						
Government bonds	1,566,688,576	22,528,982	1,739,665,407	23,602,910	1,441,010,726	19,414,017
Bonds	63,674,426	915,638	53,137,755	720,946	106,060,345	1,428,898
		<u>23,444,620</u>		<u>24,323,856</u>		<u>20,842,915</u>
European Euro						
Government bonds	48,235,752	793,027	50,205,906	815,155	37,108,474	526,041
		<u>129,950,808</u>		<u>130,945,683</u>		<u>69,513,656</u>
Held-to-maturity						
Third parties						
Rupiah						
Sharia Bank Indonesia Certificates (SBIS)		1,200,000		250,000		1,650,000
Bonds		754,432		1,182,953		1,444,330

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2018		December 31, 2017 ¹⁾		December 31, 2016 ¹⁾	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Held-to-maturity (continued)						
Third parties (continued)						
Rupiah (continued)						
Bank Indonesia						
Sukuk		100,000		-		-
Medium-Term Notes		100,000		150,000		150,000
Subordinated bonds		56,847		20,000		60,000
Bank Indonesia Deposit Certificates		21,671		597,476		-
Negotiable Certificates of Deposit		9,678		106,968		660,243
Bank Indonesia Certificates		-		-		2,009,192
		<u>2,242,628</u>		<u>2,307,397</u>		<u>5,973,765</u>
United States Dollar						
Promissory Notes		-		-	2,000,000	26,945
Others		430,421	37,463,410	508,285	43,108,406	580,778
		<u>430,421</u>		<u>508,285</u>		<u>607,723</u>
Related parties (Note 44)						
Rupiah						
Government bonds		30,275,259		30,170,232		32,185,729
Bonds		2,785,335		3,027,090		2,567,989
Negotiable Certificates of Deposit		190,975		155,453		808,282
Medium-Term Notes		-		-		99,710
		<u>33,251,569</u>		<u>33,352,775</u>		<u>35,661,710</u>
United States Dollar						
Government bonds	979,170,928	14,080,478	1,302,517,859	17,671,911	1,391,260,144	18,743,752
Bonds	25,724,245	369,915	14,344,879	194,624	54,871,034	739,250
		<u>14,450,393</u>		<u>17,866,535</u>		<u>19,483,002</u>
European Euro						
Government bonds	11,966,390	196,735	12,003,295	194,888	12,039,541	170,670
		<u>50,571,746</u>		<u>54,229,880</u>		<u>61,896,870</u>
Total		184,284,810		186,939,596		132,086,758
Less allowance for impairment losses		(758)		(758)		(758)
Net		<u>184,284,052</u>		<u>186,938,838</u>		<u>132,086,000</u>

b) By Collectibility:

As of December 31, 2018, 2017 and 2016, all securities are classified as "Current", except Bonds I Year 2003 issued by PT Great River International is classified as "Loss", which is held by BRI Life (subsidiary), that has already matured on October 13, 2008, amounting to Rp758.

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

b) By Collectibility (continued):

For that matter, BRI Life's management has formed allowance for impairment losses amounting to Rp758 as of December 31, 2018, 2017 and 2016.

c) By Remaining Period to Maturity:

The classifications of securities based on their remaining period to maturity are as follows:

	December 31,		
	2018	2017 ¹⁾	2016 ¹⁾
<u>Third parties</u>			
<u>Rupiah</u>			
≤ 1 month	25,069,700	43,057,941	19,441,393
> 1 month - 3 months	500,000	782,535	308,968
> 3 months - 1 year	760,778	437,140	4,168,321
> 1 year	510,796	616,737	1,110,851
	26,841,274	44,894,353	25,029,533
<u>Foreign currencies</u>			
≤ 1 month	3,133,047	7,507,182	5,401,340
> 1 month - 3 month	255,470	206,371	267,955
> 3 month - 1 year	34,512	143,338	339,769
	3,423,029	7,856,891	6,009,064
	30,264,303	52,751,244	31,038,597
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
≤ 1 month	81,389,780	57,984,198	25,395,119
> 1 month - 3 month	2,351,524	4,557,673	4,151,328
> 3 month - 1 year	7,062,989	2,091,387	3,685,462
> 1 year	24,330,730	26,325,570	26,791,640
	115,135,023	90,958,828	60,023,549
<u>Foreign currencies</u>			
≤ 1 month	24,180,301	26,127,056	21,362,145
> 1 month - 3 months	4,361,996	-	504,355
> 3 months - 1 year	159,264	3,161,410	996,873
> 1 year	10,183,923	13,941,058	18,161,239
	38,885,484	43,229,524	41,024,612
	154,020,507	134,188,352	101,048,161
Total	184,284,810	186,939,596	132,086,758
Less allowance for impairment losses	(758)	(758)	(758)
Net	184,284,052	186,938,838	132,086,000

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer:

d.1. Government Bonds

Government bonds represent bonds issued by the government of a country in connection with the management of Government debentures portfolio, such as Government Debentures (SUN), Government Treasury Bills (SPN) and Government bonds issued in foreign currencies which are obtained from the primary and secondary markets, including U.S. Treasury Bonds and Singapore Government Securities. The details of Government bonds are as follows:

	Fair Value/Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>			
<u>Rupiah</u>			
Sukuk Government Bonds	604,270	44,439	21,498
Republic of Indonesia Bonds	332,962	54,568	462
Government Treasury Bills	241,770	-	-
Fixed Rate Government Bonds	224,861	70,418	63,762
Sharia Government Treasury Bills	49,917	-	-
	1,453,780	169,425	85,722
<u>Foreign currencies</u>			
Republic of Indonesia Bonds	709	26,990	-
	709	26,990	-
	1,454,489	196,415	85,722
<u>Available-for-sale</u>			
<u>Rupiah</u>			
Fixed Rate Government Bonds	38,397,808	31,565,767	16,299,512
Sukuk Government Bonds	16,286,957	9,383,086	3,249,526
Government Treasury Bills	15,379,111	8,568,221	888,536
Sharia Government Treasury Bills	1,283,799	-	-
Republic of Indonesia Bonds	992,207	895,697	720,994
	72,339,882	50,412,771	21,158,568
<u>Foreign currencies</u>			
United States Dollar Fixed Rate			
Government Bonds	18,744,013	19,407,161	14,539,987
Sukuk Government Bonds	3,784,969	4,195,749	4,874,030
European Euro Government Bonds	793,027	815,155	526,041
U.S. Treasury Bonds	269,313	234,941	347,887
Singapore Government Securities (SIGB)	191,615	184,486	198,706
	23,782,937	24,837,492	20,486,651
	96,122,819	75,250,263	41,645,219
<u>Held-to-maturity</u>			
<u>Rupiah</u>			
Fixed Rate Government Bonds	17,901,317	15,772,583	14,005,826
Sukuk Government Bonds	11,746,682	12,676,512	14,933,145
Sharia Government Treasury Bills	626,126	-	-
Republic of Indonesia Bonds	1,134	133,719	918,949
Government Treasury Bills	-	1,587,418	2,327,809
	30,275,259	30,170,232	32,185,729

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

	Fair Value/Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Foreign currencies</u>			
Sukuk Government Bonds	8,706,260	11,524,572	11,579,660
United States Dollar Fixed Rate Government Bonds	5,374,218	6,147,339	7,164,092
European Euro Government Bonds	196,735	194,888	170,670
	14,277,213	17,866,799	18,914,422
	44,552,472	48,037,031	51,100,151
Total	142,129,780	123,483,709	92,831,092

Information regarding interest rates and maturity dates are as follows:

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>			
<u>Rupiah</u>			
Sukuk Government Bonds			
IFR0006	10.25	10.25	10.25
PBS005	6.75	6.75	6.75
PBS006	8.25	8.25	8.25
PBS011	8.75	8.75	8.75
PBS012	8.88	8.88	8.88
PBS013	6.25	6.25	6.25
PBS015	8.00	-	-
PBS016	6.25	-	-
SR008	8.30	8.30	8.30
SR009	6.90	6.90	-
SR010	5.90	-	-
Republic of Indonesia Bonds			
ORI012	-	9.00	-
ORI013	6.60	-	-
ORI014	5.85	5.85	-
ORI015	8.25	-	-
Government Treasury Bills	Various	-	-
Fixed Rate			
FR0053	8.25	-	-
FR0061	7.00	7.00	-
FR0064	6.13	6.13	6.13
FR0065	6.63	6.63	6.63
FR0068	8.38	-	-
FR0069	7.88	-	-
FR0072	8.25	-	-
FR0074	7.50	7.50	-
FR0075	7.50	7.50	-
FR0077	8.13	-	-
Sharia Government Treasury Bills	Various	-	-
<u>Foreign currencies</u>			
Republic of Indonesia Bonds			
RI0123	-	2.95	-
RI0827	4.35	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>			
<u>Rupiah</u>			
Fixed Rate			
FR0035	12.90	12.90	12.90
FR0052	10.50	10.50	10.50
FR0053	8.25	8.25	8.25
FR0059	7.00	7.00	7.00
FR0061	7.00	7.00	7.00
FR0063	5.63	5.63	5.63
FR0064	6.13	6.13	6.13
FR0065	6.63	6.63	6.63
FR0069	7.88	7.88	7.88
FR0074	7.50	7.50	7.50
Sukuk Government Bonds			
PBS004	6.10	6.10	6.10
PBS006	8.25	8.25	8.25
PBS011	8.75	8.75	8.75
PBS012	8.88	8.88	8.88
PBS013	6.25	6.25	6.25
PBS014	6.50	6.50	6.50
PBS016	6.25	-	-
PBS017	6.13	-	-
SR008	8.30	8.30	8.30
SR009	6.90	6.90	6.90
Government Treasury Bills	Various	Various	Various
Sharia Government Treasury Bills	Various	Various	Various
Republic of Indonesia Bonds			
ORI013	6.60	6.60	6.60
ORI014	5.85	5.85	5.85
<u>Foreign currencies</u>			
United States Dollar Fixed Rate			
RI0125	4.13	4.13	4.13
RI0126	4.75	4.75	4.75
RI0320	5.88	5.88	5.88
RI0319	11.63	11.63	11.63
RI0422	3.75	3.75	3.75
RI0423	3.38	3.38	3.38
RI0521	4.88	4.88	4.88
RI0822	-	3.70	3.70
RI1023	5.38	5.38	5.38
RI1320	5.88	5.88	5.88
Sukuk Government Bonds			
INDOIS 18	-	4.00	4.00
INDOIS 19	6.13	6.13	6.13
INDOIS 21	3.40	3.40	3.40
INDOIS 21A	3.40	3.40	3.40
INDOIS 22	3.40	3.40	3.40
INDOIS 22 SL	3.40	3.30	3.30
INDOIS 24	4.35	4.35	4.35
INDOIS 25	4.35	4.33	4.33
INDOIS 26	4.55	4.55	4.55
INDOIS 27 SL	4.15	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Foreign currencies (continued)</u>			
European Euro Government Bonds			
RIEUR0623	2.63	2.63	2.63
RIEUR0721	2.88	2.88	2.88
RIEUR0724	2.15	2.15	-
RIEUR0725	3.38	2.15	-
RIEUR0275	-	3.38	3.38
U.S. Treasury Bonds	Various	Various	Various
Singapore Government Securities			
SIGB 060126	2.13	2.13	2.13
<u>Held-to-maturity</u>			
<u>Rupiah</u>			
Fixed Rate			
FR0034	12.80	12.80	12.80
FR0039	11.75	11.75	11.75
FR0040	11.00	11.00	11.00
FR0042	10.25	10.25	10.25
FR0043	10.25	10.25	10.25
FR0044	10.00	10.00	10.00
FR0045	9.75	9.75	9.75
FR0046	9.50	9.50	9.50
FR0047	10.00	10.00	10.00
FR0038	-	11.60	11.60
Sukuk Government Bonds			
SR008	8.30	8.30	8.30
PBS004	6.10	6.10	6.10
PBS005	6.75	6.75	6.75
PBS006	8.25	8.25	8.25
PBS007	9.00	9.00	9.00
PBS011	8.75	8.75	8.75
PBS014	6.50	6.50	6.50
IFR0006	10.25	10.25	10.25
IFR0007	10.25	10.25	10.25
IFR0010	10.00	10.00	10.00
Sharia Government Treasury Bills	Various	Various	Various
Republic of Indonesia Bonds			
ORI013	6.60	6.60	6.60
ORI012	-	9.00	9.00
Sharia Government Treasury Bills	Various	Various	Various
<u>Foreign currencies</u>			
Sukuk Government Bonds			
INDOIS 19	6.13	6.13	6.13
INDOIS 19S	6.13	6.13	6.13
INDOIS 21	3.40	3.40	3.40
INDOIS 21A	3.40	3.40	3.40
INDOIS 22	3.40	3.40	3.40
INDOIS 24	4.35	4.35	4.35
INDOIS 25	4.33	4.33	4.33
INDOIS 26	4.55	4.55	4.55
INDOIS 18	-	4.00	4.00

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Foreign currencies (continued)</u>			
United States Dollar Fixed Rate			
RI0124	5.88	5.88	5.88
RI0125	4.12	4.12	4.12
RI0126	4.75	4.75	4.75
RI0237	6.63	6.63	6.63
RI0319	11.63	11.63	-
RI0320	5.88	5.88	5.88
RI0422	3.75	3.75	3.75
RI0521	4.88	4.88	4.88
RI1023	5.38	5.38	5.38
RI190304	11.63	11.63	11.63
USD0002	4.05	4.05	4.05
European Euro Government Bonds			
RIEUR0623	2.62	2.62	2.62
RIEUR0721	2.87	2.87	2.87
RIEUR0725	3.37	3.37	3.37
	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>			
<u>Rupiah</u>			
Sukuk Government Bonds			
IFR0006	March 15, 2030	March 15, 2030	March 15, 2030
PBS005	April 15, 2043	April 15, 2043	April 15, 2043
PBS006	September 15, 2020	September 15, 2020	September 15, 2020
PBS011	August 15, 2023	August 15, 2023	August 15, 2023
PBS012	November 15, 2031	November 15, 2031	November 15, 2031
PBS013	May 15, 2019	May 15, 2019	May 15, 2019
PBS015	July 15, 2047	-	-
PBS016	March 15, 2020	-	-
SR008	March 10, 2019	March 10, 2019	March 10, 2019
SR009	March 10, 2020	March 10, 2020	-
SR010	March 10, 2021	-	-
Republic of Indonesia Bonds			
ORI013	October 15, 2019	-	-
ORI014	October 15, 2020	October 15, 2020	-
ORI015	October 15, 2021	-	-
ORI012	-	October 15, 2018	-
Government Treasury Bills			
	Various	-	-
Fixed Rate			
FR0053	July 15, 2021	-	-
FR0061	May 15, 2022	May 15, 2022	-
FR0064	May 15, 2028	May 15, 2028	May 15, 2028
FR0065	May 15, 2033	May 15, 2033	May 15, 2033
FR0068	March 15, 2034	-	-
FR0069	April 15, 2019	-	-
FR0072	May 15, 2036	-	-
FR0074	August 15, 2032	August 15, 2032	-
FR0075	May 15, 2038	May 15, 2038	-
FR0077	May 15, 2024	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss (continued)</u>			
<u>Rupiah (continued)</u>			
Sharia Government Treasury Bills	Various	-	-
<u>Foreign currencies</u>			
Republic of Indonesia Bonds			
RI0827	January 8, 2027	-	-
RI0123	-	January 11, 2023	-
<u>Available-for-sale</u>			
<u>Rupiah</u>			
Fixed Rate			
FR0035	June 15, 2022	June 15, 2022	June 15, 2022
FR0052	August 15, 2030	August 15, 2030	August 15, 2030
FR0053	July 15, 2021	July 15, 2021	July 15, 2021
FR0059	May 15, 2027	May 15, 2027	May 15, 2027
FR0061	May 15, 2022	May 15, 2022	May 15, 2022
FR0063	May 15, 2023	May 15, 2023	May 15, 2023
FR0064	May 15, 2028	May 15, 2028	May 15, 2028
FR0065	May 15, 2033	May 15, 2033	May 15, 2033
FR0069	April 15, 2019	April 15, 2019	April 15, 2019
FR0074	August 15, 2032	August 15, 2032	August 15, 2032
Sukuk Government Bonds			
PBS004	February 15, 2037	February 15, 2037	February 15, 2037
PBS006	September 15, 2020	September 15, 2020	September 15, 2020
PBS011	August 15, 2023	August 15, 2023	August 15, 2023
PBS012	November 15, 2031	November 15, 2031	November 15, 2031
PBS013	May 15, 2019	May 15, 2019	May 15, 2019
PBS014	May 15, 2021	May 15, 2021	May 15, 2021
PBS016	March 15, 2020	-	-
PBS017	October 15, 2025	-	-
SR008	March 10, 2019	March 10, 2019	March 10, 2019
SR009	March 10, 2020	March 10, 2020	March 10, 2020
Government Treasury Bills	Various	Various	Various
Sharia Government Treasury Bills	Various	Various	Various
Republic of Indonesia Bonds			
ORI013	October 15, 2019	October 15, 2019	October 15, 2019
ORI014	October 15, 2020	October 15, 2020	October 15, 2020
<u>Foreign currencies</u>			
United States Dollar Fixed Rate			
RI0125	January 15, 2025	January 15, 2025	January 15, 2025
RI0126	January 8, 2026	January 8, 2026	January 8, 2026
RI0319	March 4, 2019	March 4, 2019	March 4, 2019
RI0320	March 13, 2020	March 13, 2020	March 13, 2020
RI0422	April 25, 2022	April 25, 2022	April 25, 2022
RI0423	April 15, 2023	April 15, 2023	April 15, 2023
RI0521	May 5, 2021	May 5, 2021	May 5, 2021
RI1023	October 17, 2023	October 17, 2023	October 17, 2023
RI0822	-	January 8, 2022	January 8, 2022
RI1320	-	March 13, 2020	March 13, 2020

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Foreign currencies (continued)</u>			
Sukuk Government Bonds			
INDOIS 19S	March 15, 2019	March 15, 2019	March 15, 2019
INDOIS 21	March 31, 2021	March 31, 2021	March 31, 2021
INDOIS 21A	March 29, 2021	March 29, 2021	March 29, 2021
INDOIS 22	March 29, 2022	March 29, 2022	March 29, 2022
INDOIS 22 SL	November 21, 2022	November 21, 2022	November 21, 2022
INDOIS 24	September 10, 2024	September 10, 2024	September 10, 2024
INDOIS 25	May 28, 2025	May 28, 2025	May 28, 2025
INDOIS 26	March 29, 2026	March 29, 2026	March 29, 2026
INDOIS 27 SL	March 29, 2027	-	-
INDOIS 18	-	November 21, 2018	November 21, 2018
European Euro Government Bonds			
RIEUR0721	July 8, 2021	July 8, 2021	July 8, 2021
RIEUR0724	July 18, 2024	July 18, 2024	-
RIEUR0725	July 30, 2025	July 30, 2025	July 30, 2025
RIEUR0623	-	June 14, 2023	June 14, 2023
U.S. Treasury Bonds	Various	Various	Various
Singapore Government Securities			
SIGB 060126	June 1, 2026	June 1, 2026	June 1, 2026
<u>Held-to-maturity</u>			
<u>Rupiah</u>			
Fixed Rate			
FR0034	June 15, 2021	June 15, 2021	June 15, 2021
FR0039	August 15, 2023	August 15, 2023	August 15, 2023
FR0040	September 15, 2025	September 15, 2025	September 15, 2025
FR0042	July 15, 2027	July 15, 2027	July 15, 2027
FR0043	July 15, 2022	July 15, 2022	July 15, 2022
FR0044	September 15, 2024	September 15, 2024	September 15, 2024
FR0045	May 15, 2037	May 15, 2037	May 15, 2037
FR0046	July 15, 2023	July 15, 2023	July 15, 2023
FR0047	February 15, 2028	February 15, 2028	February 15, 2028
FR0038	-	August 15, 2018	August 15, 2018
Sukuk Government Bonds			
SR008	March 10, 2019	March 10, 2019	March 10, 2019
PBS004	February 15, 2037	February 15, 2037	February 15, 2037
PBS005	April 15, 2043	April 15, 2043	April 15, 2043
PBS006	September 15, 2020	September 15, 2020	September 15, 2020
PBS007	September 15, 2040	September 15, 2040	September 15, 2040
PBS011	August 15, 2023	August 15, 2023	August 15, 2023
PBS014	May 15, 2021	May 15, 2021	May 15, 2021
IFR0006	March 15, 2030	March 15, 2030	March 15, 2030
IFR0007	January 15, 2025	January 15, 2025	January 15, 2025
IFR0010	February 15, 2036	February 15, 2036	February 15, 2036
Sharia Government Treasury Bills	Various	Various	Various
Republic of Indonesia Bonds			
ORI013	October 15, 2019	October 15, 2019	October 15, 2019
ORI012	-	October 15, 2018	October 15, 2018

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Foreign currencies</u>			
Sukuk Government Bonds			
INDOIS 19	March 15, 2019	March 15, 2019	March 15, 2019
INDOIS 19S	March 15, 2019	March 15, 2019	March 15, 2019
INDOIS 21	March 31, 2021	March 31, 2021	March 31, 2021
INDOIS 21A	March 29, 2021	March 29, 2021	March 29, 2021
INDOIS 22	November 21, 2022	November 21, 2022	November 21, 2022
INDOIS 24	September 10, 2024	September 10, 2024	September 10, 2024
INDOIS 25	May 28, 2025	May 28, 2025	May 28, 2025
INDOIS 26	March 29, 2026	March 29, 2026	March 29, 2026
INDOIS 18	-	November 21, 2018	November 21, 2018
United States Dollar Fixed Rate			
RI0124	January 15, 2024	January 15, 2024	January 15, 2024
RI0125	January 15, 2025	January 15, 2025	January 15, 2025
RI0126	January 8, 2026	January 8, 2026	January 8, 2026
RI0237	February 17, 2037	February 17, 2037	February 17, 2037
RI0319	March 4, 2019	March 4, 2019	-
RI0320	March 13, 2020	March 13, 2020	March 13, 2020
RI0422	April 25, 2022	April 25, 2022	April 25, 2022
RI0521	May 5, 2021	May 5, 2021	May 5, 2021
RI1023	October 17, 2023	October 17, 2023	October 17, 2023
RI190304	March 4, 2019	March 4, 2019	March 4, 2019
USDFR0002	June 24, 2026	June 24, 2026	June 24, 2026
European Euro Government Bonds			
RIEUR0721	July 8, 2021	July 8, 2021	July 8, 2021
RIEUR0725	July 30, 2025	July 30, 2025	July 30, 2025
RIEUR0623	June 14, 2023	June 14, 2023	June 14, 2023

The market values of Government bonds classified as "Fair Value through Profit or Loss" and "Available-for-Sale" ranged from 91.60% to 134.25%, 84.99% to 149.63% and 74.48% to 135.63% as of December 31, 2018, 2017 and 2016, respectively.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds

	Fair Value/Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Indosat Tbk	12,018	3,120	5,103
PT Medco Energi Internasional Tbk	7,139	7,491	10,160
PT XL Axiata Tbk	5,020	-	-
PT Summarecon Agung Tbk	2,036	2,639	2,597
Others	-	22,583	36,556
	26,213	35,833	54,416
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Sarana Multigriya Finansial (Persero)	68,315	-	-
PT Pegadaian (Persero)	19,742	-	-
Lembaga Pembiayaan Ekspor Indonesia	9,870	-	-
PT Perusahaan Listrik Negara (Persero)	4,629	4,912	1,812
Others	-	30,633	8,517
	102,556	35,545	10,329
	128,769	71,378	64,745
<u>Available-for-sale</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Adira Dinamika Multi Finance Tbk	463,748	294,642	106,133
PT Bank OCBC NISP Tbk	382,478	404,543	246,165
PT Bank Pan Indonesia Tbk	337,141	264,344	243,247
PT Indosat Tbk	264,262	-	51,673
PT Bank CIMB Niaga Tbk	243,432	274,488	129,375
PT Astra Sedaya Finance	191,414	232,123	365,786
PT Bank Maybank Indonesia Tbk	163,428	76,516	146,727
PT BFI Finance Indonesia Tbk	144,083	-	-
PT Bank UOB Indonesia	125,656	156,774	132,589
PT Maybank Indonesia Finance	119,362	187,393	35,581
Others	934,214	1,103,492	683,963
	3,369,218	2,994,315	2,141,239
<u>Foreign currencies</u>			
Alibaba Group Holding Ltd.	70,490	69,971	66,622
Oversea-Chinese Banking Corporation	58,120	56,307	54,283
Xerox Corporation	35,200	40,117	38,655
Province of Ontario	15,704	12,987	12,978
Citigroup Inc.	12,117	10,164	9,792
Bank of America	10,457	10,245	9,786
Wells Fargo & Company	10,071	9,774	9,669
The Federal Home Loan			
Mortgage Corporation	8,822	8,436	28,859
JP Morgan Chase Bank, N.A.	8,695	80,834	105,320
Verizon	7,924	8,034	6,857
Others	114,457	137,558	464,358
	352,057	444,427	807,179

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

	Fair Value/Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Lembaga Pembiayaan Ekspor Indonesia	1,360,765	1,126,131	535,518
PT Bank Tabungan Negara (Persero) Tbk	746,852	783,305	349,854
PT Sarana Multigriya Finansial (Persero)	744,313	450,181	157,814
PT Bank Mandiri (Persero) Tbk	707,878	682,133	48,979
PT Bank Negara Indonesia (Persero) Tbk	426,530	461,890	-
PT Pegadaian (Persero)	360,295	299,507	105,224
PT Perusahaan Listrik Negara (Persero)	339,471	280,192	144,717
PT Indonesia Power	313,101	383,547	-
PT Waskita Karya (Persero) Tbk	298,701	202,223	287,893
PT Mandiri Tunas Finance	234,795	187,700	139,510
Others	1,070,342	1,222,094	639,052
	6,603,043	6,078,903	2,408,561
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)	363,151	237,779	146,181
PT Pertamina (Persero)	354,250	352,610	257,029
PT Pelabuhan Indonesia III (Persero)	105,965	36,918	100,613
PT Perusahaan Gas Negara (Persero) Tbk	78,719	79,766	100,658
PT Pelabuhan Indonesia II (Persero)	13,553	13,873	209,527
Others	-	-	614,890
	915,638	720,946	1,428,898
	11,239,956	10,238,591	6,785,877
<u>Held-to-maturity</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank Pan Indonesia Tbk	185,339	185,441	147,385
PT Bank Maybank Indonesia Tbk	125,000	75,000	199,713
PT Indosat Tbk	110,304	114,009	118,855
PT Bank OCBC NISP Tbk	85,008	145,046	145,157
PT Indonesia Infrastructure Finance	50,000	49,998	50,000
PT Bank UOB Indonesia	40,114	85,242	85,369
PT Toyota Astra Financial Services	33,000	32,998	33,000
PT Global Mediacom Tbk	26,888	-	-
PT BPD Jawa Tengah	25,000	-	-
PT Astra Sedaya Finance	24,000	28,020	39,221
Others	49,779	467,199	625,630
	754,432	1,182,953	1,444,330
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Pupuk Indonesia (Persero)	940,084	940,237	116,011
PT Bank Tabungan Negara (Persero) Tbk	471,344	506,341	506,239
Lembaga Pembiayaan Ekspor Indonesia	315,112	260,186	308,272
PT Pegadaian (Persero)	254,092	328,125	464,436
PT Telekomunikasi Indonesia (Persero) Tbk	236,899	237,256	231,282
PT Angkasa Pura I (Persero)	100,000	100,000	100,000
PT Sarana Multigriya Finansial (Persero)	100,000	30,000	138,766
PT Jasa Marga (Persero) Tbk	98,474	58,331	172,418
PT Aneka Tambang (Persero) Tbk	75,000	95,000	95,000
PT Perusahaan Listrik Negara (Persero)	53,859	66,947	105,008
Others	140,471	404,667	330,557
	2,785,335	3,027,090	2,567,989

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

	Fair Value/Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)	221,739	55,314	62,902
PT Perusahaan Gas Negara (Persero) Tbk	57,081	53,727	52,148
PT Pelabuhan Indonesia II (Persero)	37,495	35,126	33,863
PT Pertamina (Persero)	30,571	28,646	34,514
PT Pelabuhan Indonesia III (Persero)	23,029	21,811	21,353
Others	-	-	534,470
	369,915	194,624	739,250
	3,909,682	4,404,667	4,751,569
Total	15,278,407	14,714,636	11,602,191

Information regarding interest rates, maturity dates and ratings are as follows:

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit and loss</u>			
<u>Third Parties</u>			
<u>Rupiah</u>			
PT Indosat Tbk			
<i>Berkelanjutan</i> I Phase I Year 2014 Series B	10.30	10.30	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series E	8.70	-	-
PT Medco Energi Internasional Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series B	11.30	11.30	11.30
PT XL Axiata Tbk			
<i>Sukuk Ijarah Berkelanjutan</i> II Phase I Year 2018 Series A	8.25	-	-
PT Summarecon Agung Tbk			
<i>Sukuk Ijarah Berkelanjutan</i> I Phase II Year 2014	11.50	11.50	11.50
<u>Related Parties (Note 44)</u>			
<u>Rupiah</u>			
PT Sarana Multigriya Finansial (Persero)			
<i>Berkelanjutan</i> III Phase VI Year 2016	8.60	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series B	6.85	-	-
PT Pegadaian (Persero)			
<i>Berkelanjutan</i> III Phase I Year 2017 Series B	7.40	-	-
Lembaga Pembiayaan Ekspor Indonesia			
<i>Berkelanjutan</i> III Phase V Year 2017 Series A	7.60	-	-
PT Perusahaan Listrik Negara (Persero)			
<i>Sukuk Ijarah</i> V Year 2010 Series B	10.40	10.40	10.40
<i>Sukuk Ijarah Berkelanjutan</i> I Phase I Year 2013	8.00	8.00	8.00
<i>Sukuk Ijarah Berkelanjutan</i> II Phase II Year 2017 Series C	8.70	8.70	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>			
<u>Third Parties</u>			
<u>Rupiah</u>			
PT Adira Dinamika Multi Finance Tbk			
<i>Berkelanjutan</i> III Phase I Year 2015 Series B	10.25	10.25	10.25
<i>Berkelanjutan</i> III Phase II Year 2015 Series C	10.25	10.25	10.25
<i>Berkelanjutan</i> III Phase IV Year 2016 Series B	8.75	8.75	8.75
<i>Berkelanjutan</i> III Phase V Year 2017 Series B	8.60	8.60	-
<i>Berkelanjutan</i> III Phase V Year 2017 Series C	8.90	8.90	-
<i>Berkelanjutan</i> III Phase VI Year 2017 Series B	8.10	8.10	-
<i>Berkelanjutan</i> III Phase VI Year 2017 Series C	8.40	-	-
<i>Berkelanjutan</i> IV Phase I Year 2017 Series B	7.45	-	-
<i>Berkelanjutan</i> IV Phase I Year 2017 Series C	7.55	7.55	-
<i>Berkelanjutan</i> IV Phase II Year 2018 Series D	7.50	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series C	8.50	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series D	9.00	-	-
PT Bank OCBC NISP Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series C	8.25	8.25	8.25
<i>Berkelanjutan</i> II Phase II Year 2017 Series C	7.70	7.70	-
<i>Berkelanjutan</i> II Phase IV Year 2018 Series A	6.00	-	-
<i>Berkelanjutan</i> II Phase IV Year 2018 Series B	6.90	-	-
PT Bank Pan Indonesia Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016	9.15	9.15	9.15
<i>Berkelanjutan</i> II Phase II Year 2016	8.75	8.75	8.75
<i>Berkelanjutan</i> II Phase III Year 2018	7.60	-	-
PT Indosat Tbk			
Indosat VIII Year 2012 Series A	8.63	8.63	-
Indosat VIII Year 2012 Series B	8.88	8.88	8.88
<i>Berkelanjutan</i> I Phase I Year 2014 Series B	10.30	10.30	-
<i>Berkelanjutan</i> I Phase III Year 2015 Series B	10.25	-	-
<i>Berkelanjutan</i> I Phase III Year 2015 Series D	11.20	11.20	11.20
<i>Berkelanjutan</i> II Phase II Year 2017 Series E	8.65	-	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series C	7.65	-	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series E	8.70	-	-
Sukuk <i>Ijarah Berkelanjutan</i> I Phase I			
Year 2014 Series B	10.30	10.30	10.30
Sukuk <i>Ijarah Berkelanjutan</i> I Phase I			
Year 2014 Series C	10.50	10.50	10.50
PT Bank CIMB Niaga Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series C	8.25	8.25	8.25
<i>Berkelanjutan</i> II Phase II Year 2017 Series B	7.70	7.70	-
<i>Berkelanjutan</i> II Phase II Year 2017 Series C	8.15	8.15	-
<i>Berkelanjutan</i> II Phase III Year 2017 Series C	7.75	7.75	-
Sukuk <i>Mudharabah Berkelanjutan</i> I Phase I			
Year 2018 Series B	9.25	-	-
PT Astra Sedaya Finance			
<i>Berkelanjutan</i> III Phase I Year 2016 Series B	8.50	8.50	8.50
<i>Berkelanjutan</i> III Phase II Year 2016 Series B	7.95	7.95	-
<i>Berkelanjutan</i> III Phase III Year 2017 Series B	8.50	8.50	-
<i>Berkelanjutan</i> III Phase III Year 2017 Series C	8.75	8.75	-
<i>Berkelanjutan</i> III Phase IV Year 2017 Series B	7.50	7.50	-
<i>Berkelanjutan</i> IV Phase I Year 2018 Series B	7.50	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Third parties (continued)</u>			
<u>Rupiah (continued)</u>			
PT Bank Maybank Indonesia Tbk			
<i>Sukuk Mudharabah Berkelanjutan</i> I Phase II			
Year 2016	8.25	-	8.25
<i>Berkelanjutan</i> II Phase II Year 2017 Series A	8.00	-	-
<i>Berkelanjutan</i> II Phase II Year 2018	7.15	-	-
PT BFI Finance Indonesia			
<i>Berkelanjutan</i> III Phase III Year 2017 Series B	7.25	-	-
<i>Berkelanjutan</i> IV Phase I Year 2018 Series B	7.75	-	-
PT Bank UOB Indonesia			
Phase I Year 2015 Series C	9.60	9.60	9.60
<i>Berkelanjutan</i> I Phase I Year 2016 Series B	8.00	8.00	-
<i>Berkelanjutan</i> I Phase I Year 2016 Series C	8.25	8.25	8.25
<i>Berkelanjutan</i> I Phase II Year 2018 Series A	6.15	-	-
PT Maybank Indonesia Finance			
<i>Berkelanjutan</i> I Phase II Year 2016 Series A	9.10	-	-
<i>Berkelanjutan</i> I Phase III Year 2016 Series A	8.30	8.30	-
<i>Berkelanjutan</i> II Phase IV Year 2017 Series B	7.90	-	-
<i>Berkelanjutan</i> II Phase I Year 2018 Series A	7.75	-	-
<u>Foreign currencies</u>			
Alibaba Group Holding Ltd.	3.60	3.60	3.60
Oversea-Chinese Banking Corporation	4.25	4.25	4.25
Xerox Corporation	3.80	3.80	3.80
Province of Ontario	4.40	4.40	4.40
Citigroup Inc.			
Citigroup Inc.	3.52	-	-
Citigroup Inc.	2.65	2.65	2.65
Citigroup Inc.	3.75	3.75	3.75
Bank of America			
Bank of America	3.30	3.30	3.30
Bank of America	3.00	3.00	3.00
Bank of America	3.50	3.50	3.50
Wells Fargo & Company			
Wells Fargo & Company	2.60	2.60	2.60
Wells Fargo & Company	3.50	3.50	3.50
The Federal Home Loan Mortgage Corporation	2.38	2.38	2.38
JP Morgan Chase Bank, N.A.			
JP Morgan Chase Bank, N.A.	4.95	4.95	-
JP Morgan Chase Bank, N.A.	3.20	3.20	-
Verizon			
Verizon	3.38	3.38	3.38
Verizon	4.33	4.33	4.33

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related Parties (Note 44)</u>			
<u>Rupiah</u>			
Lembaga Pembiayaan Ekspor Indonesia			
<i>Berkelanjutan</i> II Phase I Year 2014 Series D	9.75	9.75	9.75
<i>Berkelanjutan</i> II Phase V Year 2015 Series C	9.50	9.50	9.50
<i>Berkelanjutan</i> II Phase VI Year 2015 Series C	9.50	9.50	9.50
<i>Berkelanjutan</i> II Phase VII Year 2016 Series B	9.25	9.25	9.25
<i>Berkelanjutan</i> II Phase VII Year 2016 Series C	9.60	9.60	9.60
<i>Berkelanjutan</i> III Phase I Year 2016 Series B	8.20	8.20	8.20
<i>Berkelanjutan</i> III Phase I Year 2016 Series C	8.70	8.70	8.70
<i>Berkelanjutan</i> III Phase II Year 2016 Series B	7.95	7.95	-
<i>Berkelanjutan</i> III Phase III Year 2016 Series B	7.85	7.85	-
<i>Berkelanjutan</i> III Phase III Year 2016 Series C	8.20	8.20	-
<i>Berkelanjutan</i> III Phase III Year 2016 Series D	8.50	8.50	8.50
<i>Berkelanjutan</i> III Phase IV Year 2017 Series B	8.40	8.40	-
<i>Berkelanjutan</i> III Phase IV Year 2017 Series C	8.90	8.90	-
<i>Berkelanjutan</i> III Phase V Year 2017 Series B	7.90	-	-
<i>Berkelanjutan</i> III Phase V Year 2017 Series C	8.25	8.25	-
<i>Berkelanjutan</i> III Phase VI Year 2018 Series B	6.70	-	-
<i>Berkelanjutan</i> IV Phase II Year 2018 Series A	7.00	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series A	8.25	-	-
<i>Berkelanjutan</i> IV Phase II Year 2018 Series B	7.50	-	-
<i>Berkelanjutan</i> IV Phase II Year 2018 Series C	8.40	-	-
Sukuk Mudharabah <i>Berkelanjutan</i> I Phase II Year 2018 Series B	8.75	-	-
PT Bank Tabungan Negara (Persero) Tbk			
Phase XIV Year 2010	10.25	10.25	10.25
Phase XV Year 2011	9.50	-	-
<i>Berkelanjutan</i> I Phase II Year 2013	7.90	7.90	7.90
<i>Berkelanjutan</i> II Phase I Year 2015 Series B	9.88	9.88	9.88
<i>Berkelanjutan</i> II Phase I Year 2015 Series C	10.00	10.00	10.00
<i>Berkelanjutan</i> II Phase II Year 2016 Series A	8.20	8.20	8.20
<i>Berkelanjutan</i> II Phase II Year 2016 Series B	8.75	8.75	8.75
<i>Berkelanjutan</i> III Phase I Year 2017 Series A	8.30	8.30	-
<i>Berkelanjutan</i> III Phase I Year 2017 Series B	8.50	8.50	-
PT Sarana Multigriya Finansial (Persero)			
<i>Berkelanjutan</i> III Phase IV Year 2016 Series B	9.13	-	9.13
<i>Berkelanjutan</i> III Phase V Year 2016 Series B	8.20	-	8.20
<i>Berkelanjutan</i> III Phase VI Year 2016	8.60	8.60	8.60
<i>Berkelanjutan</i> III Phase VII Year 2017 Series B	8.40	8.40	-
<i>Berkelanjutan</i> IV Phase I Year 2017 Series B	7.80	7.80	-
<i>Berkelanjutan</i> IV Phase II Year 2017 Series B	7.25	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series B	6.85	-	-
<i>Berkelanjutan</i> IV Phase IV Year 2018 Series B	6.95	-	-
<i>Berkelanjutan</i> IV Phase VI Year 2018 Series A	8.25	-	-
PT Bank Mandiri (Persero) Tbk			
<i>Berkelanjutan</i> I Phase I Year 2016 Series A	7.95	7.95	7.95
<i>Berkelanjutan</i> I Phase II Year 2017 Series A	8.00	8.00	-
<i>Berkelanjutan</i> I Phase II Year 2017 Series B	8.50	8.50	-
<i>Berkelanjutan</i> I Phase III Year 2018 Series A	8.50	-	-
PT Bank Negara Indonesia (Persero) Tbk			
<i>Berkelanjutan</i> I Phase I Year 2017	8.00	8.00	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related Parties (Note 44) (continued)</u>			
<u>Rupiah (continued)</u>			
PT Pegadaian (Persero)			
<i>Berkelanjutan</i> I Phase I Year 2011 Series C	9.00	-	-
<i>Berkelanjutan</i> I Phase II Year 2012 Series D	7.75	7.75	7.75
<i>Berkelanjutan</i> II Phase I Year 2013 Series D	8.00	8.00	8.00
<i>Berkelanjutan</i> II Phase III Year 2015 Series C	9.50	9.50	9.50
<i>Berkelanjutan</i> III Phase I Year 2017 Series B	7.40	7.40	-
<i>Berkelanjutan</i> III Phase I Year 2017 Series C	7.70	7.70	-
<i>Berkelanjutan</i> III Phase II Year 2018 Series B	6.90	-	-
<i>Berkelanjutan</i> III Phase II Year 2018 Series C	7.10	-	-
PT Perusahaan Listrik Negara (Persero)			
Phase XI Year 2010 Series B	12.55	-	12.55
Phase XII Year 2010 Series B	10.40	-	10.40
<i>Berkelanjutan</i> I Phase I Year 2013 Series A	8.00	-	8.00
<i>Berkelanjutan</i> I Phase I Year 2013 Series B	8.25	-	-
<i>Berkelanjutan</i> I Phase II Year 2013 Series B	9.60	-	9.60
<i>Berkelanjutan</i> II Phase II Year 2017 Series C	8.20	8.20	-
<i>Berkelanjutan</i> II Phase II Year 2017 Series D	8.70	-	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series C	7.25	-	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series E	8.75	-	-
<i>Berkelanjutan</i> III Phase II Year 2018 Series B	9.00	-	-
Sukuk <i>Ijarah Berkelanjutan</i> I Phase I Year 2013	8.00	-	8.00
Sukuk <i>Ijarah Berkelanjutan</i> I Phase II Year 2013 Series B	9.60	-	9.60
Sukuk <i>Ijarah Berkelanjutan</i> II Phase I Year 2017 Series A	7.70	-	-
Sukuk <i>Ijarah Berkelanjutan</i> II Phase III Year 2018 Series B	7.25	-	-
Sukuk <i>Ijarah Berkelanjutan</i> III Phase II Year 2018 Series B	9.00	-	-
PT Indonesia Power			
Eba Danareksa I Year 2017 Kelas A	8.02	8.02	-
PT Waskita Karya (Persero) Tbk			
<i>Berkelanjutan</i> I Phase II Year 2015 Series B	11.10	-	-
<i>Berkelanjutan</i> II Phase I Year 2016	9.25	-	-
<i>Berkelanjutan</i> II Phase II Year 2016	8.50	-	-
<i>Berkelanjutan</i> II Phase III Year 2017 Series B	9.00	-	-
<i>Berkelanjutan</i> III Phase I Year 2017 Series A	8.00	-	-
<i>Berkelanjutan</i> III Phase I Year 2017 Series B	8.50	-	-
PT Mandiri Tunas Finance			
<i>Berkelanjutan</i> II Phase II Year 2016 Series A	8.95	8.95	8.95
<i>Berkelanjutan</i> II Phase II Year 2016 Series B	9.25	9.25	9.25
<i>Berkelanjutan</i> III Phase I Year 2016 Series A	8.20	-	-
<i>Berkelanjutan</i> III Phase II Year 2017 Series A	8.50	8.50	8.50
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)			
Year 2021	5.50	5.50	5.50
Year 2027	4.13	4.13	-
Year 2028	5.45	-	-
PT Pertamina (Persero)			
Year 2021	5.25	5.25	5.25
Year 2022	4.88	4.88	4.88
Year 2023	5.25	5.25	5.25

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related Parties (Note 44) (continued)</u>			
<u>Foreign currencies (currencies)</u>			
PT Pelabuhan Indonesia III (Persero)			
Year 2023	4.50	-	-
Year 2024	4.88	4.88	4.88
PT Perusahaan Gas Negara (Persero) Tbk			
Year 2024	5.13	5.13	5.13
PT Pelabuhan Indonesia II (Persero)			
Year 2025	4.25	4.25	4.25
<u>Held-to-maturity</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank Pan Indonesia Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016	9.15	9.15	9.15
<i>Berkelanjutan</i> II Phase II Year 2016	8.75	8.75	-
PT Bank Maybank Indonesia Tbk			
<i>Sukuk Mudharabah Berkelanjutan</i> I Phase II Year 2016	8.25	8.25	8.25
PT Indosat Tbk			
Phase VIII Year 2012 Series B	8.88	8.88	8.88
<i>Sukuk Ijarah</i> Indosat V Year 2012	8.63	8.63	8.63
<i>Sukuk Ijarah Berkelanjutan</i> I Phase I Year 2014 Series C	10.50	10.50	10.50
<i>Sukuk Ijarah Berkelanjutan</i> I Phase III Year 2015 Series B	11.20	11.20	11.20
PT Bank OCBC NISP Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series C	8.25	8.25	8.25
PT Indonesia Infrastructure Finance			
Phase I Year 2016 Series B	8.70	8.70	8.70
PT Bank UOB Indonesia			
Phase I Year 2015 Series C	9.60	9.60	9.60
<i>Berkelanjutan</i> I Phase I Year 2016 Series B	8.00	8.00	8.00
PT Toyota Astra Financial Services			
<i>Berkelanjutan</i> II Phase I Year 2016 Series B	8.40	8.40	8.40
PT Global Mediacom Tbk			
Year 2017 Series A	11.50	-	-
<i>Berkelanjutan</i> Phase II Year 2017	9.95	-	-
PT BPD Jawa Tengah			
Year 2017	8.05	-	-
PT Astra Sedaya Finance			
<i>Berkelanjutan</i> III Phase I Year 2016 Series B	8.50	8.50	8.50
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Pupuk Indonesia (Persero)			
<i>Berkelanjutan</i> I Phase II Year 2017 Series A	7.50	7.50	-
Phase I Year 2014 Series B	9.95	9.95	9.95

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Rupiah (continued)</u>			
PT Bank Tabungan Negara (Persero) Tbk			
Phase XIV Year 2010	10.25	10.25	10.25
Phase XV Year 2011	9.50	9.50	9.50
<i>Berkelanjutan</i> I Phase I Year 2012	7.90	7.90	7.90
<i>Berkelanjutan</i> I Phase II Year 2013	7.90	7.90	7.90
<i>Berkelanjutan</i> II Phase I Year 2015 Series B	9.88	9.88	9.88
<i>Berkelanjutan</i> II Phase I Year 2015 Series C	10.00	10.00	10.00
<i>Berkelanjutan</i> II Phase II Year 2016 Series A	8.20	8.20	8.20
<i>Berkelanjutan</i> II Phase II Year 2016 Series B	8.75	8.75	8.75
Lembaga Pembiayaan Ekspor Indonesia			
<i>Berkelanjutan</i> II Phase III Year 2014 Series C	9.75	9.75	9.75
<i>Berkelanjutan</i> II Phase VI Year 2015 Series C	9.50	9.50	9.50
<i>Berkelanjutan</i> II Phase V Year 2015 Series C	9.50	9.50	9.50
<i>Berkelanjutan</i> III Phase VI Year 2018 Series C	6.90	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series A	8.25	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series B	8.75	-	-
PT Pegadaian (Persero)			
<i>Berkelanjutan</i> I Phase I Year 2011 Series C	9.00	9.00	9.00
<i>Berkelanjutan</i> I Phase II Year 2012 Series D	7.75	7.75	7.75
<i>Berkelanjutan</i> II Phase II Year 2014 Series C	9.75	9.75	9.75
<i>Berkelanjutan</i> II Phase III Year 2015 Series C	9.50	9.50	9.50
<i>Obligasi</i> XIII Year 2009 Series C	12.88	12.88	12.88
PT Telekomunikasi Indonesia (Persero) Tbk			
<i>Berkelanjutan</i> I Phase I Year 2015 Series A	9.93	9.93	9.93
<i>Berkelanjutan</i> I Phase I Year 2015 Series D	11.00	11.00	11.00
<i>Obligasi</i> II Year 2010 Series B	10.00	10.20	10.20
PT Angkasa Pura I (Persero)			
Sukuk <i>Ijarah</i> Angkasa Pura I			
Year 2016 Series A	8.10	8.10	8.10
PT Sarana Multigriya Finansial (Persero)			
Year 2017	7.50	-	-
PT Jasa Marga (Persero) Tbk			
<i>Berkelanjutan</i> I Phase II Year 2014 Series T	9.85	-	-
Phase XIV Year 2010 Series JM-10	9.35	-	-
PT Aneka Tambang (Persero) Tbk			
<i>Berkelanjutan</i> I Year 2011 Series B	9.05	9.05	9.05
PT Perusahaan Listrik Negara (Persero)			
<i>Berkelanjutan</i> I Phase I Year 2013 Series B	8.25	8.25	8.25
Phase VIII Year 2006 Series B	13.75	13.75	13.75
Phase IX Year 2007 Series B	10.90	10.90	10.90
Phase XI Year 2010 Series B	12.55	12.55	12.55
Phase XII Year 2010 Series B	10.40	10.40	10.40
Sukuk <i>Ijarah</i> Phase IV	12.55	12.55	12.55
Sukuk <i>Ijarah</i> Phase V Year 2010 Series B	10.40	10.40	10.40
Sukuk <i>Ijarah Berkelanjutan</i> I Phase I			
Year 2013	8.00	8.00	8.00
Sukuk <i>Ijarah Berkelanjutan</i> I Phase II			
Year 2013 Series B	9.60	9.60	9.60
Sukuk <i>Ijarah Berkelanjutan</i> II Phase I			
Year 2017 Series B	8.50	8.50	-
Sukuk <i>Ijarah Berkelanjutan</i> II Phase III			
Year 2018 Series A	6.50	-	-
Sukuk <i>Ijarah Berkelanjutan</i> III Phase II			
Year 2018 Series B	9.00	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)			
Year 2020	7.75	7.75	7.75
Year 2021	5.50	5.50	5.50
Year 2029	5.38	-	-
PT Perusahaan Gas Negara (Persero) Tbk			
Year 2024	5.13	5.13	5.13
PT Pelabuhan Indonesia II (Persero)			
Year 2025	4.25	4.25	4.25
PT Pertamina (Persero)			
Year 2023	4.30	4.30	4.30
PT Pelabuhan Indonesia III (Persero)			
Year 2024	4.88	4.88	4.88

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit and loss</u>			
<u>Third Parties</u>			
<u>Rupiah</u>			
PT Indosat Tbk			
<i>Berkelanjutan I Phase I Year 2014 Series B</i>	December 12, 2019	December 12, 2019	-
<i>Berkelanjutan II Phase III Year 2018 Series E</i>	May 3, 2028	-	-
PT Medco Energi International Tbk			
<i>Berkelanjutan II Phase I Year 2016 Series B</i>	July 15, 2021	July 15, 2021	July 15, 2021
PT XL Axiata Tbk			
<i>Sukuk Ijarah Berkelanjutan II Phase I</i>			
<i>Year 2018 Series A</i>	October 26, 2019	-	-
PT Summarecon Agung Tbk			
<i>Sukuk Ijarah Berkelanjutan I Phase II</i>			
<i>Year 2014</i>	October 10, 2019	October 10, 2019	October 10, 2019
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Sarana Multigriya Finansial (Persero)			
<i>Berkelanjutan III Phase VI Year 2016</i>	September 27, 2021	-	-
<i>Berkelanjutan IV Phase III Year 2018 Series B</i>	February 20, 2021	-	-
PT Pegadaian (Persero)			
<i>Berkelanjutan III Phase I Year 2017 Series B</i>	October 3, 2020	-	-
Lembaga Pembiayaan Ekspor Indonesia			
<i>Berkelanjutan III Phase V Year 2017 Series A</i>	August 15, 2020	-	-
PT Perusahaan Listrik Negara (Persero)			
<i>Sukuk Ijarah V Year 2010 Series B</i>	July 8, 2022	July 8, 2022	July 8, 2022
<i>Sukuk Ijarah Berkelanjutan I Phase I</i>			
<i>Year 2013</i>	July 5, 2020	July 5, 2020	July 5, 2020
<i>Sukuk Ijarah Berkelanjutan II Phase II</i>			
<i>Year 2017 Series C</i>	November 3, 2032	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Adira Dinamika Multi Finance Tbk			
<i>Berkelanjutan</i> III Phase I Year 2015 Series B	June 30, 2020	June 30, 2020	June 30, 2020
<i>Berkelanjutan</i> III Phase II Year 2015 Series C	August 25, 2020	August 25, 2020	August 25, 2020
<i>Berkelanjutan</i> III Phase IV Year 2016 Series B	July 26, 2019	July 26, 2019	July 26, 2019
<i>Berkelanjutan</i> III Phase V Year 2017 Series B	March 22, 2020	March 22, 2020	-
<i>Berkelanjutan</i> III Phase V Year 2017 Series C	March 22, 2022	March 22, 2022	-
<i>Berkelanjutan</i> III Phase VI Year 2017 Series B	July 14, 2020	July 14, 2020	-
<i>Berkelanjutan</i> III Phase VI Year 2017 Series C	July 14, 2022	-	-
<i>Berkelanjutan</i> IV Phase I Year 2017 Series B	December 12, 2020	-	-
<i>Berkelanjutan</i> IV Phase I Year 2017 Series C	December 12, 2022	December 12, 2022	-
<i>Berkelanjutan</i> IV Phase II Year 2018 Series D	March 21, 2023	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series C	August 16, 2021	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series D	August 16, 2022	-	-
PT Bank OCBC NISP Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series C	May 11, 2019	May 11, 2019	May 11, 2019
<i>Berkelanjutan</i> II Phase II Year 2017 Series C	August 22, 2020	August 22, 2020	-
<i>Berkelanjutan</i> II Phase IV Year 2018 Series A	April 20, 2019	-	-
<i>Berkelanjutan</i> II Phase IV Year 2018 Series B	April 10, 2021	-	-
PT Bank Pan Indonesia Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016	June 28, 2021	June 28, 2021	June 28, 2021
<i>Berkelanjutan</i> II Phase II Year 2016	October 27, 2021	October 27, 2021	October 27, 2021
<i>Berkelanjutan</i> II Phase III Year 2018	February 27, 2023	-	-
PT Indosat Tbk			
Phase VIII Year 2012 Series A	June 27, 2019	June 27, 2019	-
Phase VIII Year 2012 Series B	June 27, 2022	June 27, 2022	June 27, 2022
<i>Berkelanjutan</i> I Phase I Year 2014 Series B	December 12, 2019	December 12, 2019	-
<i>Berkelanjutan</i> I Phase III Year 2015 Series B	December 8, 2020	-	-
<i>Berkelanjutan</i> I Phase III Year 2015 Series D	December 8, 2025	December 8, 2025	December 8, 2025
<i>Berkelanjutan</i> II Phase II Year 2017 Series E	November 9, 2027	-	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series C	May 3, 2023	-	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series E	May 3, 2028	-	-
Sukuk Ijarah <i>Berkelanjutan</i> I Phase I			
Year 2014 Series B	December 12, 2019	December 12, 2019	December 12, 2019
Sukuk Ijarah <i>Berkelanjutan</i> I Phase I			
Year 2014 Series C	December 12, 2021	December 12, 2021	December 12, 2021
PT Bank CIMB Niaga Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series C	November 3, 2021	November 3, 2021	November 3, 2021
<i>Berkelanjutan</i> II Phase II Year 2017 Series B	August 23, 2020	August 23, 2020	-
<i>Berkelanjutan</i> II Phase II Year 2017 Series C	August 23, 2022	August 23, 2022	-
<i>Berkelanjutan</i> II Phase III Year 2017 Series C	November 2, 2022	November 2, 2022	-
Sukuk Mudharabah <i>Berkelanjutan</i> I Phase I			
Year 2018 Series B	November 15, 2021	-	-
PT Astra Sedaya Finance			
<i>Berkelanjutan</i> III Phase I Year 2016 Series B	May, 11 2019	May, 11 2019	May 11, 2019
<i>Berkelanjutan</i> III Phase II Year 2016 Series B	October, 18 2019	October, 18 2019	-
<i>Berkelanjutan</i> III Phase III Year 2017 Series B	March, 3 2020	March, 3 2020	-
<i>Berkelanjutan</i> III Phase III Year 2017 Series C	March, 3 2022	March, 3 2022	-
<i>Berkelanjutan</i> III Phase IV Year 2017 Series B	November, 2 2020	November, 2 2020	-
<i>Berkelanjutan</i> IV Phase I Year 2018 Series B	May, 25 2021	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Third parties (continued)</u>			
<u>Rupiah (continued)</u>			
PT Bank Maybank Indonesia Tbk			
Sukuk Mudharabah Berkelanjutan I Phase II			
Year 2016	June 10, 2019	-	June 10, 2019
Berkelanjutan II Phase II Year 2017 Series A	July 11, 2022	-	-
Berkelanjutan II Phase II Year 2018	March 15, 2023	-	-
PT BFI Finance Indonesia Tbk			
Berkelanjutan III Phase III Year 2017 Series B	November 9, 2019	-	-
Berkelanjutan IV Phase I Year 2018 Series B	June 26, 2021	-	-
PT Bank UOB Indonesia			
Phase I Year 2015 Series C	April 1, 2020	April 1, 2020	April 1, 2020
Berkelanjutan I Phase I Year 2016 Series B	November 25, 2019	November 25, 2019	-
Berkelanjutan I Phase I Year 2016 Series C	June 30, 2021	June 30, 2021	June 30, 2021
Berkelanjutan I Phase II Year 2018 Series A	June 3, 2019	-	-
PT Maybank Indonesia Finance			
Berkelanjutan I Phase II Year 2016 Series A	April 13, 2019	-	-
Berkelanjutan I Phase III Year 2016 Series A	November 3, 2019	November 3, 2019	-
Berkelanjutan I Phase IV Year 2017 Series B	November 15, 2022	-	-
Berkelanjutan II Phase I Year 2018 Series A	May 17, 2021	-	-
<u>Foreign currencies</u>			
Alibaba Group Holding Ltd.			
Alibaba Group Holding Ltd.	November 28, 2024	November 28, 2024	November 28, 2024
Oversea-Chinese Banking Corporation			
OCBCSP 061924	June 19, 2024	June 19, 2024	June 19, 2024
Xerox Corporation			
Xerox Corporation	May 15, 2024	May 15, 2024	May 15, 2024
Province of Ontario			
Province of Ontario	April 14, 2020	April 14, 2020	April 14, 2020
Citigroup Inc.			
Citigroup Inc.	October 27, 2028	-	-
Citigroup Inc.	October 26, 2020	October 26, 2020	October 26, 2020
Citigroup Inc.	June 16, 2024	June 16, 2024	June 16, 2024
Bank of America			
Bank of America	January 11, 2023	January 11, 2023	January 11, 2023
Bank of America	December 20, 2023	December 20, 2023	December 20, 2023
Bank of America	April 19, 2026	April 19, 2026	April 19, 2026
Wells Fargo & Company			
Wells Fargo & Company	July 22, 2020	July 22, 2020	July 22, 2020
Wells Fargo & Company	March 8, 2022	March 8, 2022	March 8, 2022
The Federal Home Loan			
Mortgage Corporation	January 13, 2022	January 13, 2022	January 13, 2022
JP Morgan Chase Bank, N.A.			
JP Morgan Chase Bank, N.A.	March 25, 2020	March 25, 2020	-
JP Morgan Chase Bank, N.A.	June 15, 2026	June 15, 2026	-
Verizon			
Verizon	February 15, 2025	February 15, 2025	February 15, 2025
Verizon	September 21, 2028	September 21, 2028	September 21, 2028

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Lembaga Pembiayaan Ekspor Indonesia			
Berkelanjutan II Phase I Year 2014 Series D	June 5, 2019	June 5, 2019	June 5, 2019
Berkelanjutan II Phase V Year 2015 Series C	March 13, 2020	March 13, 2020	March 13, 2020
Berkelanjutan II Phase VI Year 2015 Series C	September 16, 2020	September 16, 2020	September 16, 2020
Berkelanjutan II Phase VII Year 2016 Series B	February 19, 2019	February 19, 2019	February 19, 2019
Berkelanjutan II Phase VII Year 2016 Series C	February 19, 2021	February 19, 2021	February 19, 2021
Berkelanjutan III Phase I Year 2016 Series B	June 8, 2019	June 8, 2019	June 8, 2019
Berkelanjutan III Phase I Year 2016 Series C	June 8, 2021	June 8, 2021	June 8, 2021
Berkelanjutan III Phase II Year 2016 Series B	August 25, 2019	August 25, 2019	-
Berkelanjutan III Phase III Year 2016 Series B	November 22, 2019	November 22, 2019	-
Berkelanjutan III Phase III Year 2016 Series C	November 22, 2021	November 22, 2021	-
Berkelanjutan III Phase III Year 2016 Series D	November 22, 2023	November 22, 2023	November 22, 2023
Berkelanjutan III Phase IV Year 2017 Series B	February 23, 2020	February 23, 2020	-
Berkelanjutan III Phase IV Year 2017 Series C	February 23, 2022	February 23, 2022	-
Berkelanjutan III Phase V Year 2017 Series B	August 15, 2022	-	-
Berkelanjutan III Phase V Year 2017 Series C	August 15, 2024	August 15, 2024	-
Berkelanjutan III Phase VI Year 2018 Series B	February 14, 2023	-	-
Berkelanjutan IV Phase II Year 2018 Series A	September 15, 2019	-	-
Berkelanjutan IV Phase III Year 2018 Series A	November 18, 2019	-	-
Berkelanjutan IV Phase II Year 2018 Series B	September 5, 2021	-	-
Berkelanjutan IV Phase II Year 2018 Series C	September 5, 2023	-	-
Sukuk Mudharabah Berkelanjutan I Phase II Year 2018 Series B	November 8, 2021	-	-
PT Bank Tabungan Negara (Persero) Tbk			
Phase XIV Year 2010	June 11, 2020	June 11, 2020	June 11, 2020
Phase XV Year 2011	June 28, 2021	-	-
Berkelanjutan I Phase II Year 2013	March 27, 2023	March 27, 2023	March 27, 2023
Berkelanjutan II Phase I Year 2015 Series B	July 8, 2020	July 8, 2020	July 8, 2020
Berkelanjutan II Phase I Year 2015 Series C	July 8, 2022	July 8, 2022	July 8, 2022
Berkelanjutan II Phase II Year 2016 Series A	August 30, 2019	August 30, 2019	August 30, 2019
Berkelanjutan II Phase II Year 2016 Series B	August 30, 2021	August 30, 2021	August 30, 2021
Berkelanjutan III Phase I Year 2017 Series A	July 13, 2020	July 13, 2020	-
Berkelanjutan III Phase I Year 2017 Series B	July 13, 2022	July 13, 2022	-
PT Sarana Multigriya Finansial (Persero)			
Berkelanjutan III Phase IV Year 2016 Series B	March 11, 2019	-	March 11, 2019
Berkelanjutan III Phase V Year 2016 Series B	June 17, 2019	-	June 17, 2019
Berkelanjutan III Phase VI Year 2016	September 27, 2021	September 27, 2021	September 27, 2021
Berkelanjutan III Phase VII Year 2017 Series B	March 2, 2020	March 2, 2020	-
Berkelanjutan IV Phase I Year 2017 Series B	June 20, 2020	June 20, 2020	-
Berkelanjutan IV Phase II Year 2017 Series B	October 13, 2020	-	-
Berkelanjutan IV Phase III Year 2018 Series B	February 20, 2021	-	-
Berkelanjutan IV Phase III Year 2018 Series C	February 20, 2023	-	-
Berkelanjutan IV Phase VI Year 2018 Series A	October 29, 2019	-	-
Berkelanjutan IV Phase VI Year 2018 Series B	May 28, 2021	-	-
PT Bank Mandiri (Persero) Tbk			
Berkelanjutan I Phase I Year 2016 Series A	September 30, 2021	September 30, 2021	September 30, 2021
Berkelanjutan I Phase II Year 2017 Series A	June 15, 2022	June 15, 2022	-
Berkelanjutan I Phase II Year 2017 Series B	June 15, 2024	June 15, 2024	-
Berkelanjutan I Phase III Year 2018 Series A	September 21, 2023	-	-
PT Bank Negara Indonesia (Persero) Tbk			
Berkelanjutan I Phase I Year 2017	July 11, 2022	July 11, 2022	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Pegadaian (Persero)			
Berkelanjutan I Phase I Year 2011 Series C	October 11, 2021	-	-
Berkelanjutan I Phase II Year 2012 Series D	February 14, 2019	February 14, 2019	February 14, 2019
Berkelanjutan II Phase I Year 2013 Series D	July 9, 2020	July 9, 2020	July 9, 2020
Berkelanjutan II Phase III Year 2015 Series C	May 7, 2020	May 7, 2020	May 7, 2020
Berkelanjutan III Phase I Year 2017 Series B	October 3, 2020	October 3, 2020	-
Berkelanjutan III Phase I Year 2017 Series C	October 3, 2022	October 3, 2022	-
Berkelanjutan III Phase II Year 2018 Series B	March 16, 2021	-	-
Berkelanjutan III Phase II Year 2018 Series C	March 16, 2023	-	-
PT Perusahaan Listrik Negara (Persero)			
Phase XI Year 2010 Series B	January 12, 2020	-	January 12, 2020
Phase XII Year 2010 Series B	July 8, 2022	-	July 8, 2022
Berkelanjutan I Phase I Year 2013 Series A	July 5, 2020	-	July 5, 2020
Berkelanjutan I Phase I Year 2013 Series B	July 5, 2023	-	-
Berkelanjutan I Phase II Year 2013 Series B	December 10, 2023	-	December 10, 2023
Berkelanjutan II Phase II Year 2017 Series C	November 3, 2027	November 3, 2027	-
Berkelanjutan II Phase II Year 2017 Series D	November 3, 2032	-	-
Berkelanjutan II Phase III Year 2018 Series C	February 22, 2028	-	-
Berkelanjutan II Phase III Year 2018 Series E	February 22, 2038	-	-
Berkelanjutan III Phase II Year 2018 Series B	October 10, 2025	-	-
Sukuk Ijarah Berkelanjutan I Phase I			
Year 2013	July 5, 2020	-	July 5, 2020
Sukuk Ijarah Berkelanjutan I Phase II			
Year 2013 Series B	December 10, 2023	-	December 10, 2023
Sukuk Ijarah Berkelanjutan II Phase I			
Year 2017 Series A	July 11, 2022	-	-
Sukuk Ijarah Berkelanjutan II Phase III			
Year 2018 Series B	February 22, 2028	-	-
Sukuk Ijarah Berkelanjutan III Phase II			
Year 2018 Series B	October 10, 2025	-	-
PT Indonesia Power			
Eba Danareksa I Year 2017 Kelas A	September 19, 2022	September 19, 2022	-
PT Waskita Karya (Persero) Tbk			
Berkelanjutan I Phase II Year 2015 Series B	October 16, 2020	October 16, 2020	October 16, 2020
Berkelanjutan II Phase I Year 2016	June 10, 2019	June 10, 2019	June 10, 2019
Berkelanjutan II Phase II Year 2016	September 28, 2021	September 28, 2021	September 28, 2021
Berkelanjutan II Phase III Year 2017 Series B	February 21, 2022	-	-
Berkelanjutan III Phase I Year 2017 Series A	October 6, 2020	-	-
Berkelanjutan III Phase I Year 2017 Series B	October 6, 2022	-	-
PT Mandiri Tunas Finance			
Berkelanjutan II Phase II Year 2016 Series A	June 1, 2019	June 1, 2021	June 1, 2019
Berkelanjutan II Phase II Year 2016 Series B	June 1, 2021	June 1, 2021	June 1, 2021
Berkelanjutan III Phase I Year 2016 Series A	October 7, 2019	-	-
Berkelanjutan III Phase II Year 2017 Series A	June 6, 2020	June 6, 2020	June 6, 2020
<u>United State Dollar</u>			
PT Perusahaan Listrik Negara (Persero)			
Year 2021	November 22, 2021	November 22, 2021	November 22, 2021
Year 2027	May 15, 2027	May 15, 2027	-
Year 2028	May 21, 2028	-	-
PT Pertamina (Persero)			
Year 2021	May 23, 2021	May 23, 2021	May 23, 2021
Year 2022	May 3, 2022	May 3, 2022	May 3, 2022
Year 2023	May 20, 2023	May 20, 2023	May 20, 2023

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related parties (Note 44)(continued)</u>			
<u>United State Dollar</u>			
PT Pelabuhan Indonesia III (Persero)			
Year 2023	May 2, 2023	-	-
Year 2024	October 1, 2024	October 1, 2024	October 1, 2024
PT Perusahaan Gas Negara (Persero) Tbk			
Year 2024	May 16, 2024	May 16, 2024	May 16, 2024
PT Pelabuhan Indonesia II (Persero)			
Year 2025	May 5, 2025	May 5, 2025	May 5, 2025
<u>Held-to-maturity</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank Pan Indonesia Tbk			
Berkelanjutan II Phase I Year 2016	June 28, 2021	June 28, 2021	June 28, 2021
Berkelanjutan II Phase II Year 2016	October 27, 2021	October 27, 2021	-
PT Bank Maybank Indonesia Tbk			
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	June 10, 2019	June 10, 2019	June 10, 2019
PT Indosat Tbk			
Phase VIII Year 2012 Series B	June 27, 2022	June 27, 2022	June 27, 2022
Sukuk Ijarah Indosat V Year 2012	June 27, 2019	June 27, 2019	June 27, 2019
Sukuk Ijarah Berkelanjutan I Phase I Year 2014 Series C	December 12, 2021	December 12, 2021	December 12, 2021
Sukuk Ijarah Berkelanjutan I Phase III Year 2015 Series B	December 8, 2025	December 8, 2025	December 8, 2025
PT Bank OCBC NISP Tbk			
Berkelanjutan II Phase I Year 2016 Series C	May 11, 2019	May 11, 2019	May 11, 2019
PT Indonesia Infrastructure Finance			
Phase I Year 2016 Series B	July 19, 2021	July 19, 2021	July 19, 2021
PT Bank UOB Indonesia			
Phase I Year 2015 Series C	April 1, 2020	April 1, 2020	April 1, 2020
Berkelanjutan I Phase I Year 2016 Series B	November 25, 2019	November 25, 2019	November 25, 2019
PT Toyota Astra Financial Services			
Berkelanjutan II Phase I Year 2016 Series B	June 1, 2019	June 1, 2019	June 1, 2019
PT Global Mediacom Tbk			
Year 2017 Series A	July 7, 2022	-	-
Berkelanjutan Phase II Year 2017	September 19, 2020	-	-
PT BPD Jawa Tengah			
Year 2017	December 12, 2020	-	-
PT Astra Sedaya Finance			
Berkelanjutan III Phase I Year 2016 Series B	May 11, 2019	May 11, 2019	May 11, 2019
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Pupuk Indonesia (Persero)			
Berkelanjutan I Phase II Year 2017 Series A	November 9, 2020	November 9, 2020	-
Phase I Year 2014 Series B	July 8, 2019	July 8, 2019	July 8, 2019

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Bank Tabungan Negara (Persero) Tbk			
Phase XIV Year 2010	June 11, 2020	June 11, 2020	June 11, 2020
Phase XV Year 2011	June 28, 2021	June 28, 2021	June 28, 2021
Berkelanjutan I Phase I Year 2012	June 5, 2022	June 5, 2022	June 5, 2022
Berkelanjutan I Phase II Year 2013	March 27, 2023	March 27, 2023	March 27, 2023
Berkelanjutan II Phase I Year 2015 Series B	July 8, 2020	July 8, 2020	July 8, 2020
Berkelanjutan II Phase I Year 2015 Series C	July 8, 2022	July 8, 2022	July 8, 2022
Berkelanjutan II Phase II Year 2016 Series A	August 30, 2019	August 30, 2019	August 30, 2019
Berkelanjutan II Phase II Year 2016 Series B	August 30, 2021	August 30, 2021	August 30, 2021
Lembaga Pembiayaan Ekspor Indonesia			
Berkelanjutan II Phase III Year 2014 Series C	October 16, 2019	October 16, 2019	October 16, 2019
Berkelanjutan II Phase VI Year 2015 Series C	September 16, 2020	September 16, 2020	September 16, 2020
Berkelanjutan II Phase V Year 2015 Series C	March 13, 2020	March 13, 2020	March 13, 2020
Berkelanjutan III Phase VI Year 2018 Series C	February 14, 2025	-	-
Berkelanjutan IV Phase III Year 2018 Series A	November 18, 2019	-	-
Berkelanjutan IV Phase III Year 2018 Series B	November 8, 2021	-	-
PT Pegadaian (Persero)			
Berkelanjutan I Phase I Year 2011 Series C	October 11, 2021	October 11, 2021	October 11, 2021
Berkelanjutan I Phase II Year 2012 Series D	February 14, 2019	February 14, 2019	February 14, 2019
Berkelanjutan II Phase II Year 2014 Series C	July 11, 2019	July 11, 2019	July 11, 2019
Berkelanjutan II Phase III Year 2015 Series C	May 7, 2020	May 7, 2020	May 7, 2020
Obligasi XII Year 2009 Series C	July 1, 2019	July 1, 2019	July 1, 2019
PT Telekomunikasi Indonesia (Persero) Tbk			
Berkelanjutan I Phase I Year 2015 Series A	June 23, 2022	June 23, 2022	June 23, 2022
Berkelanjutan I Phase I Year 2015 Series D	June 23, 2045	June 23, 2045	June 23, 2045
Obligasi II Year 2010 Series B	July 6, 2020	July 6, 2020	July 6, 2020
PT Angkasa Pura I (Persero)			
Sukuk Ijarah Angkasa Pura I Year 2016			
Year 2016 Series A	November 22, 2021	November 22, 2021	November 22, 2021
PT Sarana Multigriya Finansial (Persero)			
Year 2017	June 16, 2019	-	-
PT Jasa Marga (Persero) Tbk			
Berkelanjutan I Phase II Year 2014 Series T	September 19, 2019	-	-
Phase XIV Year 2010 Series JM-10	October 12, 2020	-	-
PT Aneka Tambang (Persero) Tbk			
Berkelanjutan I Year 2011 Series B	December 14, 2021	December 14, 2021	December 14, 2021
PT Perusahaan Listrik Negara (Persero)			
Berkelanjutan I Phase I Year 2013 Series B	July 5, 2023	July 5, 2023	July 5, 2023
Phase VIII Year 2006 Series B	June 21, 2021	June 21, 2021	June 21, 2021
Phase IX Year 2007 Series B	July 10, 2022	July 10, 2022	July 10, 2022
Phase XI Year 2010 Series B	January 12, 2020	January 12, 2020	January 12, 2020
Phase XII Year 2010 Series B	July 8, 2022	July 8, 2022	July 8, 2022
Sukuk Ijarah Phase IV	January 12, 2020	January 12, 2020	January 12, 2020
Sukuk Ijarah Phase V Year 2010 Series B	July 8, 2022	July 8, 2022	July 8, 2022
Sukuk Ijarah Berkelanjutan I Phase I			
Year 2013	July 5, 2020	July 5, 2020	July 5, 2020
Sukuk Ijarah Berkelanjutan I Phase II			
Year 2013 Series B	December 10, 2023	December 10, 2023	December 10, 2023
Sukuk Ijarah Berkelanjutan II Phase I			
Year 2017 Series B	July 11, 2027	July 11, 2027	-
Sukuk Ijarah Berkelanjutan II Phase III			
Year 2018 Series A	February 23, 2023	-	-
Sukuk Ijarah Berkelanjutan III Phase II			
Year 2018 Series B	October 10, 2025	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)			
Year 2020	January 20, 2020	January 20, 2020	January 20, 2020
Year 2021	November 22, 2021	November 22, 2021	November 22, 2021
Year 2029	January 25, 2029	-	-
PT Perusahaan Gas Negara (Persero) Tbk			
Year 2024	May 16, 2024	May 16, 2024	May 16, 2024
PT Pelabuhan Indonesia II (Persero)			
Year 2025	May 5, 2025	May 5, 2025	May 5, 2025
PT Pertamina (Persero)			
Year 2023	May 20, 2023	May 20, 2023	May 20, 2023
PT Pelabuhan Indonesia III (Persero)			
Year 2024	October 1, 2024	October 1, 2024	October 1, 2024
	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Indosat Tbk			
<i>Berkelanjutan</i> I Phase I Year 2014 Series B	idAAA	idAAA	-
<i>Berkelanjutan</i> II Phase III Year 2018 Series E	idAAA	-	-
PT Medco Energi Internasional Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series B	idA+	idA+	idAA-
PT XL Axiata Tbk			
<i>Sukuk Ijarah Berkelanjutan</i> II Phase I			
Year 2018 Series A	AAA(idn)	-	-
PT Summarecon Agung Tbk			
<i>Sukuk Ijarah Berkelanjutan</i> I Phase II			
Year 2014	idA(sy)	idA+(sy)	idA+(sy)
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Sarana Multigriya Finansial (Persero)			
<i>Berkelanjutan</i> III Phase VI Year 2016	idAAA	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series B	idAAA	-	-
PT Pegadaian (Persero)			
<i>Berkelanjutan</i> III Phase I Year 2017 Series B	idAAA	-	-
Lembaga Pembiayaan Ekspor Indonesia			
<i>Berkelanjutan</i> III Phase V Year 2017 Series A	idAAA	-	-
PT Perusahaan Listrik Negara (Persero)			
<i>Sukuk Ijarah</i> V Year 2010 Series B	idAAA(sy)	idAAA(sy)	idAAA(sy)
<i>Sukuk Ijarah Berkelanjutan</i> I Phase I			
Year 2013	idAAA(sy)	idAAA(sy)	idAAA(sy)
<i>Sukuk Ijarah Berkelanjutan</i> II Phase II			
Year 2017 Series C	idAAA(sy)	idAAA(sy)	-

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

**) Based on ratings issued by Moody's

***) Based on ratings issued by Fitch Ratings

****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Adira Dinamika Multi Finance Tbk			
Berkelanjutan III Phase I Year 2015 Series B	idAAA	idAAA	idAAA
Berkelanjutan III Phase II Year 2015 Series C	idAAA	idAAA	idAAA
Berkelanjutan III Phase IV Year 2016 Series B	idAAA	idAAA	idAAA
Berkelanjutan III Phase V Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan III Phase V Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan III Phase VI Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan III Phase VI Year 2017 Series C	idAAA	-	-
Berkelanjutan IV Phase I Year 2017 Series B	idAAA	-	-
Berkelanjutan IV Phase I Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan IV Phase II Year 2018 Series D	idAAA	-	-
Berkelanjutan IV Phase III Year 2018 Series C	idAAA	-	-
Berkelanjutan IV Phase III Year 2018 Series D	idAAA	-	-
PT Bank OCBC NISP Tbk			
Berkelanjutan II Phase I Year 2016 Series C	idAAA	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan II Phase IV Year 2018 Series A	idAAA	-	-
Berkelanjutan II Phase IV Year 2018 Series B	idAAA	-	-
PT Bank Pan Indonesia Tbk			
Berkelanjutan II Phase I Year 2016	idAA	idAA	idAA
Berkelanjutan II Phase II Year 2016	idA+	idAA	idAA
Berkelanjutan II Phase III Year 2018	idAA	-	-
PT Indosat Tbk			
Phase VIII Year 2012 Series A	idAAA	idAAA	-
Phase VIII Year 2012 Series B	idAAA	idAAA	-
Berkelanjutan I Phase I Year 2014 Series B	idAAA	idAAA	-
Berkelanjutan I Phase III Year 2015 Series B	idAAA	-	-
Berkelanjutan I Phase III Year 2015 Series D	idAAA	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series E	idAAA	-	-
Berkelanjutan II Phase III Year 2018 Series C	idAAA	-	-
Berkelanjutan II Phase III Year 2018 Series E	idAAA	-	-
Sukuk Ijarah Berkelanjutan I Phase I			
Year 2014 Series A	idAAA	idAAA	idAAA
Sukuk Ijarah Berkelanjutan I Phase I			
Year 2014 Series B	idAAA	idAAA	idAAA
PT Bank CIMB Niaga Tbk			
Berkelanjutan II Phase I Year 2016 Series C	idAAA	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan II Phase III Year 2017 Series C	idAAA	idAAA	-
Sukuk Mudharabah Berkelanjutan I Phase I			
Year 2018 Series B	idAAA(sy)	-	-
PT Astra Sedaya Finance			
Berkelanjutan III Phase I Year 2016 Series B	idAAA	idAAA	AAA ^{***)}
Berkelanjutan III Phase II Year 2016 Series B	idAAA	idAAA	-
Berkelanjutan III Phase III Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan III Phase III Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan III Phase IV Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan IV Phase I Year 2018 Series B	idAAA	-	-

^{*)} Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

^{**)} Based on ratings issued by Moody's

^{***)} Based on ratings issued by Fitch Ratings

^{****)} Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Third parties (continued)</u>			
<u>Rupiah (continued)</u>			
PT Bank Maybank Indonesia Tbk			
Sukuk Mudharabah Berkelanjutan I			
Phase II Year 2016	idAAA	-	idAAA
Berkelanjutan II Phase II Year 2017 Series A	idAAA	-	-
Berkelanjutan II Phase II Year 2018	idAAA	-	-
PT BFI Finance Indonesia Tbk			
Berkelanjutan III Phase III Year 2017 Series B	idAAA	-	-
Berkelanjutan IV Phase I Year 2018 Series B	idA-	-	-
PT Bank UOB Indonesia			
Phase I Year 2015 Series C	idAA	AAA ^{***})	AAA ^{***})
Berkelanjutan I Phase I Year 2016 Series B	idAA+	AAA ^{***})	-
Berkelanjutan I Phase I Year 2016 Series C	idAAA	AAA ^{***})	AAA ^{***})
Berkelanjutan I Phase II Year 2018 Series A	idAAA	-	-
PT Maybank Indonesia Finance			
Berkelanjutan I Phase II Year 2016 Series A	idAAA	-	-
Berkelanjutan I Phase III Year 2016 Series A	idAAA	idAA+ ^{*)}	-
Berkelanjutan I Phase IV Year 2017 Series	idAAA	-	-
Berkelanjutan II Phase I Year 2018 Series A	idAAA	-	-
<u>Foreign currencies</u>			
Alibaba Group Holding Ltd.			
Alibaba Group Holding Ltd.	A1 ^{**)}	A1 ^{**)}	A1 ^{**)}
Oversea-Chinese Banking Corporation			
OCBCSP 061924	-	Aaa ^{***})	AA- ^{****})
Xerox Corporation			
Xerox Corporation	Ba1 ^{**)}	Baa3 ^{**)}	Baa2 ^{**)}
Province of Ontario			
Province of Ontario	Aa3	Aa2 ^{**)}	Aa2 ^{**)}
Citigroup Inc.			
Citigroup Inc.	Baa1 ^{**)}	-	-
Citigroup Inc.	Baa1 ^{**)}	Baa1 ^{**)}	Baa1 ^{**)}
Citigroup Inc.	Baa1 ^{**)}	Baa1 ^{**)}	Baa1 ^{**)}
Bank of America			
Bank of America	A3 ^{**)}	-	-
Bank of America	A3 ^{**)}	A3 ^{**)}	Baaa1 ^{**)}
Bank of America	A3 ^{**)}	A3 ^{**)}	Baaa1 ^{**)}
Wells Fargo & Company			
Wells Fargo & Company	A2 ^{**)}	A2 ^{**)}	A2 ^{**)}
Wells Fargo & Company	A2 ^{**)}	A2 ^{**)}	A2 ^{**)}

^{*)} Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

^{**)} Based on ratings issued by Moody's

^{***}) Based on ratings issued by Fitch Ratings

^{****}) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Third parties (continued)</u>			
<u>Foreign currencies (continued)</u>			
The Federal Home Loan Mortgage Corporation	AAA ^{***)}	AAA ^{***)}	Aaa ^{****)}
JP Morgan Chase Bank, N.A.			
JP Morgan Chase Bank, N.A.	A2 ^{**)}	A3 ^{**)}	-
JP Morgan Chase Bank, N.A.	A2 ^{**)}	A3 ^{**)}	-
Verizon			
Verizon	Baa1	Baa1	Baa1
Verizon	Baa1	Baa1	Baa1
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Lembaga Pembiayaan Ekspor Indonesia			
Berkelanjutan II Phase I Year 2014 Series D	idAAA	idAAA	idAAA
Berkelanjutan II Phase V Year 2015 Series C	idAAA	idAAA	idAAA
Berkelanjutan II Phase VI Year 2015 Series C	idAAA	idAAA	idAAA
Berkelanjutan II Phase VII Year 2016 Series B	idAAA	idAAA	idAAA
Berkelanjutan II Phase VII Year 2016 Series C	idAAA	idAAA	idAAA
Berkelanjutan III Phase I Year 2016 Series B	idAAA	idAAA	idAAA
Berkelanjutan III Phase I Year 2016 Series C	idAAA	idAAA	idAAA
Berkelanjutan III Phase II Year 2016 Series B	idAAA	idAAA	-
Berkelanjutan III Phase III Year 2016 Series B	idAAA	idAAA	-
Berkelanjutan III Phase III Year 2016 Series C	idAAA	idAAA	-
Berkelanjutan III Phase III Year 2016 Series D	idAAA	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan III Phase IV Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan III Phase V Year 2017 Series B	idAAA	-	-
Berkelanjutan III Phase V Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan III Phase VI Year 2018 Series B	idAAA	-	-
Berkelanjutan IV Phase II Year 2018 Series A	idAAA	-	-
Berkelanjutan IV Phase II Year 2018 Series B	idAAA	-	-
Berkelanjutan IV Phase II Year 2018 Series C	idAAA	-	-
Berkelanjutan IV Phase III Year 2018 Series A	idAAA	-	-
Sukuk Mudharabah Berkelanjutan I Phase II Year 2018 Series B	idAAA(sy)	-	-
PT Bank Tabungan Negara (Persero) Tbk			
Phase XIV Year 2010	idAA+	idAA+	idAA+
Phase XV Year 2011	idAA+	-	-
Berkelanjutan I Phase II Year 2013	idAA+	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series B	idAA+	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series C	idAA+	idAA+	idAA+
Berkelanjutan II Phase II Year 2016 Series A	idAA+	idAA+	idAA+
Berkelanjutan II Phase II Year 2016 Series B	idAA+	idAA+	idAA+
Berkelanjutan III Phase I Year 2017 Series A	idAA+	idAA+	-
Berkelanjutan III Phase I Year 2017 Series B	idAA+	idAA+	-

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

**) Based on ratings issued by Moody's

***) Based on ratings issued by Fitch Ratings

****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Rupiah (continued)</u>			
PT Sarana Multigriya Finansial (Persero)			
Berkelanjutan III Phase IV Year 2016 Series B	idAAA	-	idAA+
Berkelanjutan III Phase V Year 2016 Series B	idAAA	-	idAA+
Berkelanjutan III Phase VI Year 2016	idAAA	idAAA	idAA+
Berkelanjutan III Phase VII Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan IV Phase I Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan IV Phase II Year 2017 Series B	idAAA	-	-
Berkelanjutan IV Phase III Year 2018 Series B	idAAA	-	-
Berkelanjutan IV Phase IV Year 2018 Series B	idAAA	-	-
Berkelanjutan IV Phase VI Year 2018 Series A	idAAA	-	-
PT Bank Mandiri (Persero) Tbk			
Berkelanjutan I Phase I Year 2016 Series A	idAAA	idAAA	idAAA
Berkelanjutan I Phase II Year 2017 Series A	idAAA	idAAA	-
Berkelanjutan I Phase II Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan I Phase III Year 2018 Series A	idAAA	-	-
PT Bank Negara Indonesia (Persero) Tbk			
Berkelanjutan I Phase I Year 2017	idAAA	idAAA	-
PT Pegadaian (Persero)			
Berkelanjutan I Phase I Year 2011 Series C	idAAA	-	-
Berkelanjutan I Phase II Year 2012 Series D	idAAA	idAAA	idAA+
Berkelanjutan II Phase I Year 2013 Series D	idAAA	idAAA	idAA+
Berkelanjutan II Phase III Year 2015 Series C	idAAA	idAAA	idAA+
Berkelanjutan III Phase I Year 2017 Series B	idAAA	idAAA	-
Berkelanjutan III Phase I Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan III Phase II Year 2018 Series B	-	idAAA	-
Berkelanjutan III Phase II Year 2018 Series C	idAAA	-	-
PT Perusahaan Listrik Negara (Persero)			
Phase XI Year 2010 Series B	-	-	idAAA
Phase XII Year 2010 Series B	idAAA	-	idAAA
Berkelanjutan I Phase I Year 2013 Series A	idAAA	-	idAAA
Berkelanjutan I Phase I Year 2013 Series B	idAAA	-	-
Berkelanjutan I Phase II Year 2013 Series B	idAAA	-	idAAA
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA	-
Berkelanjutan II Phase II Year 2017 Series D	idAAA	-	-
Berkelanjutan II Phase III Year 2018 Series C	idAAA	-	-
Berkelanjutan II Phase III Year 2018 Series E	idAAA	-	-
Berkelanjutan III Phase II Year 2018 Series B	idAAA	-	-
Sukuk Ijarah Berkelanjutan I Phase I			
Year 2013	idAAA(sy)	-	-
Sukuk Ijarah Berkelanjutan I Phase II			
Year 2013 Series B	idAAA(sy)	-	idAAA(sy)
Sukuk Ijarah Berkelanjutan II Phase I			
Year 2017 Series A	idAAA(sy)	-	-
Sukuk Ijarah Berkelanjutan II Phase III			
Year 2018 Series B	idAAA(sy)	-	-
PT Indonesia Power			
Eba Danareksa I Year 2017 Class A	idAAA	idAAA(sf)	-

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

**) Based on ratings issued by Moody's

***) Based on ratings issued by Fitch Ratings

****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Rupiah (continued)</u>			
PT Waskita Karya (Persero) Tbk			
<i>Berkelanjutan I Phase II Year 2015 Series B</i>	idA-	-	-
<i>Berkelanjutan II Phase I Year 2016</i>	idA-	-	-
<i>Berkelanjutan II Phase II Year 2016</i>	idA-	-	-
<i>Berkelanjutan II Phase III Year 2017 Series B</i>	idA-	-	-
<i>Berkelanjutan III Phase I Year 2017 Series A</i>	idA-	-	-
<i>Berkelanjutan III Phase I Year 2017 Series B</i>	idA-	-	-
PT Mandiri Tunas Finance			
<i>Berkelanjutan II Phase II Year 2016 Series A</i>	idAA+	AA	idAA
<i>Berkelanjutan II Phase II Year 2016 Series B</i>	idAAA	AA+	idAA
<i>Berkelanjutan III Phase I Year 2016 Series A</i>	idAAA	-	-
<i>Berkelanjutan III Phase II Year 2017 Series A</i>	idA	AA+	-
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)			
Year 2021	BBB ^{***)}	Baa3 ^{**)}	BBB- ^{****)}
Year 2027	BBB ^{***)}	Baa3 ^{**)}	-
Year 2028	BBB ^{***)}	-	-
PT Pertamina (Persero)			
Year 2021	Baa2 ^{*)}	Baa3 ^{**)}	Baa3 ^{**)}
Year 2022	BBB- ^{***)}	Baa3 ^{**)}	Baa3 ^{**)}
Year 2023	BBB ^{***)}	Baa3 ^{**)}	Baa3 ^{**)}
PT Pelabuhan Indonesia III (Persero)			
Year 2023	BBB ^{***)}	-	-
Year 2024	BBB ^{***)}	Baa3 ^{**)}	BB+ ^{****)}
PT Perusahaan Gas Negara (Persero) Tbk			
Year 2024	Baa2	Baa3 ^{**)}	Baa3 ^{**)}
PT Pelabuhan Indonesia II (Persero)			
Year 2025	BBB ^{***)}	Baa3 ^{**)}	B1 ^{**)}
<u>Held-to-maturity</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank Pan Indonesia Tbk			
<i>Berkelanjutan II Phase I Year 2016</i>	A+	AA	idAA
<i>Berkelanjutan II Phase II Year 2016</i>	A+	AA	-
PT Bank Maybank Indonesia Tbk			
<i>Sukuk Mudharabah Berkelanjutan I</i>			
Phase II Year 2016	idAAA	idAAA(sy)	idAAA
PT Indosat Tbk			
Phase VIII Year 2012 Series B	idAAA	idAAA	idAAA
<i>Sukuk Ijarah Indosat V Year 2012</i>	idAAA(sy)	idAAA(sy)	idAAA(sy)
<i>Sukuk Ijarah Berkelanjutan I Phase I</i>			
Year 2014 Series C	idAAA(sy)	idAAA(sy)	idAAA(sy)
<i>Sukuk Ijarah Berkelanjutan I Phase III</i>			
Year 2015 Series B	idAAA(sy)	idAAA(sy)	AAA(idn)

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

**) Based on ratings issued by Moody's

***) Based on ratings issued by Fitch Ratings

****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Third parties (continued)</u>			
<u>Rupiah (continued)</u>			
PT Bank OCBC NISP Tbk			
<i>Berkelanjutan</i> II Phase I Year 2016 Series B	idAAA	idAAA	idAAA
PT Indonesia Infrastructure Finance			
Phase I Year 2016 Series B	idAAA	idAAA	AAA(idn)
PT Bank UOB Indonesia			
Phase I Year 2015 Series C	AA ^(**)	AAA ^(***)	AAA ^(****)
<i>Berkelanjutan</i> I Phase I Year 2016 Series B	AA ^(**)	AAA ^(***)	AAA ^(****)
PT Toyota Astra Financial Services			
<i>Berkelanjutan</i> II Phase I Year 2016 Series B	AAA ^(***)	AAA ^(***)	AAA ^(***)
PT Global Mediacom Tbk			
Year 2017 Series A	A ^(**)	-	-
Phase II Year 2017	idA+	-	-
PT BPD Jawa Tengah			
Year 2017	idAA-(sy)	-	-
PT Astra Sedaya Finance			
<i>Berkelanjutan</i> III Phase I Year 2016 Series B	AAA ^(***)	AAA ^(***)	AAA ^(****)
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Pupuk Indonesia (Persero)			
<i>Berkelanjutan</i> I Phase II Year 2017 Series A	AAA ^(****)	AAA ^(****)	-
Phase I Year 2014 Series B	AA ^(**)	AAA ^(****)	AAA ^(****)
PT Bank Tabungan Negara (Persero) Tbk			
Phase XIV Year 2010	idAA+	idAA+	idAA+
Phase XV Year 2011	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> I Phase I Year 2012	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> I Phase II Year 2013	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> II Phase I Year 2015 Series B	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> II Phase I Year 2015 Series C	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> II Phase II Year 2016 Series A	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> II Phase II Year 2016 Series B	idAA+	idAA+	idAA+
Lembaga Pembiayaan Ekspor Indonesia			
<i>Berkelanjutan</i> II Phase III Year 2014 Series C	idAAA	idAAA	idAAA
<i>Berkelanjutan</i> II Phase VI Year 2015 Series C	idAAA	idAAA	idAAA
<i>Berkelanjutan</i> II Phase V Year 2015 Series C	idAAA	idAAA	idAAA
<i>Berkelanjutan</i> IV Phase III Year 2018 Series A	idAAA	-	-
<i>Berkelanjutan</i> IV Phase III Year 2018 Series B	idAAA	-	-
PT Pegadaian (Persero)			
<i>Berkelanjutan</i> I Phase II Year 2012 Series D	idAAA	idAAA	idAA+
<i>Berkelanjutan</i> I Phase I Year 2011 Series C	idAAA	idAAA	idAA+
<i>Berkelanjutan</i> II Phase II Year 2014 Series C	idAAA	idAAA	idAA+
<i>Berkelanjutan</i> II Phase III Year 2015 Series C	idAAA	idAAA	idAA+
<i>Obligasi</i> XIII Year 2009 Series C	idAAA	idAAA	idAA+

^(*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

^(**) Based on ratings issued by Moody's

^(***) Based on ratings issued by Fitch Ratings

^(****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^(*)		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity (continued)</u>			
<u>Related parties (Note 44) (continued)</u>			
<u>Rupiah (continued)</u>			
PT Telekomunikasi Indonesia (Persero) Tbk			
<i>Berkelanjutan</i> I Phase I Year 2015 Series A	idAAA	idAAA	idAAA
<i>Berkelanjutan</i> I Phase I Year 2015 Series D	idAAA	idAAA	idAAA
<i>Obligasi</i> II Year 2010 Series B	idAAA	idAAA	idAAA
PT Angkasa Pura I (Persero)			
Sukuk <i>Ijarah</i> Angkasa Pura I			
Year 2016 Series A	idAAA(sy)	idAAA(sy)	idAAA
PT Sarana Multigriya Finansial (Persero)			
Year 2017	idAAA	-	-
PT Jasa Marga (Persero) Tbk			
Phase XIV Series JM-10 Year 2010	idAA	-	-
<i>Berkelanjutan</i> I Phase II Year 2014 Series T	idAA	-	-
PT Jasa Marga (Persero) Tbk			
<i>Berkelanjutan</i> I Phase II Year 2014 Series T	AA	-	-
Phase XIV Year 2010 Series JM-10	AA	-	-
PT Aneka Tambang (Persero) Tbk			
<i>Berkelanjutan</i> I Year 2011 Series B	idA-	idBBB+	idBBB+
PT Perusahaan Listrik Negara (Persero)			
<i>Berkelanjutan</i> I Phase I Year 2013 Series B	idAAA	idAAA	idAAA
Phase VIII Year 2006 Series B	idAAA	idAAA	idAAA
Phase IX Year 2007 Series B	idAAA	idAAA	idAAA
Phase XI Year 2010 Series B	idAAA	idAAA	idAAA
Phase XII Year 2010 Series B	idAAA	idAAA	idAAA
Sukuk <i>Ijarah</i> Phase IV	idAAA(sy)	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Phase V Year 2010 Series B	idAAA(sy)	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah Berkelanjutan</i> I Phase I			
Year 2013	idAAA(sy)	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah Berkelanjutan</i> I Phase II			
Year 2013 Series B	idAAA(sy)	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah Berkelanjutan</i> II Phase I			
Year 2017 Series B	idAAA(sy)	idAAA(sy)	-
Sukuk <i>Ijarah Berkelanjutan</i> II Phase III			
Year 2018 Series A	idAAA(sy)	-	-
Sukuk <i>Ijarah Berkelanjutan</i> III Phase II			
Year 2018 Series B	idAAA(sy)	-	-
<u>Foreign currencies</u>			
PT Perusahaan Listrik Negara (Persero)			
Year 2020	BBB-	Baa3 ^(**)	Baa3 ^(**)
Year 2021	BBB-	Baa3 ^(**)	Baa3 ^(**)
Year 2029	BBB-	-	-
PT Perusahaan Gas Negara (Persero) Tbk			
Year 2024	BBB-	Baa3 ^(**)	Baa3 ^(**)
PT Pelabuhan Indonesia II (Persero)			
Year 2025	BBB	Baa3 ^(**)	Baa3 ^(**)
PT Pertamina (Persero)			
Year 2023	BBB	Baa3 ^(**)	Baa3 ^(**)
PT Pelabuhan Indonesia III (Persero)			
Year 2024	BBB	Baa3 ^(**)	Baa3 ^(**)

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

**) Based on ratings issued by Moody's

***) Based on ratings issued by Fitch Ratings

****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.3. Mutual Funds

	December 31,		
	2018	2017	2016
<u>Fair value through profit or loss</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Schroder Investment Management Indonesia	1,111,354	678,836	135,961
PT Insight Investments Management	32,035	10,316	-
PT Trimegah Asset Management	29,732	32,761	29,558
PT Batavia Prosperindo Aset Manajemen	16,776	17,130	14,772
PT Sinarmas Asset Management	16,359	17,708	56,402
PT BNP Paribas Investment Partners	15,651	16,305	12,042
PT Manulife Aset Manajemen Indonesia	3,864	5,406	5,227
PT Mega Capital Investama	2,885	-	-
PT Maybank Asset Management	-	17,356	16,651
PT Ciptadana Asset Management	-	16,387	-
PT Kresna Asset Management	-	-	2,989
	1,228,656	812,205	273,602
<u>United States Dollar</u>			
PT Schroder Investment Management Indonesia	7,745	7,366	-
	1,236,401	819,571	273,602
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT Danareksa Investment Management	8,957	15,356	14,255
PT PNM Investment Management	3,225	3,452	3,287
PT Mandiri Manajemen Investasi	1,261	1,253	1,194
PT Bahana TCW Investment Management	1,256	1,203	1,050
	14,699	21,264	19,786
<u>United States Dollar</u>			
PT Danareksa Investment Management	-	2,100	1,984
	14,699	23,364	21,770
	1,251,100	842,935	295,372
<u>Available-for-sale</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Trimegah Asset Management	456,620	24,748	48,643
PT Insight Investments Management	313,898	306,601	108,164
PT EMCO Asset Management	262,470	-	-
PT Samuel Aset Manajemen	192,217	33,861	-
PT Syailendra Capital	68,545	-	-
PT Ashmore Asset Management Indonesia	64,139	33,614	-
PT Mega Capital Investama	57,997	60,862	40,099
PT Manulife Aset Manajemen Indonesia	51,322	58,032	7,134
PT Panin Asset Management	46,866	49,614	4,227
PT Henan Putihrai Asset Management	42,039	29,362	-
PT Maybank Asset Management	40,413	113,613	61,425
PT Sinarmas Asset Management	24,186	145,908	103,965
PT RHB Asset Management Indonesia	13,094	115,364	4,902
PT Mega Asset Management	9,798	-	-
PT Majoris Asset Management	9,745	-	-
PT CIMB Principal Asset Management	7,293	7,788	8,040
PT BNP Paribas Investment Partners	5,253	18,341	15,790
PT Pratama Capital Assets Management	1,999	2,117	1,843

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.3. Mutual Funds (continued)

	December 31,		
	2018	2017	2016
<u>Available-for-sale (continued)</u>			
<u>Third parties (continued)</u>			
<u>Rupiah (continued)</u>			
PT Schroder Investment Management Indonesia	1,308	1,341	98,189
PT Syailendra Asset Management	-	81,838	48,542
PT Ciptadana Asset Management	-	3,020	-
PT Indo Premier Sekuritas	-	566	-
PT MNC Asset Management	-	-	1,054
PT Indo Premier Investment Management	-	-	464
	1,669,202	1,086,590	552,481
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
PT BNI Asset Management	75,337	75,291	50,105
PT Mandiri Manajemen Investasi	60,412	60,710	50,017
PT Danareksa Investment Management	10,147	276,548	268,100
PT Bahana TCW Investment Management	5,473	5,729	5,081
	151,369	418,278	373,303
	1,820,571	1,504,868	925,784
Total	3,071,671	2,347,803	1,221,156

d.4. Negotiable Certificates of Deposit (NCD)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value		
				December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank Commonwealth						
Phase I Year 2018 Series B	150,000	6.23	Apr 19, 2019	147,021	-	-
Phase II Year 2018	50,000	6.76	May 24, 2019	48,651	-	-
Phase III Year 2018	200,000	8.30	Oct 22, 2019	189,210	-	-
Phase I 2017	70,000	6.55	Aug 31, 2018	-	67,114	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.						
Phase I Year 2018 Series B	100,000	6.07	May 14, 2019	97,483	-	-
Phase II Year 2018 Series C	100,000	8.00	May 22, 2019	97,334	-	-
Phase I Year 2017 Series A	35,000	7.10	Feb 23, 2018	-	39,659	-
Phase I Year 2017 Series B	40,000	7.20	May 29, 2018	-	38,979	-
PT Bank Sumitomo Mitsui Indonesia						
Phase II Year 2018 Series A	150,000	8.30	Apr 23, 2019	146,809	-	-
Phase I Year 2017 Series A	50,000	5.85	Apr 11, 2018	-	49,184	-
Phase I Year 2017 Series B	50,000	6.00	Jul 11, 2018	-	48,399	-
Phase I Year 2017 Series C	50,000	6.15	Oct 11, 2018	-	47,559	-
PT BPD Jawa Tengah						
Year 2018 Series A	100,000	8.50	May 21, 2019	97,353	-	-
PT BPD Jawa Barat dan Banten Tbk						
Phase III Year 2018 Series A	50,000	6.30	Apr 5, 2019	49,137	-	-
Phase I Year 2017 Series A	20,000	7.50	Mar 21, 2018	-	19,776	-
Phase I Year 2017 Series B	20,000	7.60	Jun 21, 2018	-	19,430	-
Phase II Year 2017 Series A	100,000	6.85	Oct 2, 2018	-	95,287	-
PT Bank Mizuho Indonesia						
Phase IV Year 2018	50,000	6.50	May 17, 2019	48,828	-	-
Phase III Year 2017	50,000	5.95	May 17, 2018	-	48,950	-
PT Bank KEB Hana Indonesia						
Year 2018	50,000	7.88	Sep 25, 2019	47,537	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.4.Negotiable Certificates of Deposit (NCD) (continued)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value		
				December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>						
<u>Third parties (continued)</u>						
<u>Rupiah (continued)</u>						
PT Bank Woori Saudara Indonesia 1906 Tbk						
Phase I Year 2018	40,000	7.88	Oct 3, 2019	37,974	-	-
PT Bank Pembangunan Daerah Nusa Tenggara Timur						
Phase I 2017 Series A	20,000	7.50	Nov 13, 2018	-	18,899	-
PT Bank CIMB Niaga Tbk						
Phase III 2017 Series C	50,000	5.95	May 19, 2018	-	48,798	-
PT Bank KEB Hana Indonesia						
Phase III 2017 Series B	50,000	6.31	Mar 27, 2018	-	49,394	-
Phase III 2017 Series C	50,000	6.52	Sep 26, 2018	-	47,953	-
PT Bank Maybank Indonesia Tbk						
Phase IV 2017	50,000	6.15	Dec 12, 2018	-	46,973	-
				1,007,337	686,354	-
<u>Related parties (Note 44)</u>						
<u>Rupiah</u>						
PT Bank Tabungan Negara (Persero) Tbk						
Phase I Year 2018 Series B	100,000	6.20	Apr 2, 2019	98,324	-	-
Phase II Year 2018 Series A	105,000	7.60	Jan 15, 2019	104,713	-	-
Phase III Year 2018 Series A	300,000	8.30	May 7, 2019	293,083	-	-
Phase I 2017 Series B	50,000	7.43	Feb 16, 2018	-	49,629	-
Phase IV 2017 Series B	30,000	6.20	Dec 13, 2018	-	28,178	-
				496,120	77,807	-
<u>Held-to-maturity</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT BPD Jawa Tengah						
Year 2018 Series A	10,000	8.50	May 21, 2019	9,678	-	-
PT Bank Mizuho Indonesia						
Phase III 2017	60,000	7.50	May 17, 2018	-	58,347	-
Phase II 2016	50,000	7.50	May 22, 2017	-	-	43,717
PT Bank CIMB Niaga Tbk						
Phase II 2016 Series B	50,000	7.60	Jan 13, 2017	-	-	49,869
Phase II 2016 Series C	50,000	8.25	Nov 3, 2021	-	48,621	49,233
PT Bank Sumitomo Mitsui Indonesia						
Phase II 2016 Series C	100,000	7.76	Sep 22, 2017	-	-	94,704
Phase II 2016 Series B	100,000	7.66	Jul 11, 2017	-	-	96,154
Phase II 2016 Series A	50,000	7.50	Mar 22, 2017	-	-	49,187
PT Bank Commonwealth						
Phase III 2016 Series B	100,000	7.60	Jul 14, 2017	-	-	96,132
Phase III 2016 Series C	100,000	7.60	Oct 13, 2017	-	-	94,358
Phase III 2016 Series A	50,000	7.44	Apr 13, 2017	-	-	48,974
PT Bank Tabungan Pensiunan Nasional Tbk						
Phase II 2016 Series A	10,000	7.30	May 8, 2017	-	-	9,750
Phase II 2016 Series B	30,000	8.25	Nov 8, 2017	-	-	28,165
				9,678	106,968	660,243

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.4. Negotiable Certificates of Deposit (NCD) (continued)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value		
				December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity</u>						
<u>(continued)</u>						
<u>Related parties (Note 44)</u>						
<u>Rupiah</u>						
PT Bank Tabungan Negara (Persero) Tbk						
Phase III Year 2018 Series A	50,000	8.30	May 7, 2019	48,577	-	-
Phase III Year 2018 Series B	50,000	8.40	Aug 2, 2019	47,621	-	-
Phase III Year 2018 Series C	50,000	8.50	Nov 5, 2019	46,598	-	-
Phase IV Year 2018 Series B	50,000	8.40	Jun 11, 2019	48,179	-	-
Phase V Year 2016	500,000	7.55	Jul 3, 2017	-	-	481,000
Phase II Year 2016	100,000	7.50	Aug 10, 2017	-	-	95,547
Phase VI Year 2016	50,000	7.75	Mar 29, 2017	-	-	49,071
PT Bank Negara Indonesia (Persero) Tbk						
Year 2016 Series A	60,000	7.55	Mar 15, 2018	-	59,095	-
Year 2016 Series E	100,000	8.25	Jun 15, 2018	-	96,358	89,573
PT Bank Mandiri (Persero) Tbk						
Phase II Year 2016 Series A	100,000	7.65	Dec 21, 2017	-	-	93,091
				190,975	155,453	808,282
Total				1,704,110	1,026,582	1,468,525

d.5. Promissory Notes

Issuer	Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity</u>			
<u>Third parties</u>			
<u>United States Dollar</u>			
Morgan Stanley	-	-	26,945

Issuer	Annual Interest Rate (%)	Maturity Date	Rating		
			December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity</u>					
<u>Third parties</u>					
<u>United States Dollar</u>					
Morgan Stanley	4.00	August 31, 2017	-	-	A-****)

****) Based on ratings issued by Standard & Poor

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Subordinated Bonds

Issuer	Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank KEB Hana Indonesia Phase I Year 2016	30,936	33,115	30,956
PT Bank Central Asia Tbk <i>Berkelanjutan</i> I Phase I Year 2018 Series B	13,676	-	-
PT Bank Maybank Indonesia Tbk <i>Berkelanjutan</i> II Phase II Year 2016	7,915	8,433	7,786
PT Bank Pan Indonesia Tbk <i>Berkelanjutan</i> I Phase I Year 2012 Series III Year 2010	2,012 -	2,065 -	2,014 3,058
PT Bank CIMB Niaga Tbk Series II Year 2010	1,418	1,498	1,454
PT Bank Muamalat Indonesia Tbk Sukuk <i>Mudharabah</i> <i>Berkelanjutan</i> I Phase II Year 2013	-	5,252	-
PT Bank Permata Tbk Series II Year 2011	-	613	612
	55,957	50,976	45,880
<u>Available-for-sale</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT Bank Permata Tbk <i>Berkelanjutan</i> I Phase I Year 2012 <i>Berkelanjutan</i> I Phase II Year 2012	10,052 187,051	5,107 151,752	4,961 124,008
<i>Berkelanjutan</i> II Phase I Year 2013 <i>Berkelanjutan</i> II Phase II Year 2014 Series II Year 2011	5,277 36,833 -	5,568 39,173 57,971	5,425 42,814 56,421
PT Bank Pan Indonesia Tbk <i>Berkelanjutan</i> I Phase I Year 2012 <i>Berkelanjutan</i> II Phase II Year 2017 Series III Year 2010	114,331 39,370 -	96,465 30,248 -	91,136 - 147,662
PT Bank CIMB Niaga Tbk Series II Year 2010 Series I Year 2010	148,369 -	143,859 -	118,924 8,084
PT Bank Maybank Indonesia Tbk <i>Berkelanjutan</i> I Phase II Year 2012 <i>Berkelanjutan</i> II Phase I Year 2014 <i>Berkelanjutan</i> II Phase II Year 2016 Phase I Year 2011 Phase II Year 2012	67,340 31,375 14,840 - -	65,242 33,032 10,542 15,958 57,907	64,029 31,657 9,733 15,648 50,218
PT Bank UOB Indonesia Series I Year 2014 <i>Berkelanjutan</i> I Phase II Year 2017	40,763 19,278	30,772 20,706	29,252 -
PT Bank KEB Hana Indonesia Series I Year 2016	8,981	9,613	8,987
PT Bank Bukopin Tbk <i>Berkelanjutan</i> I Phase I Year 2012 <i>Berkelanjutan</i> II Phase II Year 2017	- -	10,078 5,348	989 -
PT Bank Muamalat Indonesia Tbk <i>Mudharabah Berkelanjutan</i> I Year 2012 <i>Mudharabah Berkelanjutan</i> I Phase II Year 2013	- - -	- - 7,640	877 - 1,824
	723,860	796,981	812,649

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Subordinated Bonds (continued)

Issuer	Carrying Value		
	December 31, 2018	December 31, 2017	December 31, 2016
<u>Held-to-maturity</u>			
<u>Third parties</u>			
<u>Rupiah</u>			
PT BPD Jawa Tengah Phase I Year 2015	36,847	-	-
PT Bank Permata Tbk <i>Berkelanjutan</i> I Phase II Year 2012	20,000	20,000	20,000
PT Bank OCBC NISP Tbk Series III	-	-	40,000
	56,847	20,000	60,000
Total	836,664	867,957	918,529

Issuer	Annual Interest Rate (%)	Maturity Date	Rating*)		
			December 31, 2018	December 31, 2017	December 31, 2016
<u>Fair value through profit or loss</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank KEB Hana Indonesia Phase I Year 2016	9.95	Dec 21, 2023	AA(idn)	AA(idn)	idAA
PT Bank Central Asia Tbk Phase I Year 2016	8.00	Jul 5, 2030	idAA	-	-
PT Bank Maybank Indonesia Tbk <i>Berkelanjutan</i> II Phase II Year 2016	9.63	Jun 10, 2023	AA(idn)	idAA	idAA
PT Bank Pan Indonesia Tbk Series III Year 2010	10.50	Nov 9, 2017	-	-	idAA-
<i>Berkelanjutan</i> I Phase I Year 2012	9.40	Dec 20, 2019	idAA-	idAA-	idAA-
PT Bank CIMB Niaga Tbk Series II Year 2010	10.85	Dec 23, 2020	AA(idn)	AA(idn)	idAA
PT Bank Muamalat Indonesia Tbk <i>Sukuk Mudharabah</i> <i>Berkelanjutan</i> I Phase II Year 2013	7.61	Mar 28, 2023	-	idA-(sy)	-
PT Bank Permata Tbk Series II Year 2011	11.00	Jun 28, 2018	-	idAA+	idAA+
<u>Available-for-sale</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Permata Tbk Phase II Year 2012	9.40	Dec 19, 2019	idAA+	idAA+	idAA+
Series II Year 2011	11.00	Jun 28, 2018	-	idAA+	idAA+
<i>Berkelanjutan</i> I Phase I Year 2012	8.90	Jun 15, 2019	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> II Phase I Year 2013	12.00	Dec 24, 2020	idAA+	idAA+	idAA+
<i>Berkelanjutan</i> II Phase II Year 2014	11.75	Oct 24, 2021	idAA	idAA	idAA
PT Bank Pan Indonesia Tbk Series III Year 2010	10.50	Nov 9, 2017	-	-	idAA-
Phase I Year 2012	9.40	Dec 20, 2019	idAA-	idAA-	idAA-
Phase II Year 2017	10.25	Mar 17, 2024	idA+	idA+	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Subordinated Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating*)		
			December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale (continued)</u>					
<u>Third parties (continued)</u>					
<u>Rupiah (continued)</u>					
PT Bank CIMB Niaga Tbk					
Series II Year 2010	10.85	Dec 23, 2020	AA(idn)	AA(idn)	idAA
Series I Year 2010	11.30	Jul 8, 2017	-	-	idAA
PT Bank Maybank					
Indonesia Tbk					
Phase I Year 2011	10.00	Dec 6, 2018	-	idAA+	idAA+
Phase II Year 2012	9.25	Oct 31, 2019	AA(idn)	idAA+	idAA+
<i>Berkelanjutan</i> I Phase II					
Year 2012	9.25	Dec 6, 2018	-	idAA+	idAA+
<i>Berkelanjutan</i> II Phase II					
Year 2014	11.35	Jul 8, 2021	AA(idn)	idAA	idAA
<i>Berkelanjutan</i> II Phase II					
Year 2016	9.63	Jun 10, 2023	AA(idn)	idAA	AA(idn)
PT Bank UOB Indonesia					
Series I Year 2014	11.35	May 28, 2021	AA(idn)	AA(idn)	idAA
Phase II Year 2017	9.25	Oct 17, 2024	AA(idn)	AA(idn)	AA(idn)
PT Bank KEB Hana Indonesia					
Phase I Year 2016	9.95	Dec 21, 2023	AA(idn)	AA(idn)	idAA
PT Bank Bukopin Tbk					
<i>Berkelanjutan</i> I Phase I					
Year 2012	9.25	Mar 6, 2019	-	idA	idA
<i>Berkelanjutan</i> II Phase II					
Year 2017	11.00	Feb 28, 2024	-	idA-	-
PT Bank Muamalat Indonesia Tbk					
<i>Mudharabah Berkelanjutan</i> I					
Year 2012	11.17	Jun 29, 2022	-	-	idA-(sy)
<i>Mudharabah Berkelanjutan</i> I					
Phase II Year 2013	9.60	Mar 28, 2023	-	idA-(sy)	idA-(sy)
<u>Held-to-maturity</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT BPD Jawa Tengah					
Phase I Year 2015	12.25	Dec 18, 2022	idA	-	-
PT Bank Permata Tbk					
Phase II Year 2012	9.40	Dec 19, 2019	idAA+	idAA+	idAA+
PT Bank OCBC NISP Tbk					
Series III	11.35	Jun 30, 2017	-	-	idAAA

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo).

***) Based on ratings issued by Fitch Ratings.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.7. Medium-Term Notes (MTN)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value		
				December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Indonesia Infrastructure Finance Phase I Year 2018	15,000	8.35	Nov 10, 2019	14,163	-	-
PT Bank Bukopin Tbk Phase I Year 2016	40,000	10.00 ¹⁾	Sep 4, 2017	-	-	40,000
				14,163	-	40,000
<u>Related parties (Note 44)</u>						
<u>Rupiah</u>						
PT Telekomunikasi Indonesia (Persero) Tbk Phase I Year 2018 Series A	50,000	7.25	Sep 14, 2019	50,450	-	-
Phase I Year 2018 Series B	50,000	8.00	Sep 4, 2020	50,450	-	-
Phase I Year 2018 Series C	50,000	8.35	Sep 4, 2021	50,350	-	-
PT Wijaya Karya (Persero) Tbk Phase I Year 2018	100,000	10.50 ¹⁾	Dec 28, 2021	100,000	-	-
PT Kimia Farma (Persero) Tbk Phase I Year 2017	57,000	8.10 ¹⁾	Sep 15, 2020	56,567	57,000	-
Phase II Year 2018	36,000	7.75 ¹⁾	Mar 15, 2021	35,305	-	-
Perum Perumnas Phase III Series A Year 2018	60,000	10.75	Dec 10, 2021	58,992	-	-
PT Perkebunan Nusantara III (Persero)	150,000	10.00 ¹⁾	Dec 21, 2018	-	150,000	155,074
				402,114	207,000	155,074
				416,277	207,000	195,074
<u>Held-to-maturity</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Indah Kiat Pulp & Paper Tbk Series VII Year 2018	50,000	10.25	Apr 20, 2021	50,000	-	-
PT Indonesia Infrastructure Finance Series I Year 2018	50,000	8.35	Nov 10, 2019	50,000	-	-
PT Bank Sumitomo Mitsui Indonesia I Year 2015	100,000	9.85	Feb 3, 2018	-	100,000	100,000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Series I Year 2016	25,000	7.00 ¹⁾	Apr 18, 2016	-	50,000	50,000
				100,000	150,000	150,000
<u>Related parties (Note 44)</u>						
<u>Rupiah</u>						
PT Wijaya Karya (Persero) Tbk Series II Year 2014	100,000	9.80 ¹⁾	Dec 24, 2017	-	-	99,710
				-	-	99,710
				100,000	150,000	249,710
Total				516,277	357,000	444,784

*) Interest received every 3 (three) months

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

- e) BRI assessed impairment losses on securities individually based on whether objective evidence of impairment existed.

Management believes that the allowance for impairment losses as of December 31, 2018, 2017 and 2016 is adequate.

- f) The average interest rates:

	December 31,		
	2018	2017	2016
Rupiah	7.57%	8.04%	8.65%
United States Dollar	4.91	4.98	5.08
European Euro	2.77	2.77	2.87
Singaporean Dollar	2.03	2.13	2.12

- g) BRI recognized net unrealized gain resulting from the changes in fair values of securities classified as "Fair Value through Profit or Loss" amounted to Rp338,097, Rp55,555 and Rp34,602 for the years ended December 31, 2018, 2017 and 2016, respectively, which are presented in the "Unrealized gain on changes in fair value of securities" in the consolidated statement of profit or loss and other comprehensive income.
- h) BRI recognized net gain on sale of securities amounted to Rp534,952, Rp784,501 and Rp450,895 for the years ended December 31, 2018, 2017 and 2016, respectively, which are presented in the "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statements of profit or loss and other comprehensive income.
- i) As of December 31, 2018, 2017 and 2016, securities with nominal value of Rp37,950,853, Rp13,064,976 and Rp7,935,345 were sold under agreement to repurchase (Note 24).

8. EXPORT BILLS AND NOTES RECEIVABLE

- a) By Type and Currency:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>						
Domestic						
Documentary						
Letters of Credit		6,972,662		3,435,946		6,112,978
Export Bills		4,009,507		1,534,057		649,730
Notes Receivable		2,795,744		2,283,330		1,094,511
		13,777,913		7,253,333		7,857,219
<u>Foreign currencies</u>						
Export Bills						
United States						
Dollar	219,507,845	3,156,523	41,649,765	565,083	47,917,829	645,573
Japanese Yen	17,993,921	2,350	32,343,467	3,898	513,619,647	59,100
Renminbi	297,628	622	31,642,266	65,932	823,503,667	1,596,930
European Euro	36,627	602	499,255	8,106	2,540,997	36,021
Great Britain						
Pound Sterling		-		-	267,500	4,428
		3,160,097		643,019		2,342,052

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

a) By Type and Currency (continued):

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>(continued)</u>						
<u>Foreign currencies</u>						
<u>(continued)</u>						
Notes Receivable						
United States						
Dollar	214,185,325	3,079,985	97,280,457	1,319,853	43,465,143	585,584
Renminbi	258,459,000	540,327	229,784,941	478,789	57,778,825	112,044
Japanese Yen	165,385,979	21,603	167,901,713	20,235	4,061,239	467
European Euro	249,964	4,110	1,853,896	30,100	2,214,128	31,387
Great Britain						
Pound Sterling		-	851,548	15,605	916,017	15,165
		3,646,025		1,864,582		744,647
		6,806,122		2,507,601		3,086,699
		20,584,035		9,760,934		10,943,918
<u>Related parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>						
Notes Receivable		4,812,064		881,432		384,908
Domestic						
Documentary						
Letters of Credit		1,360,666		3,150		77,494
Export Bills		650,624		6,427		-
		6,823,354		891,009		462,402
<u>Foreign currencies</u>						
Notes Receivable						
United States						
Dollar	2,390,196	34,371	95,224	1,292	789,521	10,637
Export Bills						
United States						
Dollar	64,649	930	82,425	1,118	12,114,895	163,218
		35,301		2,410		173,855
		6,858,655		893,419		636,257
Total		27,442,690		10,654,353		11,580,175

b) By Collectibility:

All export bills and notes receivable are classified as "Current" as of December 31, 2018, 2017 and 2016.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

c) By Time Period:

The classification of export bills and notes receivable based on their remaining period to maturity are as follows:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
≤ 1 month	3,467,751	1,491,539	2,741,638
> 1 month - 3 months	8,727,350	3,700,998	3,985,384
> 3 months - 1 year	8,388,934	4,568,397	4,216,896
	20,584,035	9,760,934	10,943,918
<u>Related parties (Note 44)</u>			
≤ 1 month	2,047,761	839,412	273,467
> 1 month - 3 months	2,246,497	23,349	166,316
> 3 months - 1 year	2,564,397	30,658	196,474
	6,858,655	893,419	636,257
Total	27,442,690	10,654,353	11,580,175

BRI assessed allowance for impairment losses on export bills and notes receivable individually based on whether objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2018, 2017 and 2016, because management believes that export bills and notes receivable are fully collectible.

9. GOVERNMENT RECAPITALIZATION BONDS

This account represents bonds issued by the Government related to BRI's recapitalization program and Government Recapitalization Bonds purchased from the secondary market.

In connection with the recapitalization program, BRI received bonds issued by the Government at a nominal amount of Rp29,149,000 issued in 2 (two) tranches, at nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000, all of which are fixed rate interest bonds (Note 1b). In accordance with the Letter of the Minister of Finance of the Republic of Indonesia No. S-84/MK.01/ 2002 dated March 26, 2002 on "Conversion Implementation of Series FR Bonds into Series VR Bonds", on March 26, 2002 BRI partially redeemed fixed rate Government bonds with a variable interest rate Government bonds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

9. GOVERNMENT RECAPITALIZATION BONDS (continued)

a) By Ownership Purpose and Remaining Period to Maturity:

	December 31,		
	2018	2017	2016
<u>Available-for-sale</u>			
≤ 1 month	30,273	717,840	718,434
<u>Held-to-maturity</u>			
≤ 1 year	375,000	1,125,000	-
> 1 year - 5 years	1,100,000	1,475,000	2,600,000
	1,475,000	2,600,000	2,600,000
Total	1,505,273	3,317,840	3,318,434

b) By Classification and Type:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value		
			December 31, 2018	December 31, 2017	December 31, 2016
<u>Available-for-sale</u>					
VR0031	3 months SPN	July 25, 2020	30,273	268,785	269,109
VR0027	3 months SPN	July 25, 2018	-	449,055	449,325
			30,273	717,840	718,434
<u>Held-to-maturity</u>					
VR0031	3 months SPN	July 25, 2020	1,100,000	1,100,000	1,100,000
VR0029	3 months SPN	August 25, 2019	375,000	375,000	375,000
VR0028	3 months SPN	August 25, 2018	-	375,000	375,000
VR0027	3 months SPN	July 25, 2018	-	375,000	375,000
VR0026	3 months SPN	January 25, 2018	-	375,000	375,000
			1,475,000	2,600,000	2,600,000
Total			1,505,273	3,317,840	3,318,434

c) Other Significant Information:

The schedule of interest payment for Government Recapitalization bonds is every 3 (three) months.

The market values of Government Recapitalization Bonds classified as "Available-for-sale" ranged from 99.87% to 99.87%, 99.55% to 99.79% and 99.67% to 99.85% of nominal amounts as of December 31, 2018, 2017 and 2016, respectively.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

Securities purchased under agreement to resell as of December 31, 2018, 2017 and 2016 consist of:

December 31, 2018					
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
FR0063	6.55	November 2, 2018	May 3, 2019	2,629,134	2,657,357
FR0063	6.35	November 9, 2018	February 8, 2019	1,784,336	1,800,702
FR0064	6.35	October 12, 2018	January 11, 2019	813,616	825,097
FR0063	6.20	August 24, 2018	February 22, 2019	441,274	451,078
FR0063	6.60	September 28, 2018	June 28, 2019	429,611	437,015
FR0064	5.85	July 27, 2018	January 25, 2019	255,678	262,201
FR0047	5.80	July 6, 2018	January 4, 2019	111,740	114,944
FR0064	6.00	July 27, 2018	January 25, 2019	85,226	87,456
FR0064	5.90	July 27, 2018	January 25, 2019	85,226	87,419
PT Bank Pembangunan Daerah					
Sulawesi Tengah					
Government Bonds					
FR0068	7.25	December 26, 2018	January 9, 2019	89,906	89,997
PT Bank Pembangunan Daerah					
Jawa Tengah					
Government Bonds					
FR0065	7.25	December 19, 2018	January 2, 2019	505,148	506,368
FR0059	7.30	December 20, 2018	January 3, 2019	504,225	505,350
FR0070	7.00	December 27, 2018	January 10, 2019	319,951	320,200
				8,055,071	8,145,184
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Mandiri Taspen					
Government Bonds					
FR0061	7.40	October 3, 2018	January 3, 2019	100,377	102,213
PT Asuransi Jiwasraya					
Government Bonds					
FR0059	7.59	September 10, 2018	March 11, 2019	350,586	358,864
FR0074	7.59	September 14, 2018	March 13, 2019	244,307	249,869
FR0061	7.59	September 12, 2018	March 12, 2019	193,242	197,724
FR0065	7.59	September 14, 2018	March 13, 2019	45,385	46,419
FR0068	7.59	September 14, 2018	March 13, 2019	13,048	13,345
FR0063	7.59	September 19, 2018	March 12, 2019	8,053	8,228
FR0044	7.59	September 19, 2018	March 12, 2019	5,750	5,875
Bonds I Angkasa Pura I					
Year 2016 Series A	7.59	September 24, 2018	March 22, 2019	173,119	176,696
Bonds I Angkasa Pura II					
Year 2016 Series A	7.59	September 24, 2018	March 22, 2019	48,475	49,476
Bonds Berkelanjutan I Telkom					
Phase I Year 2015 Series A	7.59	September 24, 2018	March 22, 2019	12,124	12,375
Phase I Year 2015 Series B	7.59	September 24, 2018	March 22, 2019	6,116	6,243
Bonds Berkelanjutan III					
Sarana Multigriya Finansial					
Phase V Year 2016 Series B	7.59	September 24, 2018	March 22, 2019	8,977	9,162
Phase VII Year 2017 Series B	7.59	September 24, 2018	March 22, 2019	5,951	6,074
Bonds Berkelanjutan I BNI					
Phase I Year 2017	7.59	September 24, 2018	March 22, 2019	8,627	8,806
				1,224,137	1,251,369
Total				9,279,208	9,396,553

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

Securities purchased under agreement to resell as of December 31, 2018, 2017 and 2016 consist of (continued):

December 31, 2017					
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
FR0066	4.77	October 13, 2017	January 12, 2018	97,113	98,130
FR0034	4.45	December 27, 2017	January 10, 2018	1,743,116	1,743,978
FR0052	4.60	December 27, 2017	January 24, 2018	955,856	956,344
FR0054	4.60	December 20, 2017	January 17, 2018	3,019,546	3,023,790
FR0065	4.55	December 6, 2017	January 3, 2018	271,414	272,271
FR0068	4.60	December 6, 2017	January 3, 2018	1,604,687	1,609,813
FR0068	4.60	December 13, 2017	January 10, 2018	2,554,503	2,560,354
FR0070	4.85	December 8, 2017	March 9, 2018	320,827	321,821
SPN12180809	4.80	November 10, 2017	February 9, 2018	273,786	275,648
SPN03180118	4.25	December 27, 2017	January 3, 2018	2,836,382	2,837,722
SPN12180412	4.45	December 20, 2017	January 3, 2018	2,333,619	2,336,792
SPN12180809	4.80	October 13, 2017	February 12, 2018	90,878	91,835
SPN12181004	4.84	November 10, 2017	February 9, 2018	451,835	454,933
PT Bank CIMB Niaga Tbk					
Government Bonds					
FR0061	5.10	December 12, 2017	January 12, 2018	280,249	281,004
Bank Indonesia Certificates					
IDSD240818364S	4.95	December 6, 2017	January 5, 2018	172,954	173,548
PT Bank CTBC Indonesia					
Government Bonds					
ORI012	5.10	December 12, 2017	January 12, 2018	139,182	139,556
PT Bank J Trust Indonesia Tbk					
Government Bonds					
FR0064	5.30	November 30, 2017	February 28, 2018	42,611	42,805
Bank Indonesia Deposit Certificates					
IDSD060418273S	5.30	November 30, 2017	February 28, 2018	132,192	132,795
IDSD040518182S	5.00	December 13, 2017	January 3, 2018	88,219	88,440
PT Bank Pembangunan Daerah Sulawesi Tengah					
Bank Indonesia Certificates					
IDSD110518182S	4.70	December 28, 2017	January 8, 2018	66,238	66,264
PT Bank Pan Indonesia Tbk					
Bank Indonesia Certificates					
IDSD090318182S	5.20	December 19, 2017	January 19, 2018	502,312	503,183
Total				17,977,519	18,011,026

December 31, 2016					
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
FR0066	5.60	December 30, 2016	March 31, 2017	924,996	925,140
PT Bank J Trust Indonesia Tbk					
Bank Indonesia Deposit Certificates					
IDSD130117182C	8.50	December 28, 2016	January 11, 2017	89,749	89,812
				1,014,745	1,014,952

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

Securities purchased under agreement to resell as of December 31, 2018, 2017 and 2016 consist of (continued):

December 31, 2016					
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount-Net
<u>Third parties (continued)</u>					
<u>Foreign currencies</u>					
PT Bank BNP Paribas Indonesia					
Government Bonds					
RI1023	6.15	December 19, 2016	January 26, 2017	58,835	58,955
RI0320	6.15	December 19, 2016	January 26, 2017	74,733	74,886
RI0237	6.15	December 19, 2016	January 26, 2017	111,868	112,097
RI0319	6.15	December 19, 2016	January 26, 2017	66,360	66,497
				311,796	312,435
				1,326,541	1,327,387
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Mandiri (Persero) Tbk					
Government Bonds					
FR0069	6.50	November 17, 2016	January 6, 2017	228,170	229,983
				228,170	229,983
Total				1,554,711	1,557,370

11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivatives transactions are as follows:

December 31, 2018		
Transaction	Derivatives receivable	Derivatives payable
Cross currency and interest rate swap	25,671	67,944
Interest rate swap	69,307	91,211
Currency option	23,951	20,774
Shares option	16,468	-
Foreign currency swap	276,071	56,195
Purchase and sale of foreign currency forward	72,275	94,922
Purchase and sale of foreign currency spot	2,067	1,297
Total	485,810	332,343

December 31, 2017 ^{*)}		
Transaction	Derivatives receivable	Derivatives payable
Cross currency and interest rate swap	64,708	115,981
Interest rate swap	60,475	54,261
Shares option	16,984	-
Currency option	10,218	11,341
Foreign currency swap	2,740	3,334
Purchase and sale of foreign currency forward	6,883	15,156
Purchase and sale of foreign currency spot	904	785
Total	162,912	200,858

^{*)} As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

The summary of the derivatives transactions are as follows (continued):

Transaction	December 31, 2016 ^{*)}	
	Derivatives receivable	Derivatives payable
Cross currency and interest rate swap	32,204	179,286
Interest rate swap	59,443	53,780
Shares option	12,250	-
Purchase and sale of foreign currency spot	10	-
Foreign currency swap	-	112,160
Purchase and sale of foreign currency forward	-	1,991
Total	103,907	347,217

a. Cross Currency and Interest Rate Swap

As of December 31, 2018, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounted to USD20,000,000 (full amount), USD60,000,000 (full amount), EUR45,000,000 (full amount), EUR50,000,000 (full amount), EUR57,000,000 (full amount) and CHF20,000,000 (full amount) equivalent to Rp279,500, RMB386,118,000 (full amount), Rp748,225, RMB392,725,000 (full amount), USD64,625,500 (full amount) and RMB137,650,000 (full amount) at the effective date of the respective contracts.

As of December 31, 2017, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounted to RMB1,062,730,500 (full amount), RMB750,000,000 (full amount), USD64,625,500 (full amount), USD100,000,000 (full amount), USD10,000,000 (full amount), Rp1,288,440 and Rp269,400 equivalent to USD165,000,000 (full amount), Rp1,522,990, EUR57,000,000 (full amount), Rp1,328,250, RMB68,346,000 (full amount), EUR80,000,000 (full amount) and USD20,000,000 (full amount) at the effective date of the respective contracts.

As of December 31, 2016, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounted to RMB2,065,304,000 (full amount), Rp541,400, USD53,167,500 (full amount) and USD159,483,894 (full amount) equivalent to USD315,000,000 (full amount), USD40,000,000 (full amount), EUR47,000,000 (full amount) and Rp2,101,181 at the effective date of the respective contracts.

The parties in the cross currency swap contracts are obliged to pay interest in accordance with the funds received. If the funds received are in USD, the beneficiary must pay interest with fixed rate or floating rate of six-month LIBOR plus a given margin. On the contrary, the beneficiary who receives Rupiah, Renminbi, or European Euro must pay interest with fixed rate.

b. Interest Rate Swap

As of December 31, 2018, 2017 and 2016, BRI enters into interest rate swap contract with several counterparties, whereby BRI and the counterparties agreed to swap foreign currencies at a fixed rate or floating rate with total contractual amount of USD474,901,309 (full amount), USD418,651,309 (full amount), and USD373,125,000 (full amount), respectively.

c. Shares Option

As of December 31, 2018, 2017 and 2016, Danareksa Sekuritas (subsidiary) has outstanding option to sell a number of shares of a public company at a certain price applicable until December 31, 2019, 2018 and 2017. The fair value of the option as of December 31, 2018, 2017 and 2016 amounted to Rp16,468, Rp16,984 and Rp12,250, respectively.

^{*)} As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

c. Shares Option

As of December 31, 2018, 2017 and 2016, Danareksa Sekuritas (subsidiary) has outstanding option to sell a number of shares of a public company at a certain price applicable until December 31, 2019, 2018 and 2017. The fair value of the option as of December 31, 2018, 2017 and 2016 amounted to Rp16,468, Rp16,984 and Rp12,250, respectively.

d. Currency Option

As of December 31, 2018, BRI has outstanding call spread option purchase contracts with notional amount of USD187,358,879 (full amount) and contractual amount of Rp2,823,836 and call spread option sale contracts with notional amount of USD187,358,879 (full amount) and contractual amount of Rp2,785,165.

As of December 31, 2017, BRI has outstanding call spread option purchase contracts with notional amount of USD64,710,461 (full amount) and contractual amount of Rp548,082 and option sale contracts including call spread option with notional amount of USD149,710,461 (full amount) and contractual amount of Rp2,067,752.

e. Purchase and Sale of Foreign Currency Spots and Forward

As of December 31, 2018 BRI has outstanding foreign currency spot purchase contracts with notional amount of USD17,322,157 (full amount), USD1,000,000 (full amount), EUR12,500,000 (full amount), and GBP4,000,000 (full amount) and contractual amount of Rp249,838, JPY111,040,000 (full amount), USD14,275,000 (full amount), and USD5,080,000 (full amount), respectively and foreign currency spot sale contracts with notional amount of USD20,000,000 (full amount), USD1,000,000 (full amount), EUR10,500,000 (full amount), and GBP4,000,000 (full amount) and contractual amount of Rp289,094, JPY110,860,000 (full amount), USD12,015,000 (full amount) and USD5,080,000 (full amount), respectively. Furthermore, BRI also has outstanding foreign currency forward purchase contracts with notional amount of USD284,390,596 (full amount) and EUR12,561,688 (full amount) and contractual amount of Rp4,203,384 and USD14,568,260 (full amount), respectively and foreign currency spot sale contracts with notional amount of USD253,890,615 (full amount) and EUR12,506,492 (full amount) and contractual amount of Rp3,747,010 and Rp216,839, respectively.

As of December 31, 2017, BRI has outstanding foreign currency spot purchase contracts with notional amount of USD62,000,000 (full amount) and EUR5,000,000 (full amount) and contractual amount of Rp840,389 and Rp81,073, respectively and foreign currency spot sale contracts with notional amount of USD45,500,000 (full amount) and EUR5,000,000 (full amount) and contractual amount of Rp616,803 and Rp80,918, respectively. Furthermore, BRI also has outstanding foreign currency forward purchase contracts with notional amount of USD95,427,140 (full amount) and contractual amount of Rp1,299,745 and foreign currency spot sale contracts with notional amount of USD392,015,599 (full amount) and contractual amount of Rp5,338,694.

As of December 31, 2016, BRI has outstanding foreign currency spot purchase and sale contracts with notional amount of USD105,000,000 (full amount) and USD121,000,000 (full amount) and contractual amount of Rp1,414,887 and Rp1,630,457, respectively. Furthermore, BRI also has foreign currency forward purchase contracts with notional amount of USD117,700,000 (full amount) and EUR60,000,000 (full amount) and contractual amount of Rp1,588,919 and Rp845,491, respectively and foreign currency forward sale contracts with notional amount of USD381,682,492 (full amount) and contractual amount of Rp5,124,359.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

f. Foreign Currency Swap

As of December 31, 2018, BRI has outstanding foreign currency swap purchase contracts with notional amount of USD782,858,750 (full amount), USD8,034,182 (full amount), USD20,138,961 (full amount), EUR61,694 (full amount), EUR40,000,000 (full amount), and GBP292,930 (full amount) and contractual amount of Rp11,546,038, SGD11,000,000 (full amount), CHF20,000,000 (full amount), USD70,000 (full amount), RMB313,966,020 (full amount) and Rp5,453, respectively and foreign currency swap sale contracts with notional amount of USD243,500,000 (full amount), USD22,513,595 (full amount), and EUR400,000,000 (full amount) and contractual amount of Rp3,559,731, SGD31,000,000 (full amount) and USD457,373,041 (full amount), respectively.

As of December 31, 2017, BRI has outstanding foreign currency swap purchase contracts with notional amount of USD68,000,000 (full amount) and RMB10,000,000 (full amount) and contractual amount of Rp922,295 and Rp20,680, respectively and foreign currency swap sale contracts with notional amount of USD365,000,000 (full amount) and contractual amount of Rp4,952,199.

As of December 31, 2016, BRI has outstanding foreign currency swap purchase contracts with notional amount of USD295,000,000 (full amount) and EUR310,000,000 (full amount) and contractual amount of Rp3,998,890 and Rp4,479,072, respectively and foreign currency swap sale contracts with notional amount of USD25,000,000 (full amount) and contractual amount of Rp333,740.

12. LOANS

a) By Type and Currency:

The details of loans by type are as follows:

	December 31,		
	2018	2017	2016
<u>Third Parties</u>			
<u>Rupiah</u>			
Kupedes	274,265,895	239,446,222	211,417,693
Working capital	155,123,610	137,253,555	123,647,784
Consumer	131,094,876	115,226,118	101,016,417
Investment	61,687,748	56,554,806	54,536,901
Program	19,794,242	15,132,136	10,547,008
Syndicated	483,441	376,908	1,136,189
	642,449,812	563,989,745	502,301,992
<u>Foreign currencies</u>			
Investment	40,467,186	35,517,455	27,477,766
Working capital	25,082,627	22,585,002	19,362,729
Syndicated	662,306	571,560	615,873
Consumer	561,112	82,785	-
	66,773,231	58,756,802	47,456,368
	709,223,043	622,746,547	549,758,360

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

a) By Type and Currency (continued):

The details of loans by type are as follows (continued):

	December 31,		
	2018	2017	2016
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Working capital	46,809,988	38,485,484	37,739,884
Investment	35,086,557	30,682,594	27,960,891
Syndicated	7,930,481	14,305,128	17,116,441
Key employees	34,092	38,457	43,174
Consumer	9,934	11,118	14,871
	89,871,052	83,522,781	82,875,261
<u>Foreign currencies</u>			
Working capital	17,502,447	8,482,183	5,573,961
Investment	2,752,795	3,418,191	4,286,304
Syndicated	660,820	812,966	977,089
	20,916,062	12,713,340	10,837,354
	110,787,114	96,236,121	93,712,615
Total	820,010,157	718,982,668	643,470,975
Less allowance for impairment losses	(35,017,982)	(29,423,380)	(22,184,296)
Net	784,992,175	689,559,288	621,286,679

The details of loans by currency are as follows:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currency (Full Amount)	Rupiah Equivalent	Notional amount foreign currency (Full Amount)	Rupiah Equivalent	Notional amount foreign currency (Full Amount)	Rupiah Equivalent
<u>Rupiah</u>		732,320,864		647,512,526		585,177,253
<u>Foreign currencies</u>						
United States						
Dollar	5,993,964,948	86,193,216	5,198,485,778	70,530,456	4,265,605,843	57,468,374
European Euro	72,146,581	1,186,137	35,917,796	583,169	40,702,251	576,986
Singaporean						
Dollar	19,841,207	209,422	28,764,567	292,091	21,521,459	200,406
Great Britain						
Pound Sterling	3,930,218	71,968	2,507,085	45,943	2,090,463	34,608
Japanese Yen	103,593,998	13,531	117,832,413	14,201	90,820,000	10,450
Renminbi	4,457,638	9,319	-	-	-	-
Swiss Franc	390,517	5,700	308,006	4,282	205,338	2,712
Australian Dollar		-		-	19,099	186
		87,689,293		71,470,142		58,293,722
Total		820,010,157		718,982,668		643,470,975
Less allowance for impairment losses		(35,017,982)		(29,423,380)		(22,184,296)
Net		784,992,175		689,559,288		621,286,679

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

b) By Economic Sector:

	December 31,		
	2018	2017	2016
Third Parties			
<u>Rupiah</u>			
Trading, hotels and restaurants	256,219,193	226,186,153	201,932,238
Agriculture	77,912,574	67,543,304	61,298,365
Business services	31,464,535	25,831,990	21,669,972
Manufacturing	27,767,807	24,177,058	23,131,242
Construction	16,578,154	14,975,663	13,352,157
Transportation, warehousing and communications	10,992,513	9,364,498	7,411,834
Social services	9,475,464	5,885,751	4,570,127
Electricity, gas and water	3,562,846	1,574,646	1,235,411
Mining	2,550,965	2,115,257	2,223,852
Others	205,925,761	186,335,425	165,476,794
	642,449,812	563,989,745	502,301,992
<u>Foreign Currencies</u>			
Manufacturing	25,161,096	25,665,775	23,302,570
Agriculture	17,667,723	16,070,541	8,994,684
Electricity, gas and water	9,095,537	5,831,595	4,465,298
Mining	3,203,206	1,962,466	3,951,956
Trading, hotels and restaurants	3,170,984	2,432,355	1,742,852
Construction	2,742,913	1,529,935	1,669,253
Transportation, warehousing and communications	2,616,944	2,828,184	1,581,561
Business services	2,018,103	2,097,505	1,681,920
Social services	466,899	47,496	-
Others	629,826	290,950	66,274
	66,773,231	58,756,802	47,456,368
	709,223,043	622,746,547	549,758,360
Related Parties (Note 44)			
<u>Rupiah</u>			
Electricity, gas and water	23,631,348	26,866,643	27,396,425
Trading, hotels and restaurants	19,643,364	10,821,560	15,784,788
Construction	13,495,108	9,280,503	6,272,142
Manufacturing	9,408,455	8,667,951	9,804,224
Transportation, warehousing and communications	8,343,126	9,234,581	8,699,909
Agriculture	7,473,930	6,243,108	7,673,124
Business services	6,971,996	11,913,867	6,315,017
Mining	590,995	108,341	466,620
Social services	274,683	346,347	418,524
Others	38,047	39,880	44,488
	89,871,052	83,522,781	82,875,261
<u>Foreign currencies</u>			
Trading, hotels and restaurants	11,575,627	2,031,732	25,829
Manufacturing	5,811,609	5,681,336	4,979,352
Social services	2,544,738	3,007,495	3,707,071
Transportation, warehousing and communications	769,019	632,312	524,255
Business services	107,850	-	176,577
Construction	79,983	3,715	77,020
Mining	27,236	1,356,750	1,347,250
	20,916,062	12,713,340	10,837,354
	110,787,114	96,236,121	93,712,615
Total	820,010,157	718,982,668	643,470,975
Less allowance for impairment losses	(35,017,982)	(29,423,380)	(22,184,296)
Net	784,992,175	689,559,288	621,286,679

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

c) By Time Period:

The classification of loans based on the remaining period to maturity are as follows:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
<u>Rupiah</u>			
≤ 1 month	20,330,742	16,086,535	13,537,435
> 1 month - 3 months	29,348,601	23,003,072	18,772,288
> 3 months - 1 year	120,035,107	110,806,225	97,065,113
> 1 year - 2 years	89,107,704	86,191,035	80,029,683
> 2 years - 5 years	189,939,235	157,904,624	142,332,825
> 5 years	193,688,423	169,998,254	150,564,648
	642,449,812	563,989,745	502,301,992
<u>Foreign currencies</u>			
≤ 1 month	5,724,232	5,382,236	2,441,291
> 1 month - 3 months	1,546,241	2,244,541	1,521,131
> 3 months - 1 year	16,843,596	5,174,926	5,505,601
> 1 year - 2 years	3,762,848	11,410,051	5,977,606
> 2 years - 5 years	12,132,848	8,737,745	12,608,850
> 5 years	26,763,466	25,807,303	19,401,889
	66,773,231	58,756,802	47,456,368
	709,223,043	622,746,547	549,758,360
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
≤ 1 month	8,337,635	11,019,644	1,890,341
> 1 month - 3 months	3,959,650	11,150,941	19,986,637
> 3 months - 1 year	10,058,371	17,130,693	16,731,440
> 1 year - 2 years	21,668,042	3,145,595	2,638,472
> 2 years - 5 years	9,772,338	5,891,373	7,727,466
> 5 years	36,075,016	35,184,535	33,900,905
	89,871,052	83,522,781	82,875,261
<u>Foreign currencies</u>			
≤ 1 month	1,315,772	2,000,424	242,395
> 1 month - 3 months	-	407,025	1,347,250
> 3 months - 1 year	16,701,061	5,862,809	2,736,744
> 1 year - 2 years	423,105	1,344,479	-
> 2 years - 5 years	2,476,124	2,999,687	4,967,027
> 5 years	-	98,916	1,543,938
	20,916,062	12,713,340	10,837,354
	110,787,114	96,236,121	93,712,615
Total	820,010,157	718,982,668	643,470,975
Less allowance for impairment losses	(35,017,982)	(29,423,380)	(22,184,296)
Net	784,992,175	689,559,288	621,286,679

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

d) By Collectibility:

	December 31,		
	2018	2017	2016
Individual	27,145,695	27,226,560	28,871,177
Collective			
Current	762,445,946	661,911,830	587,285,896
Special mention	20,787,067	21,928,300	20,523,521
Substandard	1,573,704	1,290,701	1,056,103
Doubtful	1,777,038	1,408,731	1,128,476
Loss	6,280,707	5,216,546	4,605,802
	792,864,462	691,756,108	614,599,798
Total	820,010,157	718,982,668	643,470,975
Less allowance for impairment losses:			
Individual	(16,780,413)	(13,013,036)	(7,510,899)
Collective	(18,237,569)	(16,410,344)	(14,673,397)
	(35,017,982)	(29,423,380)	(22,184,296)
Net	784,992,175	689,559,288	621,286,679

e) By Operating Segment:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
<u>Rupiah</u>			
Retail	311,654,641	274,283,085	241,315,169
Micro	291,615,908	252,850,654	221,802,205
Corporate	39,179,263	36,856,006	39,184,618
	642,449,812	563,989,745	502,301,992
<u>Foreign currencies</u>			
Corporate	52,255,050	47,520,666	37,452,816
Retail	14,518,181	11,236,136	10,003,552
	66,773,231	58,756,802	47,456,368
	709,223,043	622,746,547	549,758,360
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Corporate	85,459,930	81,742,983	81,332,459
Retail	4,411,122	1,779,798	1,542,802
	89,871,052	83,522,781	82,875,261
<u>Foreign currencies</u>			
Corporate	20,866,043	12,576,130	10,709,197
Retail	50,019	137,210	128,157
	20,916,062	12,713,340	10,837,354
	110,787,114	96,236,121	93,712,615
Total	820,010,157	718,982,668	643,470,975
Less allowance for impairment losses	(35,017,982)	(29,423,380)	(22,184,296)
Net	784,992,175	689,559,288	621,286,679

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

f) Other Significant Information:

1) Average annual interest rates:

	December 31,		
	2018	2017	2016
Contractual Rate			
Rupiah	11.19%	11.78%	11.91%
Foreign currencies	4.20	4.11	4.23
Effective Rate			
Rupiah	13.46%	14.14%	14.59%
Foreign currencies	4.30	4.20	4.38

- 2) Loans are generally secured by collateral bound by mortgages, power of attorneys to sell, demand deposits, saving deposits, time deposits or other guarantees generally accepted by banks (Notes 20, 21 and 22).
- 3) Working capital and investment loans are provided to debtors to meet their working capital needs and capital goods.
- 4) Consumer loans consist of loans to employees and retired employees, mortgage loans, motor vehicle loans and other consumer loans.
- 5) Program loans represent loan facilities channeled by BRI based on the instruction from the Government in order to support the development in Indonesia, especially the development of small and medium businesses and cooperatives.
- 6) Kupedes loans represent loan facilities channeled by BRI through BRI's Units. The target of these loans is micro businesses and fixed income employees that require additional funding, whereby the amount is in accordance with the maximum limit stated in the Kupedes regulation. The targeted economic sectors are agriculture, manufacturing, trading and others.
- 7) Syndicated loans represent loans provided to debtors under syndication agreements with other banks. The total of BRI's syndicated loans amounted to Rp52,765,949, Rp38,340,157 and Rp45,054,012 as of December 31, 2018, 2017 and 2016, respectively. BRI's participation as leader of the syndication ranged from 24.50% to 77.00%, from 22.65% to 63.65% and from 24.50% to 63.65%, while BRI's participation as member of the syndication ranged from 1% to 36%, 10.89% to 50.00% and 2.97% to 59.97% as of December 31, 2018, 2017 and 2016, respectively.
- 8) Employee loans are loans provided to employees with annual interest rate of 5.50% that intended for the acquisition of vehicles, houses and other necessities with a period ranging from 4 (four) to 20 (twenty) years maturity. Loan principal and interest payments were paid through monthly payroll deductions. The difference between employee loan's interest rate and Base Lending Rate (BLR) is deferred and recorded as deferred expense for employee loans in other assets. The deferred expense for employee loans amounted to Rp2,251,490, Rp617,834 and Rp565,480 as of December 31, 2018, 2017 and 2016, respectively (Note 18).

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

f) Other Significant Information (continued):

- 9) Loans provided by BRI to related parties, other than loans to key employees (Note 44) are as follows:

	December 31,		
	2018	2017	2016
PT Perusahaan Listrik Negara (Persero)	23,616,099	27,039,931	27,446,991
Perum BULOG	16,316,937	9,049,660	16,112,248
PT Pertamina (Persero)	11,575,627	1,760,382	-
PT Pupuk Kalimantan Timur	3,032,393	1,776,795	1,621,845
PT Garuda Indonesia (Persero) Tbk	2,897,733	2,375,195	1,968,132
PT Dirgantara Indonesia (Persero)	2,893,383	2,438,770	1,735,635
Kementerian Keuangan Republik Indonesia	2,804,944	3,450,797	4,307,997
PT Trans Jabar Tol	2,438,362	748,931	-
PT Kresna Kusuma Dyandra Marga	2,338,069	-	-
PT Petrokimia Gresik	2,222,289	1,428,976	980,595
Others	40,617,187	46,128,227	39,495,998
Total	110,753,023	96,197,664	93,669,441

- 10) Loans that have been restructured by BRI (Parent Entity) amounted to Rp49,102,800, Rp42,175,770 and Rp37,131,753 (unaudited) as of December 31, 2018, 2017 and 2016, respectively. The restructuring schemes generally consist of extension of the loan maturity date and rescheduling of interest payment in arrears.
- 11) In report on Legal Lending Limit to Bank Indonesia as of December 31, 2018, 2017 and 2016, BRI has no debtor either related party or third party, in accordance with Bank Indonesia regulation, that does not comply with or exceed the Legal Lending Limit.
- 12) The details of impaired loans by seconomic sector and the allowance for impairment losses are as follows:

	December 31,		
	2018	2017	2016
Trading, hotels and restaurants	9,614,317	9,898,334	9,589,255
Manufacturing	9,343,139	8,457,660	9,306,203
Agriculture	6,034,872	4,727,530	4,345,008
Construction	3,374,882	3,183,411	3,725,349
Business services	2,060,793	1,589,408	1,629,211
Mining	1,730,752	2,712,370	3,116,077
Transportation, warehousing and communications	1,677,441	1,671,117	1,653,314
Electricity, gas and water	743,514	707,437	723,688
Social services	506,673	676,383	135,594
Others	1,690,761	1,518,888	1,437,859
Total	36,777,144	35,142,538	35,661,558
Less allowance for impairment losses	(19,170,366)	(15,239,033)	(9,224,013)
Net	17,606,778	19,903,505	26,437,545

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

f) Other Significant Information (continued):

13) Ratios

a. The ratios of non-performing loans (NPL) based on Bank Indonesia Regulations are as follows:

(i) BRI (Parent Entity) and BRI Agro

	December 31,		
	2018	2017	2016
Total non-performing loans	17,680,729	15,147,081	13,117,282
Total loans	820,010,057	718,982,668	643,470,975
% Non-Performing Loans (NPL)	2.16%	2.11%	2.04%

(ii) BRI (Parent Entity)

	December 31,		
	2018	2017	2016
Total non-performing loans	17,232,672	14,862,646	12,882,913
Total loans	804,338,433	708,001,045	635,291,221
% Non-Performing Loans (NPL)	2.14%	2.10%	2.03%

b. The ratio of BRI's small business loans to total loans are 45.82%, 45.48% and 44.48% as of December 31, 2018, 2017 and 2016, respectively (unaudited).

The movements in the allowance for impairment losses on loans:

	December 31,		
	2018	2017	2016
Beginning balance	29,423,380	22,184,296	17,162,183
Provision for allowance for impairment losses (Note 34)	17,592,892	16,800,820	13,454,979
Loans written-off during the year	(12,243,478)	(9,548,619)	(8,473,450)
Foreign currency translation	245,188	(13,117)	40,584
Ending balance	35,017,982	29,423,380	22,184,296

BRI's (Parent Entity) allowance for impairment losses balance includes the allowance for impairment losses for areas that are still categorized as isaster prone areas or disaster-affected areas by the Government of the Republic of Indonesia amounted to Rp1,365,090, Rp926,267 and Rp857,060, as of December 31, 2018, 2017 and 2016, respectively (Note 2e).

The minimum allowance for impairment losses of BRI's (Parent Entity) loans, that must be provided based on Bank Indonesia regulation (Note 2e) amounted to Rp22,354,615, Rp18,507,786 and Rp15,652,514, as of December 31, 2018, 2017 and 2016, respectively.

As of December 31, 2018, 2017 and 2016, there are no loans that were transferred or used as collateral for debts.

Management believes that the allowance for impairment losses on loans is adequate.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

13. SHARIA RECEIVABLES AND FINANCING

a) Sharia receivables and financing based on collectibility are as follows:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
Current	15,494,736	14,285,886	14,553,293
Special mention	874,130	1,382,563	1,870,297
Substandard	331,900	505,223	160,261
Doubtful	213,122	89,184	178,264
Loss	826,082	604,915	479,990
	17,739,970	16,867,771	17,242,105
<u>Related parties (Note 44)</u>			
Current	2,430,525	996,779	506,483
Special mention	6,355	319	355
Doubtful	1,357	-	-
Loss	194	-	-
	2,438,431	997,098	506,838
Total	20,178,401	17,864,869	17,748,943
Less allowance for impairment losses	(497,141)	(577,257)	(492,156)
Net	19,681,260	17,287,612	17,256,787

b) Sharia receivables and financing based on the time period and currency are as follows:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
<u>Rupiah</u>			
≤ 1 month	804,824	530,569	282,806
> 1 month - 3 months	1,137,238	236,409	449,395
> 3 months - 1 year	1,706,078	2,421,838	1,399,649
> 1 year - 2 years	2,145,029	960,678	1,265,385
> 2 years - 5 years	6,390,455	7,331,402	2,728,868
> 5 years	5,556,346	5,386,875	11,116,002
	17,739,970	16,867,771	17,242,105
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
≤ 1 month	250,516	-	6
> 1 month - 3 months	604,905	-	3,400
> 3 months - 1 year	99,570	4,004	328,777
> 1 year - 2 years	633,184	801,366	1,936
> 2 years - 5 years	364,348	100,938	41,675
> 5 years	485,908	90,790	131,044
	2,438,431	997,098	506,838
Total	20,178,401	17,864,869	17,748,943
Less allowance for impairment losses	(497,141)	(577,257)	(492,156)
Net	19,681,260	17,287,612	17,256,787

Sharia receivables and financing consist of *murabahah* receivables, *istishna* receivables, *qardh* borrowing, *mudharabah* financing and *musyarakah* financing.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

13. SHARIA RECEIVABLES AND FINANCING (continued)

Unrecognized *murabahah* receivables income as of December 31, 2018, 2017 and 2016 amounted to Rp4,436,203, Rp4,200,027 and Rp4,322,067, respectively.

The movements in the allowance for impairment losses on sharia receivables and financing:

	December 31,		
	2018	2017	2016
Beginning balance	577,257	492,156	352,252
Provision for allowance for impairment losses (Note 34)	186,998	202,008	244,267
Recovery from loans written-off	20,050	25,407	14,892
Written-off during the year	(287,164)	(142,314)	(119,255)
Ending balance	497,141	577,257	492,156

Management believes that the allowance for impairment losses on sharia receivables and financing is adequate.

The types of collateral submitted by the debtors for the sharia receivables and financing are land and buildings, Motor Vehicle Ownership Certificates and other properties.

As of December 31, 2018, 2017 and 2016, there are no sharia receivables and financing that were transferred or used as collateral for debts.

14. FINANCE LEASE RECEIVABLES

a) Finance lease receivables as of December 31, 2018, 2017 and 2016 consist of:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
Finance lease receivables – gross	3,944,313	2,828,510	2,465,843
Guaranteed residual values	1,972,808	1,656,302	1,750,061
Unearned finance lease income	(520,761)	(342,419)	(266,044)
Security deposits	(1,986,514)	(1,653,410)	(1,749,560)
Total	3,409,846	2,488,983	2,200,300
Less allowance for impairment losses	(88,000)	(103,500)	(130,000)
Net	3,321,846	2,385,483	2,070,300

b) Finance lease receivables in accordance to the maturity date:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
<u>Rupiah</u>			
≤ 1 year	286,955	217,083	192,212
> 1 year - 2 years	658,579	522,974	480,529
> 2 years - 5 years	2,333,899	1,234,645	929,023
	3,279,433	1,974,702	1,601,764

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

14. FINANCE LEASE RECEIVABLES (continued)

b) Finance lease receivables in accordance to the maturity date: (continued)

	December 31,		
	2018	2017	2016
<u>United States Dollar</u>			
≤ 1 year	21,791	45,397	71,824
> 1 year - 2 years	66,407	45,663	179,561
> 2 years - 5 years	42,215	423,221	347,151
	130,413	514,281	598,536
Total	3,409,846	2,488,983	2,200,300
Less allowance for impairment losses	(88,000)	(103,500)	(130,000)
Net	3,321,846	2,385,483	2,070,300

The movement in the allowance for impairment losses on financial lease receivable:

	December 31,		
	2018	2017	2016
Beginning balance	103,500	130,000	128,000
Provision for (reversal of) allowance for impairment loss (Note 34)*	12,803	(8,713)	16,669
Written-off during the year	(28,341)	(16,984)	(14,646)
Exchange rate differences	38	(803)	(23)
Ending balance	88,000	103,500	130,000

*) Provision for allowance of impairment losses for the period after acquisition on September 30, 2016 amounted to Rp995 (Note 34)

As of December 31, 2018, 2017 and 2016, there are no finance lease receivables that were transferred or used as collateral for debts.

Management believes that the allowance for impairment losses on finance lease receivables is adequate.

15. ACCEPTANCES RECEIVABLE AND PAYABLE

a) By Type and Currency:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>						
Import Letters of Credit and Domestic Document Letters of Credit		7,105,174		2,739,683		3,192,249

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

15. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

a) By Type and Currency (continued):

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third parties</u> <u>(continued)</u>						
<u>Foreign currencies</u>						
Import Letters of Credit and Domestic Document Letters of Credit United States						
Dollar	205,140,355	2,949,919	116,065,536	1,574,719	147,121,912	1,982,100
European Euro	6,532,906	107,405	2,157,759	35,034	1,406,631	19,940
Great Britain						
Pound Sterling	126,463	2,316	-	-	-	-
Japanese Yen	3,800,000	496	38,445,000	4,634	30,124,000	3,466
Singaporean Dollar		-	23,550	239	19,600	183
		3,060,136		1,614,626		2,005,689
		10,165,310		4,354,309		5,197,938
<u>Related parties</u> <u>(Note 44)</u>						
<u>Rupiah</u>						
Import Letters of Credit and Domestic Document Letters of Credit		335,085		427,335		363,963
<u>Foreign currencies</u>						
Import Letters of Credit and Domestic Document Letters of Credit United States						
Dollar	78,905,049	1,134,655	66,226,205	898,524	7,433,691	100,150
Japanese Yen	60,890,000	7,953	-	-	-	-
European Euro		-	816,480	13,257	2,153,788	30,532
		1,142,608		911,781		130,682
		1,477,693		1,339,116		494,645
Total		11,643,003		5,693,425		5,692,583

b) By Collectibility:

All acceptances receivable were classified as "Current" as of December 31, 2018, 2017 and 2016, respectively.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

15. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

c) By Time Period:

The classification of time period for acceptances receivable based on the remaining period until maturity are as follows:

	December 31, 2018	December 31, 2017	December 31, 2016
<u>Third parties</u>			
≤ 1 month	797,543	1,101,957	955,776
> 1 month - 3 months	2,477,018	1,593,129	1,935,035
> 3 months - 1 year	6,890,749	1,659,223	2,307,127
	<u>10,165,310</u>	<u>4,354,309</u>	<u>5,197,938</u>
<u>Related parties (Note 44)</u>			
≤ 1 month	193,709	792,676	89,867
> 1 month - 3 months	208,324	390,110	171,292
> 3 months - 1 year	1,075,660	156,330	233,486
	<u>1,477,693</u>	<u>1,339,116</u>	<u>494,645</u>
Total	<u>11,643,003</u>	<u>5,693,425</u>	<u>5,692,583</u>

BRI assessed the impairment of acceptances receivable individually based on whether objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2018, 2017 and 2016, because management believes that acceptances receivable are fully collectible.

16. INVESTMENT IN ASSOCIATED ENTITIES

The details of investment in associated entities are as follows:

		December 31, 2018			
Company Name	Type of Business	Percentage of Ownership (%)	Acquisition Cost	Accumulated Net Earnings of Associated Entities	Carrying Value
<u>Equity Method</u>					
<u>Related parties (Note 44)</u>					
(Investments in associated entity)					
PT Bahana Artha Ventura	Venture capital	35.00	71,325	1,282	72,607
PT Danareksa Investment Management	Securities company	35.00	371,959	312	372,271
			443,284	1,594	444,878
<u>Cost Method</u>					
PT Pemeringkat Efek Indonesia	Credit rating agency	7.97			7,978
Lembaga Pembayaran Nasional	Financial	17.50			3,500
PT Kustodian Sentral Efek Indonesia	Central securities depository services	4.30			1,275
PT Kliring Berjangka Indonesia (Persero)	Clearing institution	2.00			1,000

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

The details of investment in associated entities are as follows (continued):

December 31, 2018					
Company Name	Type of Business	Percentage of Ownership (%)	Acquisition Cost	Accumulated Net Earnings of Associated Entities	Carrying Value
PT Sarana Bersama Pembiayaan Indonesia	Non-banking financial institution	8.00			536
PT Jakarta Kyoei Medical Center	Health services	1.68			220
PT Menara Proteksi Indonesia	Infrastructure	2.00			200
Bursa Efek Indonesia	Stock exchange	0.87			135
BPR Toelongsredjo Dasa Nusantara	Banking	1.50			77
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
PT Merapi Gelanggang Wisata	Sport facilities	0.64			50
PT Kendari Expressindo Bahari	Transportation	8.33			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Estetika	Sport facilities	0.24			25
Padang Golf	Banking	1.13			23
BPR Bungamayang Agroloka	Banking	1.13			23
PT Aplikasi Lintasarta	Non-Bank	0.03			20
PT Danareksa Finance	Financial institution	0.01			1
					15,268
Total					460,146
Allowance for Impairment losses					(50)
Total - Net					460,096

December 31, 2017 ¹⁾					
Company Name	Type of Business	Percentage of Ownership (%)	Acquisition Cost	Accumulated Net Earnings of Associated Entities	Carrying Value
Equity Method					
Related party (Note 44)					
(Investment in associated entity)					
PT Bahana Artha Ventura	Venture capital	35.00	71,326	56	71,382
Cost Method					
PT Pemeringkat Efek Indonesia	Credit rating agency	7.97			7,978
PT Kustodian Sentral Efek Indonesia	Central securities depository	4.30			1,275
PT Kliring Berjangka Indonesia	Clearing institution	2.00			1,000
PT Sarana Bersama Pembiayaan Indonesia	Non-banking financial institution	8.00			536
PT Jakarta Kyoei Medical Center	Health service	1.68			220

¹⁾ As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

The details of investment in associated entities are as follows (continued):

December 31, 2017 ^{*)}					
Company Name	Type of Business	Percentage of Ownership (%)	Acquisition Cost	Accumulated Net Earnings of Associated Entities	Carrying Value
Cost Method (continued)					
PT Menara Proteksi Indonesia	Infrastructure	2.00			200
Bursa Efek Indonesia	Stock exchange	0.50			135
BPR Toelongredjo Dasa Nusantara	Banking	1.50			77
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
PT Merapi Gelanggang Wisata	Sport facilities	0.64			50
PT Kendari Expressindo Bahari	Transportation	8.33			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Estetika Padang Golf	Sport facilities	0.24			25
BPR Bungamayang Agroloka	Banking	1.13			23
PT Aplikanusa Lintasarta	Non-Bank	0.03			20
PT Danareksa Finance	Financial institution	0.01			1
					11,768
Total					83,150
Allowance for Impairment losses					(50)
Total - Net					83,100

December 31, 2016 ^{*)}			
Company Name	Type of Business	Percentage of Ownership (%)	Carrying Value
Cost Method			
PT Kustodian Sentral Efek Indonesia	Central securities depository services	4.30	1,275
PT Sarana Bersama Pembiayaan Indonesia	Investment	8.00	536
PT Jakarta Kyoei Medical Center	Health service	1.68	220
PT Kliring Berjangka Indonesia	Clearing institution	2.00	1,000
PT Pemeringkat Efek Indonesia	Credit rating agency	7.97	7,978
PT Menara Proteksi Indonesia	Infrastructure	2.00	200
BPR Toelongredjo Dasa Nusantara	Banking	1.50	77
BPR Tjoekir Dasa Nusantara	Banking	3.00	77
BPR Toelangan Dasa Nusantara	Banking	1.50	66
PT Merapi Gelanggang Wisata	Sport facilities	0.64	50
PT Kendari Expressindo Bahari	Transportation	8.33	50
BPR Cinta Manis Agroloka	Banking	1.75	35
Bursa Efek Indonesia	Stock exchange	0.50	135
PT Sukapraja Estetika Padang Golf	Sport facilities	0.24	25
BPR Bungamayang Agroloka	Banking	1.13	23
PT Aplikanusa Lintasarta	Non-Bank	0.03	20
PT Danareksa Finance	Financial institution	0.03	1
			11,768
Total			11,768
Allowance for impairment losses			(50)
Total - net			11,718

^{*)} As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

BRI assessed impairment losses on investment in associated entities individually based on whether objective evidence of impairment exists.

As of December 31, 2018, 2017 and 2016, all investments are classified as "Current", except for investment made by PT BRI Ventura Investama (subsidiary) in PT Kendari Expressindo Bahari.

In 2018, BRI received cash dividend from PT Sarana Bersama Pembiayaan Indonesia of Rp11,720, whereas in 2016, BRI received cash dividend from PT Sarana Bersama Pembiayaan Indonesia and PT Pemeringkat Efek Indonesia of Rp170 and Rp11, respectively.

In 2018, BRI Agro (subsidiary) received cash dividend from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp7, Rp6 and Rp25, in 2017, from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp8, Rp13 and Rp19 and in 2016, from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp7, Rp21 and Rp26, respectively.

In 2018, PT Danareksa Sekuritas (subsidiary) received cash dividend from PT Pemeringkat Efek Indonesia of Rp776.

As of December 31, 2018, 2017 and 2016, the allowance for impairment losses on investment in associated entities amounted to Rp50. Management believes that the allowance for impairment losses on investment in associated entities is adequate.

17. PREMISES AND EQUIPMENTS

Premises and equipments consist of:

	December 31, 2018			
Description	Beginning Balance	Additions	Deductions	Ending balance
<u>Cost</u>				
Landrights	16,134,127	1,167,827	1,365	17,300,589
Buildings	3,675,421	1,387,341	102,770	4,959,992
Motor vehicles	2,204,637	88,353	8,111	2,284,879
Computers and machineries	7,097,817	1,243,266	54,297	8,286,786
Furnitures and fixtures	1,593,957	248,210	34,025	1,808,142
Museum assets	184	-	-	184
Satellite	3,284,664	-	-	3,284,664
	33,990,807	4,134,997	200,568	37,925,236
<u>Accumulated Depreciation</u>				
Buildings	1,529,321	258,567	2,212	1,785,676
Motor vehicles	1,705,407	258,165	7,977	1,955,595
Computers and machineries	4,607,771	962,466	53,743	5,516,494
Furnitures and fixtures	1,268,536	167,141	29,780	1,405,897
Satellite	127,737	218,978	-	346,715
	9,238,772	1,865,317	93,712	11,010,377
Book value - net	24,752,035			26,914,859

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

17. PREMISES AND EQUIPMENTS (continued)

Premises and equipments consist of (continued):

Description	December 31, 2017 ^{*)}			
	Beginning Balance	Additions ^{**)}	Deductions	Ending balance
<u>Cost</u>				
Landrights	15,799,496	340,373	5,742	16,134,127
Buildings	3,160,913	617,484	102,976	3,675,421
Motor vehicles	2,153,644	84,034	33,041	2,204,637
Computers and machineries	6,407,952	750,309	60,444	7,097,817
Furnitures and fixtures	1,482,991	125,049	14,083	1,593,957
Museum assets	184	-	-	184
Satellite	-	3,284,664	-	3,284,664
Satellite in development	3,275,613	183,877	3,459,490	-
	32,280,793	5,385,790	3,675,776	33,990,807
<u>Accumulated Depreciation</u>				
Buildings	1,359,559	173,013	3,251	1,529,321
Motor vehicles	1,420,049	316,903	31,545	1,705,407
Computers and machineries	3,835,864	823,816	51,909	4,607,771
Furnitures and fixtures	1,141,188	141,282	13,934	1,268,536
Satellite	-	127,737	-	127,737
	7,756,660	1,582,751	100,639	9,238,772
Book value - net	24,524,133			24,752,035

Description	December 31, 2016 ^{*)}			
	Beginning Balance	Additions ^{**)*)}	Deductions	Ending balance
<u>Carrying Value</u>				
Landrights	1,107,163	14,709,604	17,271	15,799,496
Buildings	2,900,001	455,660	194,748	3,160,913
Motor vehicles	1,943,674	245,530	35,560	2,153,644
Computers and machineries	5,065,582	1,426,345	83,975	6,407,952
Furnitures and fixtures	1,354,292	156,154	27,455	1,482,991
Museum assets	184	-	-	184
Satellite in development	2,316,572	959,041	-	3,275,613
	14,687,468	17,952,334	359,009	32,280,793
<u>Accumulated Depreciation</u>				
Buildings	1,220,467	141,656	2,564	1,359,559
Motor vehicles	1,123,409	331,979	35,339	1,420,049
Computers and machineries	3,276,548	637,723	78,407	3,835,864
Furnitures and fixtures	1,027,764	140,826	27,402	1,141,188
	6,648,188	1,252,184	143,712	7,756,660
Book value - net	8,039,280			24,524,133

*) As restated (Note 50)

**) Includes investment property of BRI Life (subsidiary) used by BRI and BRISyariah amounting to Rp94,779 as of December 31, 2017

***) Included in additions of premises and equipments are gain on revaluation of landrights amounting to Rp14,261,442 (after deducting the decrease in carrying amount caused by revaluation amounting to Rp54,085) and the beginning balance of subsidiaries acquired (Acquisition Cost amounting to Rp19,376, Accumulated Depreciation amounting to Rp16,901 and Depreciation Expense for the year amounting to Rp1,589).

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

17. PREMISES AND EQUIPMENTS (continued)

Depreciation expense of premises and equipments charged to the consolidated statement of profit or loss and other comprehensive income amounted to Rp1,865,317, Rp1,582,751 and Rp1,227,754 for the years ended December 31, 2018, 2017 and 2016, respectively (Note 36).

BRI has insured its premises and equipments (excluding landrights and satellite) to cover possible losses due to fire, theft, vandalism, force majeure and other risks to PT Asuransi Bringin Sejahtera Artamakmur (related party - Note 44) and PT Asuransi Purna Artanugraha with a total coverage amount of Rp13,174,911, Rp12,283,482 and Rp10,530,478 for the years ended December 31, 2018, 2017 and 2016, respectively.

BRI has insured its satellite to PT Asuransi Jasa Indonesia (Persero) (related party - Note 44) with a total coverage amount of USD224,000,000 (full amount) for the years ended December 31, 2018 and 2017.

Sales Value of Taxable Object (Nilai Jual Objek Pajak or NJOP) of buildings owned by BRI as of December 31, 2018, 2017 and 2016 amounted to Rp2,562,289, Rp2,196,353 and Rp2,038,098, respectively. NJOP of buildings is considered as the best estimate that reflects the buildings' fair values.

The gross carrying value of premises and equipments that have been fully depreciated but still used by BRI as of December 31, 2018, 2017 and 2016 are Rp6,157,653, Rp4,777,039 and Rp3,666,122, respectively.

As of December 31, 2018, 2017 and 2016, there are no premises and equipments owned by BRI which are pledged as collateral.

In 2017, satellite in development are ready to be used as business support in accordance with BRI's management intentions. Therefore, BRI reclassified satellite in development amounting to Rp3,459,490 to satellite amounting to Rp3,284,664, buildings amounting to Rp79,722, furnitures and fixtures amounting to Rp1,360, and computers and machineries amounting to Rp93,744.

For its satellite, BRI allocates the utilization of 144 MHz transponder capacity to several government agencies which has been evaluated and approved by the Ministry of Communication and Information of the Republic of Indonesia. The government agencies that can utilize these capacities are Tentara Nasional Indonesia (TNI), Badan Intelijen Negara (BIN), Badan Keamanan Laut (Bakamla), Kepolisian Negara Republik Indonesia (POLRI) and the Ministry of Finance.

In 2016, the manufacture of satellite (BRIsat) has been completed and has been successfully launched on June 19, 2016 from Kourou, French Guiana. BRIsat has reached the intended orbit and has been tested (in orbit test). Since August 3, 2016, "BRIsat operational handover" from SSL (as BRIsat manufacturer) had been carried out. Up to December 31, 2016, Final Acceptance for the ground device (gRCS) has been conducted to ensure that these devices can be used optimally by BRI. In accordance with the contract, the satellite's performance will continue to be monitored by SSL and BRI until the last milestone (satellite performance) is completed in mid 2017. The percentage of carrying amount satellites in development to the contract value is $\pm 96\%$.

On April 1, 2016, BRI performed revaluation of landrights for accounting and taxation purposes, as follows:

- Accounting purposes: BRI changed its accounting policy for landrights measurement from cost model to revaluation model.
- Taxation purposes: the increase in carrying value of landrights amounting to Rp14,315,527 has been approved by the Directorate General of Taxes in accordance with the Decree of the Directorate General of Taxes No. KEP-479/WPJ.19/2016 dated July 29, 2016.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

17. PREMISES AND EQUIPMENTS (continued)

The increase in the carrying amount arising from the revaluation is recorded as "Revaluation surplus arising from premises and equipments", and is presented in other comprehensive income amounting to Rp13,824,692 (net of final tax of Rp490,835). The decrease in the carrying amount arising from the revaluation amounted to Rp54,085 is recognized in the statement of profit or loss for the year. The fair value of landrights is included in the fair value hierarchy as level 2.

The valuation is performed based on the Indonesian Valuations Standards, determined based on the current market transactions and carried out under customary conditions. The valuation methods used are market data method, cost method and income method.

The valuation of landrights is performed by external independent appraiser KJPP Abdullah, Fitriantoro dan Rekan, KJPP Aditya, Iskandar dan Rekan, KJPP Aksa, Nelson dan Rekan, KJPP Immanuel, Johnny dan Rekan, KJPP Iwan Bachron dan Rekan, KJPP Nanang, Rahayu dan Rekan, KJPP Pung's Zulkarnain dan Rekan, KJPP Satria, Iskandar, Setiawan dan Rekan and KJPP Toha, Okky, Heru dan Rekan, on various valuation dates.

As of December 31, 2018, 2017 and 2016, if the landrights are measured using the cost model, the carrying value amounted to Rp2,939,298, Rp1,810,249 and Rp1,538,053, respectively.

Management believes that there is no impairment on premises and equipments and the amount of insurance coverage is adequate to cover the risk of possible losses on premises and equipments as of December 31, 2018, 2017 and 2016.

18. OTHER ASSETS

Other assets consist of:

	December 31,		
	2018	2017 ¹⁾	2016 ¹⁾
<u>Rupiah</u>			
Deferred expense for employee loans (Note 12f)	2,251,490	617,834	565,480
Receivables related to ATM and credit card transactions	1,843,475	2,100,850	1,726,840
<i>Ijarah</i> assets	1,676,682	1,146,920	286,181
Prepaid expenses	1,597,777	1,221,753	636,619
Prepaid tax (Note 38b)	1,371,867	927,453	-
Receivables for distributions of government social assistance	1,295,093	657,815	-
Receivables from government related to Generation II KUR disbursement	1,174,619	4,176,707	595,562
Interest receivable			
Securities	999,167	1,089,898	725,662
Government Recapitalization Bonds	393,271	389,617	417,562
Placements with Bank Indonesia and other banks	11,345	8,292	80,864
Others	60,496	52,042	76,757
Office, warehouse, and classroom rent	800,740	914,088	845,247
Internal advance	321,870	381,897	611,471
Reinsurance assets	311,677	269,007	232,332
Receivables from Perum BULOG	297,846	228,682	328,559
Office Supplies	273,496	235,827	296,038
Foreclosed collaterals	231,776	362,576	257,769
Estimated tax refund (Note 38b)	185,435	140,235	75,198

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

18. OTHER ASSETS (continued)

Other assets consist of (continued):

	December 31,		
	2018	2017 ¹⁾	2016 ¹⁾
Penalty charges of loan principal and interest	79,543	68,864	68,009
Premium receivable	28,031	20,465	46,511
Accrued revenue based on Sharia principle	2,066	191,236	170,519
Others	5,519,091	4,276,706	3,626,133
	20,726,853	19,478,764	11,669,313
<u>Foreign currencies</u>			
Interest receivable			
Securities	569,610	547,626	535,611
Others	331,451	42,859	34,164
Claims of refinancing	271,121	817,573	115,386
Others	1,480,514	185,233	41,600
	2,652,696	1,593,291	726,761
Total	23,379,549	21,072,055	12,396,074

19. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
Advance payment deposits	2,276,993	2,127,026	1,492,074
Tax payment deposits	734,288	424,823	379,554
ATM and credit card deposits	499,165	300,175	460,036
Social grant deposits	353,128	66,937	559
Insurance deposits	178,005	162,907	152,213
Third party cooperation deposits	96,985	200,525	103,527
Channeling loan deposits	62,853	57,321	51,265
Clearing deposits	43,214	22,252	26,807
Money transfer deposits	24,774	26,587	35,703
Others	3,639,171	2,964,982	2,501,684
	7,908,576	6,353,535	5,203,422
<u>Foreign currencies</u>			
Advance payment deposits	71,752	61,720	56,120
ATM and credit card deposits	55,068	48,686	52,597
Tax payment deposits	35,757	15,867	12,273
Others	391,805	104,393	85,901
	554,382	230,666	206,891
Total	8,462,958	6,584,201	5,410,313

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

20. DEMAND DEPOSITS

Demand deposits consist of:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>		103,332,732		81,525,195		79,314,862
<u>Foreign currencies</u>						
United States Dollar	1,374,006,418	19,754,744	1,362,520,346	18,485,995	1,153,376,172	15,538,860
European Euro	104,729,955	1,721,829	11,802,883	191,634	113,890,839	1,614,490
Singaporean Dollar	13,327,865	140,674	12,039,022	122,251	2,777,138	25,861
Renminbi	22,545,386	47,133	7,318,360	15,249	56,984,608	110,504
Great Britain						
Pound Sterling	1,810,762	33,158	2,679,707	49,107	3,764,194	62,316
Japanese Yen	142,213,970	18,576	79,572,861	9,590	223,500,953	25,717
Australian Dollar	258,082	2,623	3,039,571	32,202	21,415,159	208,222
Hong Kong Dollar	930,433	1,709	511,954	889	528,967	919
United Arab Emirates						
Dirham	6,250	24		-		-
Saudi Arabian Riyal	824	3	37,625	136	2,306,560	8,285
		21,720,473		18,907,053		17,595,174
		125,053,205		100,432,248		96,910,036
<u>Related Parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>		34,903,376		29,089,518		29,618,921
<u>Foreign Currencies</u>						
United States Dollar		16,364,300	11,161,516,707	15,758,878	1,081,759,223	14,574,001
European Euro		1,573,786	14,932,009	242,439	22,240,029	315,269
Japanese Yen		203,314	50,489,759	6,085	6,890,431	793
		18,141,400		16,007,402		14,890,063
		53,044,776		45,096,920		44,508,984
Total		178,097,981		145,529,168		141,419,020

The average interest rates:

	December 31,		
	2018	2017	2016
Rupiah	2.44%	2.32%	2.33%
Foreign currencies	0.20	0.33	0.49

Demand deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp344,799, Rp238,264 and Rp127,809 as of December 31, 2018, 2017 and 2016, respectively.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

21. SAVING DEPOSITS

Saving deposits consist of:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
Third parties						
<u>Rupiah</u>						
Simpedes		229,394,411		205,658,448		183,909,412
Britama		134,397,305		126,653,884		108,269,980
Others		10,891,846		9,432,599		4,260,239
		<u>374,683,562</u>		<u>341,744,931</u>		<u>296,439,631</u>
<u>Foreign currencies</u>						
Britama						
United States Dollar	335,612,125	4,826,102	96,426,361	1,308,264	94,648,979	1,275,158
Singaporean Dollar	4,555,166	48,079	4,047,720	41,103	5,506,164	51,273
European Euro	2,241,412	36,850	4,319,864	70,138	15,504,444	219,787
Australian Dollar	761,405	7,738	497,747	5,273	807,929	7,856
Renminbi	2,019,925	4,223	684,461	1,426	672,164	1,304
Great Britain						
Pound Sterling	83,525	1,530	76,103	1,394	66	1
Japanese Yen	10,181,661	1,330	33,461,987	4,033	10,923,961	1,257
Hong Kong Dollar	9,368	36	29,476	51	12,547	22
Saudi Arabian Riyal	3,478	6	960	3	328	1
United Arab Emirates						
Dirham	306	1	147	1	365	1
		<u>4,925,895</u>		<u>1,431,686</u>		<u>1,556,660</u>
Others						
United States Dollar	588,483	8,462	324,787	4,407	195,196	2,630
		<u>4,934,357</u>		<u>1,436,093</u>		<u>1,559,290</u>
		<u>379,617,919</u>		<u>343,181,024</u>		<u>297,998,921</u>
<u>Related parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>						
Britama		168,687		160,589		96,035
Simpedes		7,180		3,562		2,680
Others		106,037		54,560		6,476
		<u>281,904</u>		<u>218,711</u>		<u>105,191</u>
<u>Foreign currencies</u>						
Britama						
United States Dollar	1,307,242	18,798	1,538,170	20,869	466,872	6,290
European Euro	3,498	58	64	1		-
Singaporean Dollar	1,724	18	80	1	242	3
Saudi Arabian Riyal	1,564	6		-		-
Renminbi	814	2	357	1	607	1
Australian Dollar		-	195	2		-
Great Britain						
Pound Sterling		-	51	1		-
		<u>18,882</u>		<u>20,875</u>		<u>6,294</u>
Others						
United States Dollar		-	9,346	127		-
		<u>18,882</u>		<u>21,002</u>		<u>6,294</u>
		<u>300,786</u>		<u>239,713</u>		<u>111,485</u>
Total		<u>379,918,705</u>		<u>343,420,737</u>		<u>298,110,406</u>

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

21. SAVING DEPOSITS (continued)

The average interest rates:

	December 31,		
	2018	2017	2016
Rupiah	0.84%	0.86%	1.14%
Foreign currencies	0.17	0.21	0.22

Saving deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp99,506, Rp83,430 and Rp84,937 as of December 31, 2018, 2017 and 2016, respectively.

22. TIME DEPOSITS

Time deposits consist of:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>		221,071,235		179,634,460		159,195,095
<u>Foreign currencies</u>						
United States Dollar	3,145,348,545	45,230,112	3,756,779,689	50,970,108	3,126,352,845	42,119,789
European Euro	164,662,217	2,707,154	2,983,283	48,437	803,857,776	11,395,299
Australian Dollar	26,740,800	271,749	6,452,966	68,364	4,553,424	44,273
Singaporean Dollar	23,203,837	244,914	20,713,546	210,337	17,812,319	165,867
Renminbi	6,188,661	12,938	9,277,833	19,332	50,220,204	97,387
Great Britain						
Pound Sterling	308,276	5,645	125,209	2,295	118,604	1,963
Japanese Yen	4,030,000	526	1,135,000	137	388,000	45
Saudi Arabian Riyal		-	5,258,518	19,024	5,258,518	18,888
		48,473,038		51,338,034		53,843,511
		269,544,273		230,972,494		213,038,606
<u>Related parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>		63,111,013		68,918,906		60,898,562
<u>Foreign currencies</u>						
United States Dollar	1,681,439,370	24,179,098	1,912,908,304	25,953,383	1,376,645,507	18,546,856
Singaporean Dollar	44,511,414	469,815	44,162,297	448,449	43,793,922	407,806
European Euro	6,649,000	109,314	7,649,000	124,191	9,703,047	137,548
Australian Dollar		-	48,532	514		-
		24,758,227		26,526,537		19,092,210
		87,869,240		95,445,443		79,990,772
Total		357,413,513		326,417,937		293,029,378

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. TIME DEPOSITS (continued)

Time deposits based on their contractual periods are as follows:

	December 31,		
	2018	2017	2016
<u>Third parties</u>			
<u>Rupiah</u>			
Deposits on call	7,579,408	7,846,255	9,577,885
Deposits			
1 month	132,937,328	71,521,847	66,562,883
3 months	67,086,988	73,908,929	59,117,884
6 months	9,649,807	19,467,302	17,829,486
12 months	2,961,301	6,123,449	5,647,297
More than 12 months	856,403	766,678	459,660
	221,071,235	179,634,460	159,195,095
<u>Foreign currencies</u>			
Deposits on call	2,457,146	3,858,989	3,823,613
Deposits			
1 month	23,008,396	12,810,631	6,845,138
3 months	8,233,970	5,859,042	5,329,468
6 months	2,727,620	13,393,642	26,618,525
12 months	12,034,915	15,411,619	10,607,111
More than 12 months	10,991	4,111	619,656
	48,473,038	51,338,034	53,843,511
	269,544,273	230,972,494	213,038,606
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Deposits on call	16,941,003	14,117,304	7,975,541
Deposits			
1 month	24,374,120	24,736,012	29,547,145
3 months	14,449,930	14,274,439	12,669,883
6 months	1,071,273	2,560,592	2,456,474
12 months	93,187	1,659,159	5,289,119
More than 12 months	6,181,500	11,571,400	2,960,400
	63,111,013	68,918,906	60,898,562
<u>Foreign currencies</u>			
Deposits on call	2,168,901	7,275,615	1,377,187
Deposits			
1 month	9,738,302	8,742,183	9,196,247
3 months	7,934,172	4,072,443	3,306,531
6 months	4,461,550	5,367,913	5,030,168
12 months	455,302	948,989	182,077
More than 12 months	-	119,394	-
	24,758,227	26,526,537	19,092,210
	87,869,240	95,445,443	79,990,772
Total	357,413,513	326,417,937	293,029,378

The average interest rates:

	December 31,		
	2018	2017	2016
Rupiah	6.17%	6.20%	7.49%
Foreign currencies	2.14	1.43	1.19

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. TIME DEPOSITS (continued)

Time deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp948,588, Rp334,019 and Rp257,410 as of December 31, 2018, 2017 and 2016, respectively.

23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency (Full Amount)	Rupiah Equivalent
<u>Third Parties</u>						
<u>Rupiah</u>						
Deposits on Call		4,981,000		3,473,000		810,000
Time Deposits		966,011		523,193		84,630
Demand Deposits		241,978		169,262		152,260
Saving Deposits		3,407		6,709		6,497
Inter-bank call money		-		-		536,729
		6,192,396		4,172,164		1,590,116
<u>United States Dollar</u>						
Inter-bank call money	3,500,000	2,236,090	6,000,000	81,405		-
Demand Deposits	7,038,414	101,213	13,272,017	180,068	6,387,630	86,057
Time Deposits	155,500,000	50,330	1,000,000	13,568	4,000,000	53,890
		2,387,633		275,041		139,947
		8,580,029		4,447,205		1,730,063
<u>Related Parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>						
Inter-bank call money		1,250,000		-		20,000
Demand Deposits		1,129		2,621		689
Deposits on call		-		50,000		80,000
		1,251,129		52,621		100,689
<u>United States Dollar</u>						
Inter-bank call money		-	80,600,000	1,093,541	29,600,000	398,786
		1,251,129		1,146,162		499,475
Total		9,131,158		5,593,367		2,229,538

The average interest rates:

	Rupiah			United States Dollar		
	December 31,			December 31,		
	2018	2017	2016	2018	2017	2016
Demand Deposits	1.44%	1.31%	1.21%	0.07%	0.03%	0.05%
Saving Deposits	1.48	1.37	1.46	0.14	-	-
Deposits on call	5.88	5.23	5.97	-	-	-
Time Deposits	6.00	5.90	6.47	0.32	0.45	0.44
Inter-bank call money	7.40	-	4.74	0.02	0.92	0.46

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows:

December 31, 2018				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third Parties</u>				
<u>Rupiah</u>				
Deposits on call	4,981,000	-	-	4,981,000
Time Deposits	915,350	50,661	-	966,011
Demand Deposits	241,978	-	-	241,978
Saving Deposits	3,407	-	-	3,407
	6,141,735	50,661	-	6,192,396
<u>United States Dollar</u>				
Inter-bank call money	2,236,090	-	-	2,236,090
Demand Deposits	101,213	-	-	101,213
Time Deposits	50,330	-	-	50,330
	2,387,633	-	-	2,387,633
	8,529,368	50,661	-	8,580,029
<u>Related Parties (Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money	1,250,000	-	-	1,250,000
Demand Deposits	1,129	-	-	1,129
	1,251,129	-	-	1,251,129
Total	9,780,496	50,661	-	9,131,158

December 31, 2017				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits on call	3,473,000	-	-	3,473,000
Time deposits	436,000	57,408	29,785	523,193
Demand deposits	169,262	-	-	169,262
Saving deposits	6,709	-	-	6,709
	4,084,971	57,408	29,785	4,172,164
<u>United States Dollar</u>				
Demand deposits	180,068	-	-	180,068
Inter-bank call money	81,405	-	-	81,405
Time deposits	13,568	-	-	13,568
	275,041	-	-	275,041
	4,360,012	57,408	29,785	4,447,205
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Deposits on call	50,000	-	-	50,000
Demand deposits	2,621	-	-	2,621
	52,621	-	-	52,621

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows (continued):

December 31, 2017				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Related parties (Note 44) (continued)</u>				
<u>United States Dollar</u>				
Inter-bank call money	1,093,541	-	-	1,093,541
	1,146,162	-	-	1,146,162
Total	5,506,174	57,408	29,785	5,593,367
December 31, 2016				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits on call	810,000	-	-	810,000
Inter-bank call money	536,729	-	-	536,729
Demand deposits	152,260	-	-	152,260
Time deposits	41,250	42,057	1,323	84,630
Saving deposits	6,497	-	-	6,497
	1,546,736	42,057	1,323	1,590,116
<u>United States Dollar</u>				
Demand deposits	86,057	-	-	86,057
Time deposits	53,890	-	-	53,890
	139,947	-	-	139,947
	1,686,683	42,057	1,323	1,730,063
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Deposits on call	80,000	-	-	80,000
Inter-bank call money	20,000	-	-	20,000
Demand deposits	689	-	-	689
	100,689	-	-	100,689
<u>United States Dollar</u>				
Inter-bank call money	398,786	-	-	398,786
	499,475	-	-	499,475
Total	2,186,158	42,057	1,323	2,229,538

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreement to repurchase consist of:

December 31, 2018					
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Other Banks					
Government Bonds					
FR0063	December 21, 2018	January 18, 2019	5,000,000	4,344,620	4,353,056
FR0077	December 26, 2018	January 2, 2019	2,000,000	2,932,122	2,934,684
FR0069	December 12, 2018	January 9, 2019	1,500,000	2,806,512	2,816,866
FR0061	December 19, 2018	January 16, 2019	3,000,000	2,781,465	2,787,946
FR0069	May 18, 2015	April 15, 2019	571,000	500,047	500,047
FR0069	May 21, 2015	April 15, 2019	568,000	499,714	499,714
FR0069	September 9, 2016	April 15, 2019	540,000	498,000	498,000
FR0071	December 20, 2018	January 3, 2019	500,000	473,503	474,552
FR0077	December 19, 2018	January 21, 2019	500,000	455,098	456,236
FR0077	December 19, 2018	January 21, 2019	500,000	455,098	456,236
FR0077	December 18, 2018	January 18, 2019	500,000	454,309	455,539
FR0069	December 10, 2018	January 10, 2019	500,000	452,289	454,215
FR0069	December 13, 2018	January 14, 2019	500,000	452,089	453,739
FR0063	November 7, 2017	May 15, 2023	500,000	446,090	446,090
FR0053	September 6, 2016	July 15, 2021	450,000	437,025	437,025
FR0063	December 12, 2018	January 14, 2019	500,000	409,007	410,582
FR0063	December 12, 2018	January 14, 2019	500,000	409,007	410,582
FR0064	December 27, 2018	January 3, 2019	500,000	396,369	396,657
FR0053	September 9, 2016	July 15, 2021	416,000	390,000	390,000
FR0053	February 28, 2017	July 15, 2021	440,000	382,690	382,690
FR0034	September 6, 2016	June 15, 2021	300,000	344,315	344,315
FR0070	December 20, 2018	January 3, 2019	350,000	319,958	320,672
FR0061	February 28, 2017	May 13, 2022	362,000	304,722	304,722
FR0068	December 31, 2018	January 14, 2019	300,000	271,541	271,541
FR0068	December 31, 2018	January 15, 2019	300,000	271,541	271,541
FR0077	December 19, 2018	January 2, 2019	250,000	227,549	228,095
FR0059	December 28, 2018	January 11, 2019	250,000	210,308	210,431
FR0047	December 19, 2018	January 2, 2019	200,000	199,756	200,242
FR0064	December 27, 2018	January 3, 2019	250,000	198,185	198,329
FR0059	December 28, 2018	January 11, 2019	200,000	168,247	168,345
FR0061	December 27, 2018	May 12, 2022	150,000	147,093	147,093
FR0053	December 21, 2018	January 21, 2019	100,000	91,288	91,473
			22,497,000	22,729,557	22,771,255
Government Treasury Bills					
SPN12190314	December 7, 2018	January 4, 2019	2,000,000	2,800,439	2,813,491
SPN12190314	December 17, 2018	January 17, 2019	500,000	443,287	444,580
SPN12190606	December 10, 2018	January 10, 2019	500,000	436,200	438,058
SPN12190704	December 10, 2018	January 10, 2019	500,000	434,702	436,553
SPN12190704	December 10, 2018	January 10, 2019	500,000	434,702	436,553
SPN12190801	December 18, 2018	January 18, 2019	500,000	432,450	433,636
SPN12191010	December 17, 2018	January 16, 2019	350,000	298,420	299,278
SPN12190606	December 5, 2018	January 4, 2019	300,000	261,801	263,181
SPN12190606	December 5, 2018	January 7, 2019	300,000	261,801	263,181
SPN12190913	December 17, 2018	January 17, 2019	200,000	171,428	171,928
SPN12190411	December 17, 2018	January 17, 2019	170,000	149,980	150,411
SPN12190606	December 14, 2018	January 14, 2019	150,000	130,959	131,417
SPN12191010	December 13, 2018	January 14, 2019	150,000	127,798	128,264
SPN12190314	November 29, 2018	February 28, 2019	100,000	88,468	89,050
SPN12191010	December 12, 2018	January 11, 2019	100,000	85,186	85,515
			6,320,000	6,557,621	6,585,096
Bank Indonesia Certificates					
IDSD220319364S	November 30, 2018	March 1, 2019	300,000	265,605	267,297

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

December 31, 2018					
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third parties (continued)</u>					
<u>United States Dollar</u>					
Other Banks					
Government Bonds					
SNI19	June 6, 2018	March 6, 2019	1,217,986	1,006,600	1,023,757
SNI19	June 6, 2018	March 6, 2019	1,064,120	934,700	950,632
RI0521	November 9, 2018	May 9, 2019	872,147	719,000	722,116
RI0422	November 9, 2018	May 9, 2019	904,502	719,000	722,116
RI0521	May 16, 2018	February 14, 2019	656,030	575,200	585,994
RI0521	December 20, 2018	March 20, 2019	575,200	480,683	480,138
RI0521	May 17, 2018	February 11, 2019	522,181	431,405	439,465
RI0521	May 17, 2018	February 19, 2019	522,713	431,400	439,460
SNI19	June 6, 2018	March 6, 2019	221,452	215,700	219,314
RI0428	December 20, 2018	January 22, 2019	158,180	123,874	123,767
RI0320	December 20, 2018	March 20, 2019	139,342	114,517	114,387
			6,853,853	5,752,079	5,821,146
			35,970,853	35,304,862	35,444,794
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
Non Banks					
Government Bonds					
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	997,688
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	478,816
FR0070	December 20, 2018	January 3, 2019	500,000	457,083	458,096
			1,980,000	1,895,721	1,934,600
Total			37,950,853	37,200,583	37,379,394
December 31, 2017					
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Other Banks					
Government Bonds					
FR0069	May 18, 2015	April 15, 2019	571,000	500,047	500,047
FR0069	May 21, 2015	April 15, 2019	568,000	499,714	499,714
FR0069	September 9, 2016	April 15, 2019	540,000	498,000	498,000
FR0061	February 28, 2017	May 15, 2022	362,000	304,722	304,722
FR0063	November 7, 2017	May 15, 2023	500,000	446,090	446,090
FR0066	September 13, 2016	May 15, 2018	539,000	489,000	489,000
FR0053	September 9, 2016	July 15, 2021	416,000	390,000	390,000
FR0053	September 6, 2016	July 15, 2021	450,000	437,025	437,025
FR0053	February 28, 2017	July 15, 2021	440,000	382,690	382,690
FR0034	September 6, 2016	June 15, 2021	300,000	344,315	344,315
FR0048	September 6, 2016	September 15, 2018	100,000	98,570	98,570
			4,786,000	4,390,173	4,390,173
Bank Indonesia Certificates					
IDSD240818364S	December 21, 2017	January 5, 2018	2,000,000	2,021,328	2,024,388
IDSD090318182S	December 5, 2017	February 5, 2018	500,000	443,495	445,161
IDSD160318182S	November 30, 2017	February 28, 2018	500,000	442,923	444,944
IDSD060418273S	November 5, 2017	March 5, 2018	500,000	440,638	442,325
IDSD290618277S	November 30, 2017	May 30, 2018	500,000	436,495	438,637
			4,000,000	3,784,879	3,795,455

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

December 31, 2017					
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third parties (continued)</u>					
<u>United States Dollar</u>					
Other Banks					
Government Bonds					
RI0126	December 6, 2017	June 6, 2018	474,863	444,804	445,966
RI0320	December 6, 2017	September 6, 2018	367,679	339,188	340,109
RI0319	December 6, 2017	September 6, 2018	349,363	339,188	340,109
RI0521	December 11, 2017	November 9, 2018	788,272	678,375	679,929
RI0422	December 11, 2017	November 9, 2018	818,799	678,375	679,929
			2,798,976	2,479,930	2,486,042
			11,584,976	10,654,982	10,671,670
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
Non Banks					
Government Bonds					
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	474,927
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	990,087
			1,480,000	1,438,638	1,465,014
Total			13,064,976	12,093,620	12,136,684

December 31, 2016					
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Other Banks					
Government Bonds					
FR0069	May 18, 2015	April 15, 2019	571,000	500,047	500,047
FR0069	May 21, 2015	April 15, 2019	568,000	499,714	499,714
FR0069	September 9, 2016	April 15, 2019	540,000	498,000	498,000
FR0060	September 15, 2016	April 15, 2017	615,000	574,000	574,000
ORI011	September 14, 2016	October 15, 2017	718,000	670,000	670,000
FR0066	September 13, 2016	May 15, 2018	539,000	489,000	489,000
FR0053	September 9, 2016	July 15, 2021	416,000	390,000	390,000
FR0053	September 6, 2016	July 15, 2021	450,000	437,025	437,025
FR0034	September 6, 2016	June 15, 2021	300,000	344,315	344,315
FR0048	September 6, 2016	September 15, 2018	100,000	98,570	98,570
			4,817,000	4,500,671	4,500,671
<u>United States Dollar</u>					
Other Banks					
Government Bonds					
FR0028	March 16, 2015	July 15, 2017	670,000	538,900	538,900
FR0028	March 26, 2015	July 15, 2017	166,000	134,725	134,725
FR0053 and FR0061	February 26, 2015	February 24, 2017	802,345	673,625	673,625
			1,638,345	1,347,250	1,347,250
			6,455,345	5,847,921	5,847,921
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
Non Banks					
Government Bonds					
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	471,361
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	983,116
			1,480,000	1,438,638	1,454,477
Total			7,935,345	7,286,559	7,302,398

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED

BRI and Subsidiaries issued marketable securities with details as follows:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
BRI Shelf Registration Bonds I			
Phase I Year 2015			
net of unamortized bond issuance			
cost amounted to Rp1,078, Rp2,091			
and Rp3,358 as of December 31,			
2018, 2017 and 2016, respectively	1,398,564	2,321,788	2,321,811
Phase II Year 2016			
net of unamortized bond issuance			
cost amounted to Rp1,435, Rp2,125			
and Rp2,430 as of December 31,			
2018, 2017 and 2016, respectively	3,662,611	3,839,875	4,647,570
Phase III Year 2016			
net of unamortized bond issuance			
cost amounted to Rp585, Rp1,372			
and Rp2,508 as of December 31,			
2018, 2017 and 2016, respectively	3,068,194	3,069,111	4,281,750
BRI Shelf Registration Bonds II			
Phase I Year 2016			
net of unamortized bond issuance			
cost amounted to Rp3,411, Rp4,116			
and Rp5,466 as of December 31,			
2018, 2017 and 2016, respectively	3,932,181	3,927,592	4,544,019
Phase II Year 2017			
net of unamortized bond issuance			
cost amounted to Rp1,786 and Rp2,579			
as of December 31, 2018 and 2017,			
respectively	3,947,236	5,076,914	-
Phase III Year 2017			
net of unamortized bond issuance			
cost amounted to Rp2,695 and Rp3.293			
as of December 31, 2018 and 2017,			
respectively	5,128,304	5,126,187	-
Phase IV Year 2018			
net of unamortized bond issuance			
cost amounted to Rp2,099 as of			
December 31, 2018	2,430,992	-	-
BRI Agro Bonds I Year 2017			
net of unamortized bond issuance			
cost amounted to Rp1,397 and Rp2,035			
as of December 31, 2018 and 2017,			
respectively	479,194	477,808	-
Medium-Term Notes (MTN)			
Phase I Year 2014			
net of unamortized issuance			
cost amounted to Rp191 as of			
December 31, 2016	-	-	359,809
Phase I Year 2016			
net of unamortized issuance			
cost amounted to Rp992 as of			
December 31, 2016	-	-	1,924,008
	24,047,276	23,839,275	18,078,967
<u>United States Dollar</u>			
BRI Bonds			
net of discount and unamortized bond			
issuance cost amounted to Rp4,231			
and Rp21,055 as of December 31, 2017			
and 2016, respectively	-	6,780,383	6,721,814

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

BRI issued marketable securities with details as follows (continued):

	December 31,		
	2018	2017	2016
<u>United States Dollar (continued)</u>			
Senior Unsecured Notes Due 2023 (Global Bond BRI)			
net of discount and unamortized bond issuance cost amounted to Rp47,060 as of December 31, 2018	7,142,940	-	-
Total	31,190,216	30,619,658	24,800,781

The amortization of the issuance cost of marketable securities issued for the years ended December 31, 2018, 2017 and 2016 amounted to Rp14,041, Rp23,830 and Rp22,526, respectively.

The following are other key information related to marketable securities issued:

a) BRI Shelf Registration Bonds I

On June 25, 2015, BRI issued BRI Shelf Registration Bonds I Phase I Year 2015 with a principal value of Rp3,000,000 in 3 (three) series, as follows:

- Series A: Principal value amounted to Rp655,000 with a fixed interest rate of 8.40% per annum, for a period of 370 (three hundred and seventy) days and matured on July 7, 2016.
- Series B: Principal value amounted to Rp925,000 with a fixed interest rate of 9.20% per annum, for a period of 3 (three) years and matured on July 3, 2018
- Series C: Principal value amounted to Rp1,420,000 with a fixed interest rate of 9.50% per annum, for a period of 5 (five) years and will mature on July 3, 2020.

The interest of BRI Shelf Registration Bonds I Phase I Year 2015 is paid every 3 (three) months, starting from October 3, 2015. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On January 19, 2016, BRI issued BRI Shelf Registration Bonds I Phase II Year 2016 with a principal value of Rp4,650,000 in 3 (three) series, as follows:

- Series A: Principal value amounted to Rp808,000 with a fixed interest rate of 8.50% per annum, for a period of 370 (three hundred and seventy) days and matured on February 8, 2017.
- Series B: Principal value amounted to Rp1,018,500 with a fixed interest rate of 9.25% per annum, for a period of 3 (three) years and will mature on February 4, 2019.
- Series C: Principal value amounted to Rp2,823,500 with a fixed interest rate of 9.60% per annum, for a period of 5 (five) years and will mature on February 4, 2021.

The interest of BRI Shelf Registration Bonds I Phase II Year 2016 is paid every 3 (three) months, starting from May 4, 2016. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On May 4, 2016, BRI issued BRI Shelf Registration Bonds I Phase III Year 2016 with a principal value of Rp4,350,000 in 3 (three) series, as follows:

- Series A: Principal value amounted to Rp1,212,000 with a fixed interest rate of 7.50% per annum, for a period of 370 (three hundred and seventy) days and matured on May 30, 2017.
- Series B: Principal value amounted to Rp2,437,000 with a fixed interest rate of 8.20% per annum, for a period of 3 (three) years and will mature on May 25, 2019.
- Series C: Principal value amounted to Rp701,000 with a fixed interest rate of 8.70% per annum, for a period of 5 (five) years and will mature on May 25, 2021.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

a) BRI Shelf Registration Bonds I (continued)

The interest of BRI Shelf Registration Bonds I Phase III Year 2016 is paid every 3 (three) months, starting from August 25, 2016. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

As of December 31, 2018, 2017 and 2016, BRI Shelf Registration Bonds I obtained an idAAA rating from Pefindo.

The net proceeds from the issuance of these Shelf Registration Bonds are used for loan granting.

The important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

BRI has settled its Shelf Registration Bonds I Phase I Series A, Shelf Registration Bonds I Phase I Series B, Shelf Registration Bonds I Phase II Series A, and Shelf Registration Bonds I Phase III Series A with nominal values of Rp655,000, Rp925,000, Rp808,000 and Rp1,212,000, respectively on the maturity dates.

b) BRI Shelf Registration Bonds II

On December 2, 2016, BRI issued Shelf Registration Bonds II Phase I Year 2016 with a principal value of Rp4,600,000 in 5 (five) series, as follows:

- Series A: Principal value amounted to Rp616,000 with a fixed interest rate of 7.25% per annum, for a period of 370 (three hundred and seventy) days and matured on December 6, 2017.
- Series B: Principal value amounted to Rp964,000 with a fixed interest rate of 8.00% per annum, for a period of 3 (three) years and will mature on December 1, 2019.
- Series C: Principal value amounting to Rp193,000 with a fixed interest rate of 8.20% per annum, for a period of 5 (five) years and will mature on December 1, 2021.
- Series D: Principal value amounting to Rp477,000 with a fixed interest rate of 8.65% per annum, for a period of 7 (seven) years and will mature on December 1, 2023.
- Series E: Principal value amounting to Rp2,350,000 with a fixed interest rate of 8.90% per annum, for a period of 10 (ten) years and will mature on December 1, 2026.

The interest of BRI Shelf Registration Bonds II Phase I Year 2016 is paid every 3 (three) months, starting from March 1, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On April 12, 2017, BRI issued Shelf Registration Bonds II Phase II Year 2017 with a principal value of Rp5,100,000 in 4 (four) series, as follows:

- Series A: Principal value amounted to Rp1,131,000 with a fixed interest rate of 7.20% per annum, for a period of 370 (three hundreds and seventy) days and matured on April 16, 2018.
- Series B: Principal value amounted to Rp1,743,500 with a fixed interest rate of 8.10% per annum, for a period of 3 (three) years and will mature on April 11, 2020.
- Series C: Principal value amounted to Rp925,000 with a fixed interest rate of 8.30% per annum, for a period of 5 (five) years and will mature on April 11, 2022.
- Series D: Principal value amounted to Rp1,300,500 with a fixed interest rate of 8.80% per annum, for a period of 10 (ten) years and will mature on April 11, 2027.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

b) BRI Shelf Registration Bonds II (continued)

The interest of BRI Shelf Registration Bonds II Phase II Year 2017 is paid every 3 (three) months, starting from July 11, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On August 25, 2017, BRI issued Shelf Registration Bonds II Phase III Year 2017 with a principal value of Rp5,150,000 in 3 (three) series, as follows:

- Series A: Principal value amounted to Rp980,500 with a fixed interest rate of 7.60% per annum, for a period of 3 (three) years and will mature on August 24, 2020.
- Series B: Principal value amounted to Rp1,652,500 with a fixed interest rate of 8.00% per annum, for a period of 5 (five) years and will mature on August 24, 2022.
- Series C: Principal value amounted to Rp2,517,000 with a fixed interest rate of 8.25% per annum, for a period of 7 (seven) years and will mature on August 24, 2024.

The interest of BRI Shelf Registration Bonds II Phase III Year 2017 is paid every 3 (three) months, starting from November 24, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On February 22, 2018, BRI issued Shelf Registration Bonds II Phase IV Year 2018 with a principal value of Rp2,442,000 in 2 (two) series, as follows:

- Series A: Principal value amounted to Rp1,837,000 with a fixed interest rate of 6.65% per annum, for a period of 5 (five) years and will mature on February 21, 2023.
- Series B: Principal value amounted to Rp605,000 with a fixed interest rate of 6.90% per annum, for a period of 7 (seven) years and will mature on February 21, 2025.

The interest of BRI Shelf Registration Bonds II Phase IV Year 2018 is paid every 3 (three) months, starting from May 21, 2018. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

As of December 31, 2018, 2017 and 2016, BRI Shelf Registration Bonds II obtained an idAAA rating from Pefindo.

The net proceeds from the issuance of these Shelf Registration Bonds are used for loan granting.

The important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

BRI has settled its Shelf Registration Bonds II Phase I Series A and Shelf Registration Bonds II Phase II Series A with nominal values of Rp616,000 and Rp1,131,000, respectively on the maturity dates.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

c) BRI Agro Bonds I

On July 7, 2017, after receiving the Notification Letter of Effective Registration Statement from OJK No. S-348/D.04/2017 dated June 22, 2017, BRI Agro issued BRI Agro Bonds I Year 2017 with a principal value of Rp500,000 in 2 (two) series as follows:

- Series A: Principal value amounted to Rp261,000 with a fixed interest rate of 8.25% per annum, for a period of 3 (three) years and will mature on July 7, 2020.
- Series B: Principal value amounted to Rp239,000 with a fixed interest rate of 8.50% per annum, for a period of 5 (five) years and will mature on July 7, 2022.

The interest of these bonds is paid every 3 (three) months, starting from October 7, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAA rating.

As of December 31, 2018 and 2017, BRI Agro Bonds I obtained an idAA rating from Pefindo. The net proceeds from the issuance of bonds are used for loan granting.

The important covenant stated in the agreement of BRI Agro Bonds I is that BRI Agro shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

d) Medium-Term Notes (MTN)

MTN Year 2014

On October 10, 2014, BRI issued MTN Phase I Year 2014 with a principal value of Rp720,000 in 3 (three) series, as follows:

- Series A: Principal value amounted to Rp300,000 with a fixed interest rate of 8.75% per annum, for a period of 370 (three hundreds and seventy) days and matured on October 15, 2015.
- Series B: Principal value amounted to Rp60,000 with a fixed interest rate of 9.25% per annum, for a period of 24 (twenty four) months and matured on October 10, 2016.
- Series C: Principal value amounted to Rp360,000 with a fixed interest rate of 9.50% per annum, for a period of 36 (thirty six) months and matured on October 10, 2017.

The interest of MTN Phase I is paid every 3 (three) months, starting from January 10, 2015. At the time of issuance, Fitch gave this MTN AAA(idn) and F1+(idn) rating.

On December 24, 2014, BRI issued MTN Phase II Year 2014 with a principal value amounted to Rp520,000, with a fixed interest rate of 8.90% per annum, for a period of 370 (three hundred and seventy) days and matured on December 29, 2015. The interest of MTN Phase II was paid every 3 (three) months, starting from March 24, 2015. At the time of issuance, Fitch gave this MTN AAA(idn) and F1+(idn) rating.

As of December 31, 2016, BRI's MTN Phase I obtained an idAAA rating from Pefindo.

The net proceeds from the issuance of these MTN are used for loan granting.

The important covenant stated in the agreement of MTN is that BRI shall not, without the written approval from the supervisory agent, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

d) Medium-Term Notes (MTN) (continued)

MTN Year 2014 (continued)

BRI has settled its MTN Phase I Year 2014 and MTN Phase II Year 2014 with nominal values of Rp720,000 and Rp520,000, respectively, on the maturity dates.

MTN Year 2016

On September 16, 2016, BRI issued MTN Phase I Year 2016 with a nominal value amounted to Rp1,925,000, with a fixed interest rate of 7.40% per annum, for a period of 370 (three hundred and seventy) days, and matured on September 21, 2017. The interest of MTN Phase I was paid every 3 (three) months, starting from December 16, 2016. At the time of issuance, Pefindo gave this MTN AAA(idn) rating.

As of December 31, 2016, BRI's MTN Phase I Year 2016 obtained an AAA(idn) rating from Pefindo.

The net proceeds from the issuance of these MTN are used for loan granting.

The important covenant stated in the agreement of MTN is that BRI shall not, without the written approval from the supervisory agent, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

BRI has settled its MTN Phase I Year 2016 with a nominal value of Rp1,925,000 on the maturity date.

e) BRI Bonds

On March 28, 2013, BRI issued and listed BRI Bonds Year 2013 with a nominal value of USD500,000,000 (full amount) on the Singapore Exchange Securities Trading Limited (SGX-ST), for a period of 5 (five) years, and matured on March 28, 2018, with a fixed interest rate of 2.95% per annum. The bonds were issued at 99.196%, which were equivalent to USD495,980,000 (full amount) and the interest of this bond was paid every 6 (six) months, starting from September 28, 2013. At the time of issuance, the bonds were rated Baa3 and BBB- by Moody's and Fitch, respectively.

The net proceeds from the issuance of BRI Bonds is used to strengthen BRI's general funding structure.

As of December 31, 2017 and 2016, BRI Bonds Year 2013 obtained a Baa3 and BBB- rating from Fitch and Moody's, respectively.

Management believes all covenants/restrictions stipulated in the agreement have been complied with.

BRI has settled its BRI Bonds Year 2013 with a nominal value of USD500,000,000 (full amount) on the maturity date.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

f) Senior Unsecured Notes Due 2023 (BRI Global Bonds)

On July 16, 2018, BRI issued and listed BRI Global Bonds Year 2018 with a nominal value of USD500,000,000 (full amount) on Singapore Exchange Securities Trading Limited (SGX-ST), for a period of 5 (five) years, and will mature on July 20, 2023, with a fixed interest rate of 4.63% per annum. The bonds were issued at 99.696%, which were equivalent to USD498,400,000 (full amount) and the interest of this bonds is paid every 6 (six) months, starting from January 20, 2019. At the time of issuance, the bonds were rated Baa3 and BBB- by Moody's and Fitch, respectively.

The net proceeds from the issuance of BRI Bonds is used to strengthen BRI's general funding structure.

Management believes all covenants/restrictions stipulated in the agreement have been complied with.

As of December 31, 2018, Senior Unsecured Notes Due 2023 (BRI Global Bonds) year 2018 obtained a Baa3 and BBB- rating from Fitch and Moody's, respectively.

26. FUND BORROWINGS

Fund borrowings consist of:

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Third parties</u>			
<u>Rupiah</u>			
Bank Indonesia			
Liquidity borrowings	15,910	15,890	15,890
Other borrowings	12,618	12,644	12,307
	28,528	28,534	28,197
<u>Foreign currencies</u>			
Borrowings from China Development Bank Corporation			
net of unamortized transaction cost	13,061,900	13,402,803	13,047,548
Syndicated Borrowings - Club Loan			
net of unamortized transaction cost	12,096,414	7,394,230	7,300,061
Bilateral Borrowings	1,800,666	684,214	417,508
Borrowings from BNP Paribas			
net of unamortized transaction cost	728,151	782,365	-
Syndicated Borrowings - Club Deal			
net of unamortized transaction cost	-	-	3,725,183
Other Borrowings	12,287,175	7,110,863	10,389,673
	39,974,306	29,374,475	34,879,973
	40,002,834	29,403,009	34,908,170
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
Borrowings from			
PT Bank Negara Indonesia (Persero) Tbk	400,000	-	-
Borrowings from			
PT Bank Mandiri (Persero) Tbk	50,000	-	-
Borrowings from			
PT Bahana Artha Ventura	3,902	4,227	4,552

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

Fund borrowings consist of (continued):

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Related parties (Note 44) (continued)</u>			
<u>Rupiah (continued)</u>			
Borrowings from			
PT Angkasa Pura II (Persero)	693	1,458	958
Borrowings from			
PT Sarana Multigriya Finansial (Persero)	-	-	100,000
	454,595	5,685	105,510
Total	40,457,429	29,408,694	35,013,680

The classification of fund borrowings based on their remaining periods until maturity are as follows:

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Third parties</u>			
<u>Rupiah</u>			
≤ 1 month	85	85	-
> 1 month - 3 months	-	1,294	515
> 3 months - 1 year	6,381	6,545	7,573
> 1 year - 5 years	8,136	7,966	7,802
> 5 years	13,926	12,644	12,307
	28,528	28,534	28,197
<u>Foreign currencies</u>			
≤ 1 month	830,193	679,742	320,647
> 1 month - 3 months	3,637,058	743,333	6,201,529
> 3 months - 1 year	8,542,091	6,372,001	7,996,715
> 1 year - 5 years	13,174,913	7,394,230	7,313,534
> 5 years	13,790,051	14,185,169	13,047,548
	39,974,306	29,374,475	34,879,973
	40,002,834	29,403,009	34,908,170
<u>Related parties (Note 44)</u>			
<u>Rupiah</u>			
≤ 1 month	50,000	-	-
> 3 months - 1 year	400,000	-	100,000
> 1 year - 5 years	4,595	5,685	5,510
	454,595	5,685	105,510
Total	40,457,429	29,408,694	35,013,680

The following are other key information related to fund borrowings:

a) Borrowings from Bank Indonesia

Liquidity Borrowings

This account represents loan facilities obtained from Bank Indonesia that are channeled back to BRI's debtors, for the purposes of Investment Loans, Primary Cooperatives Loans for Sugar Cane Farmer Members, BULOG and Village Cooperative Units Loans, Permanent Working Capital Loans, Fertilizers and others.

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

a) Borrowings from Bank Indonesia (continued)

Liquidity Borrowings (continued)

The average interest rates are 0.02% for the years ended December 31, 2018, 2017 and 2016, respectively.

b) Borrowings from PT Sarana Multigriya Finansial (Persero)

Borrowings from PT Sarana Multigriya Finansial (Persero) represents *Mudharabah* financing facility which BRISyariah (subsidiary) obtained on December 14, 2012 for mortgage loan. The financing period is 5 (five) years until December 14, 2017 and has been paid off on the maturity date. The agreed *nisbah* portion is 63.46% for PT Sarana Multigriya Finansial (Persero) and 36.54% for BRISyariah, respectively.

c) Syndicated Borrowings - Club Deal

On September 12, 2014, BRI obtained a syndicated loan facility in the form of Club Deal amounted to USD370,000,000 (full amount). This loan is facilitated by BNP Paribas Singapore branch (agent) and divided into:

- a. Facility A amounted to USD320,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The participating banks for this loan are:
- The Hongkong and Shanghai Banking Corporation Limited amounted to USD60,000,000,
 - Wells Fargo Bank, National Association amounted to USD60,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD50,000,000,
 - BNP Paribas amounted to USD50,000,000,
 - DBS Bank Ltd. amounted to USD50,000,000,
 - United Overseas Bank Limited amounted to USD50,000,000.
- b. Facility B amounted to USD50,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. This facility is only financed by Commerzbank Aktiengesellschaft.

This syndicated borrowings was used to meet BRI's liquidity needs. The interest is paid every 3 (three) months, starting from 3rd (third) month since the signing date of the syndicated borrowings agreement.

This syndicated borrowings has a period of 36 (thirty six) months and matured on September 12, 2017. BRI does not provide any collateral for this borrowings.

BRI has made a partial payment amounted to USD80,000,000 (full amount) for Facility A and USD12,500,000 (full amount) for Facility B on September 30, 2015, respectively.

BRI has settled the remaining borrowings amounted to USD240,000,000 (full amount) for Facility A and USD37,500,000 (full amount) for Facility B on September 12, 2017, respectively.

The financial covenants in this syndicated borrowings agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

c) Syndicated Borrowings - Club Deal (continued)

As of December 31, 2018, 2017 and 2016, BRI has complied with the important covenants as required in this agreement.

d) Syndicated Borrowings - Club Loan

On September 30, 2015, BRI obtained a syndicated loan facility in the form of Club Loan amounted to USD550,000,000 (full amount). This loan is facilitated by The Hongkong and Shanghai Banking Corporation Limited (agent), which is divided into:

- a. Facility A amounted to USD325,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 42 (forty two) months since the date of the agreement (including grace period) and will mature on March 30, 2019. The participating banks for this loan are:
 - Bank of America N.A. amounted to USD50,000,000,
 - Citibank, N.A., Singapore branch amounted to USD30,000,000,
 - Citibank, N.A., Jakarta branch amounted to USD20,000,000,
 - The Hongkong and Shanghai Banking Corporation Limited amounted to USD50,000,000,
 - Sumitomo Mitsui Banking Corporation amounted to USD50,000,000,
 - Westpac Banking Corporation amounted to USD25,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD20,000,000,
 - BNP Paribas amounted to USD20,000,000,
 - CTBC Bank Co., Ltd. amounted to USD20,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - United Overseas Bank Limited amounted to USD20,000,000.
- b. Facility B amounted to USD155,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 48 (forty eight) months since the date of the agreement (including grace period) and will mature on September 30, 2019. The participating banks for this loan are:
 - Oversea-Chinese Banking Corporation Limited amounted to USD50,000,000,
 - BNP Paribas amounted to USD30,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD20,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - United Overseas Bank Limited amounted to USD20,000,000,
 - Westpac Banking Corporation amounted to USD15,000,000.
- c. Facility C amounted to USD70,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 60 (sixty) months since the date of the agreement (including grace period) and will mature on September 30, 2020. The participating banks for this loan are:
 - CTBC Bank Co., Ltd. amounted to USD30,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD10,000,000,
 - DBS Bank Ltd., amounted to USD10,000,000,
 - United Overseas Bank Limited amounted to USD10,000,000,
 - Westpac Banking Corporation amounted to USD10,000,000.

This syndicated borrowings is used to strengthen the long-term financing structure and maturity profile. The borrowings principal will be paid on the maturity date, while the loan interest is paid every 3 (three) months. BRI does not provide any collateral for this borrowings.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

d) Syndicated Borrowings - Club Loan (continued)

The financial covenants in this syndicated borrowings agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%.

On December 19, 2018, BRI obtained a syndicated loan facility in the form of Club Loan amounted to USD700,000,000 (full amount). This loan is facilitated by MUFG Bank (agent), which is divided into:

- a. Facility A amounted to USD200,000,000 (full amount), with interest rate of three-month LIBOR plus a given margin per annum. The loan period is 12 (twelve) months since the date of the agreement and will mature on December 13, 2019. The participating banks for this loan are:
 - Citibank, N.A., Jakarta branch amounted to USD20,000,000,
 - Commerzbank AG, amounted to USD20,000,000,
 - DBS Bank, Ltd., amounted to USD10,000,000,
 - PT Bank HSBC Indonesia, amounted to USD10,000,000,
 - Mizuho Bank, Ltd., Singapore branch, amounted to USD55,000,000,
 - MUFG Bank, Ltd., Singapore branch, amounted to USD10,000,000,
 - United Overseas Bank, Ltd., amounted to USD22,500,000,
 - Wells Fargo Bank, N.A., London branch amounted to USD52,500,000.
- b. Facility B amounted to USD235,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 36 (thirty six) months since the date of the agreement and will mature on December 19, 2021. The participating banks for this loan are:
 - Cathay United Bank, amounted to USD30,000,000,
 - Citibank, N.A., Jakarta branch amounted to USD10,000,000,
 - Commerzbank AG, amounted to USD30,000,000,
 - CTBC Bank, Co., Ltd., amounted to USD30,000,000,
 - DBS Bank, Ltd., amounted to USD20,000,000,
 - The Hongkong and Shanghai Banking Corporation Ltd., Singapore branch amounted to USD20,000,000,
 - MUFG Bank, Ltd., Singapore branch, amounted to USD30,000,000,
 - Sumitomo Mitsui Banking Corporation, Singapore branch, amounted to USD32,500,000,
 - United Overseas Bank, Ltd., amounted to USD32,500,000.
- c. Facility C amounted to USD265,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 48 (forty eight) months since the date of the agreement and will mature on December 19, 2022. The participating banks for this loan are:
 - Cathay United Bank, amounted to USD20,000,000,
 - Citibank, N.A., Hong Kong branch amounted to USD20,000,000,
 - CTBC Bank, Co., Ltd., amounted to USD36,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - The Hongkong and Shanghai Banking Corporation Ltd., Singapore branch amounted to USD30,000,000,
 - MUFG Bank, Ltd., Singapore branch, amounted to USD30,000,000,
 - Standard Chartered Bank, Singapore branch USD63,500,000,
 - Sumitomo Mitsui Banking Corporation, Singapore branch, amounted to USD25,000,000,
 - United Overseas Bank, Ltd., amounted to USD20,500,000

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

d) Syndicated Borrowings - Club Loan (continued)

This syndicated borrowings is used to strengthen the long-term financing structure and maturity profile. The borrowings principal will be paid on maturity date, while the loan interest is paid every 3 (three) months. BRI does not provide any collateral for this borrowings.

As of December 31, 2018, 2017 and 2016, BRI has complied with the important covenants as required in these agreements.

e) Borrowings from China Development Bank Corporation

On September 16, 2015, BRI signed a loan facility agreement with China Development Bank Corporation to finance long-term infrastructure and manufacturing projects in Indonesia and cross-border transactions between Indonesia and the People's Republic of China. This borrowings consists of 2 (two) facilities, which are:

- Tranche A facility amounted to USD700,000,000 (full amount), with an interest rate of six-month LIBOR plus a given margin per annum. BRI made the first drawdown on October 30, 2015 amounted to USD223,953,383 (full amount) and the second drawdown on November 6, 2015 amounted to USD476,046,617 (full amount).
- Tranche B facility amounted to RMB1,906,080,000 (equivalent to USD300,000,000) (full amount), with an interest rate of six-month SHIBOR plus a given margin per annum. BRI made the first drawdown on October 30, 2015 amounted to RMB609,818,661 (full amount) and the second drawdown on November 6, 2015 amounted to RMB1,296,261,339 (full amount).

This long term facility has a tenor of 10 (ten) years and will mature on September 16, 2025. The principal installments are paid every 6 (six) months along with interest payments. For Tranche A facility, the principal installments amounted to USD46,666,667 (full amount) will be paid starting from September 16, 2018 until maturity. For Tranche B facility, the principal installments amounted to RMB127,072,000 (full amount) is paid starting from September 16, 2018 until maturity. BRI does not provide any collateral for this borrowings.

The financial covenants in this borrowings agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Minimum Core Capital (Tier 1) ratio of 6%,
- Minimum Common Equity (Core Tier 1) ratio of 5%,
- Minimum Minimum Legal Reserve Requirements (GWM) of 6.5%,
- Maximum Non-Performing Loan (NPL) ratio of 5%,
- Minimum Return On Assets (ROA) ratio of 0.6%.

f) Borrowings from BNP Paribas

On June 7, 2016, BRI signed a loan facility agreement with BNP Paribas under the Export Credit Financing (ECA) scheme to finance the BRI's components and launch services carried out by Arianespace France. This borrowings consist of 2 facilities, which are:

- Banque Publique d'Investissement (BPI) Tranche facility amounted to USD49,961,501 (full amount), with a given interest rate per annum. BRI conducted all borrowing drawdowns on August 31, 2017.
- Hermes Tranche facility amounted to USD9,901,309 (full amount), with an interest rate of six-month LIBOR plus a given margin per annum. BRI conducted all borrowing drawdowns on August 31, 2017.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

f) Borrowings from BNP Paribas (continued)

This borrowing facility has a tenor of 7 (seven) years and 6 (six) months and will mature on February 3, 2025. The principal installments are paid every 6 (six) months along with interest payments. For the BPI Tranche facility, the principal installment amounted to USD3,330,766 (full amount) is paid starting from February 5, 2018 until maturity. For Hermes Tranche facility, the principal installments amounted to USD660,087 (full amount) is paid starting from February 5, 2018 until maturity. BRI does not provide any collateral for this borrowings.

The financial covenants in this borrowings agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%.

g) Bilateral Borrowings

Borrowings from The Bank of Tokyo-Mitsubishi UFJ, Ltd.

On February 24, 2015, which was amended on December 15, 2015, BRI and The Bank of Tokyo-Mitsubishi UFJ, Ltd. Signed a loan facility agreement to meet BRI's liquidity needs. This facility agreement has a maximum amount of USD100,000,000 (full amount) and has been fully withdrawn on December 17, 2015. This borrowing bears an interest rate of one-month ICE LIBOR plus a given margin per annum, paid monthly. This borrowing matured and was settled on January 19, 2016.

On June 19, 2015, BRI Finance (subsidiary) and The Bank of Tokyo-Mitsubishi UFJ, Ltd. signed a loan facility agreement amounted to USD1,000,000 (full amount) for Cross Currency Swap financing. This borrowing bears an interest rate of six-month LIBOR plus a 0.50% margin per annum, paid every 6 (six) months. This borrowing matured and was settled on June 21, 2017.

Borrowings from Emirates NBD Bank

On April 7, 2016, BRI (Singapore branch) and Emirates NBD Bank signed a loan facility agreement amounted to USD10,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears a certain interest rate per annum, paid monthly. This borrowing matured and was settled on March 30, 2017.

On November 14, 2017, BRI (Singapore branch) and Emirates NBD Bank signed a loan facility agreement amounted to USD50,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears an interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing matured on August 10, 2018.

On August 28, 2018, BRI (Singapore branch) and Emirates NBD Bank signed a loan facility agreement amounted to USD50,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears an interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing will mature on May 24, 2019.

On October 11, 2018, BRI (Singapore branch) and Emirates NBD Bank signed a loan facility agreement amounted to USD25,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing will mature on July 8, 2019.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

g) Bilateral Borrowings (continued)

Borrowing from United Overseas Bank

On December 12, 2016, BRI (Singapore branch) and United Overseas Bank signed a loan facility agreement amounted to USD20,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing matured and was settled on March 13, 2017.

Borrowing from Bank of America

On December 2, 2018, BRI (Singapore branch) and Bank of America signed a loan facility agreement amounted to USD50,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing will mature on November 23, 2019.

h) Other Borrowings

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>						
Bank Indonesia		12,618		12,644		12,307
<u>Foreign currencies</u>						
<u>United States Dollar</u>						
Bank of Montreal	325,000,000	4,673,500	220,000,000	2,984,850	210,000,000	2,829,225
Bank of America, N.A.	150,000,000	2,157,000	75,000,000	1,017,562	36,875,880	496,810
Wells Fargo Bank, N.A.	100,000,000	1,438,000	25,999,776	339,188		-
United Overseas Bank Limited	75,000,000	1,078,500		-		-
Citibank, N.A.	50,000,000	719,000	75,000,000	1,017,562	75,000,000	1,010,437
CoBank	50,000,000	719,000		-		-
<u>Oversea-Chinese Banking Corporation Limited</u>	32,732,486	470,693	24,511,666	332,562	76,004,562	1,023,971
The Bank of New York Mellon	25,000,000	359,500	65,000,000	881,888	90,000,000	1,212,525
PT Bank Sumitomo Mitsui Indonesia	22,658,032	325,823	10,000,000	135,600		-
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	21,147,497	304,101		-	21,900,810	295,059
Standard Chartered Bank		-	25,000,000	339,188	100,000,000	1,347,250
Commerzbank, A.G.		-		-	60,000,000	808,350
The Hong Kong and Shanghai Banking Corporation		-		-	50,000,000	673,625
National Bank of Abu Dhabi		-		-	25,000,000	336,813
PT Bank BNP Paribas Indonesia		-		-	19,982,976	269,221
		12,245,117		7,048,400		10,303,286

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWINGS (continued)

The following are other key information related to fund borrowings (continued):

h) Other Borrowings (continued)

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent
<u>Third parties (continued)</u>						
<u>Foreign currencies (continued)</u>						
<u>European Euro</u>						
CTBC Bank Co., Ltd.	2,558,176	42,058	2,864,858	46,514	3,104,913	44,015
Commerzbank, A.G.		-	982,320	15,949	2,989,067	42,372
		42,058		62,463		86,387
		12,287,175		7,110,863		10,389,673
Total		12,299,793		7,123,507		10,401,980

Other borrowing facilities in foreign currencies are short-term borrowings from several banks with periods ranging from 1 (one) month up to 1 (one) year with interest rates at LIBOR or EURIBOR plus given margins, including refinancing borrowing facilities which are collateralized by letters of credit issued by BRI.

As of December 31, 2018, 2017 and 2016, BRI and Subsidiaries have complied with the important covenants as required in these agreements.

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a) The details of Estimated Losses on Commitments and Contingencies which bear credit risk:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
Guarantees issued	1,222	2,134	895

b) The movements in Estimated Losses on Commitments and Contingencies:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
Beginning balance	2,134	895	1,242
(Reversal of)/provision for estimated losses during the year	(912)	1,239	(347)
Ending balance	1,222	2,134	895

BRI assessed commitment and contingency transactions which bear credit risk individually based on whether objective evidence of impairment exist.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- b) The movements in Estimated Losses on Commitments and Contingencies (continued):

The minimum estimated losses on commitments and contingencies that must be provided in accordance with Bank Indonesia Regulations amounted to Rp1,222, Rp2,143 and Rp895 as of December 31, 2018, 2017 and 2016, respectively. Management believes that the amount is adequate.

- c) The collectibility of Bank Guarantees issued and the irrevocable L/C in the Administrative Accounts is categorized as "Current" (Notes 2ao and 43):

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent
<u>Third parties</u>						
<u>Rupiah</u>						
Guarantees Issued		11,344,155		5,622,512		4,342,053
Irrevocable L/C		1,149,214		719,945		514,596
		<u>12,493,369</u>		<u>6,342,457</u>		<u>4,856,649</u>
<u>Foreign currencies</u>						
Guarantees Issued						
United States						
Dollar	871,820,691	12,536,782	783,830,900	10,634,626	440,361,405	5,932,769
European Euro	17,613,512	289,578	15,756,226	255,821	16,835,180	238,652
Australian Dollar	50,909	517		-	676,419	6,577
Saudi Arabian Riyal		-		-	1,000,000	3,592
		<u>12,826,877</u>		<u>10,890,447</u>		<u>6,181,590</u>
Irrevocable L/C						
United States						
Dollar	122,061,543	1,755,245	155,008,887	2,103,083	107,112,073	1,443,067
European Euro	32,483,692	534,053	20,769,936	337,225	7,789,354	110,420
Renminbi	60,910,689	127,338	2,400,000	5,001	2,646,926	5,133
Japanese Yen	138,769,250	18,126	57,180,643	6,891	45,373,091	5,221
Great Britain						
Pound Sterling	827,200	15,147	511,882	9,381	342,912	5,677
Singaporean Dollar	532,684	5,622	588,866	5,980	313,839	2,922
Australian Dollar	198,000	2,012		-		-
Swiss Franc	55,140	805	18,380	255		-
		<u>2,458,348</u>		<u>2,467,816</u>		<u>1,572,440</u>
		<u>15,285,225</u>		<u>13,358,263</u>		<u>7,754,030</u>
		<u>27,778,594</u>		<u>19,700,720</u>		<u>12,610,679</u>
<u>Related Parties</u>						
<u>(Note 44)</u>						
<u>Rupiah</u>						
Guarantees issued		8,266,656		10,411,205		7,637,064
Irrevocable L/C		1,204,545		919,438		571,900
		<u>9,471,201</u>		<u>11,330,643</u>		<u>8,208,964</u>

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- c) The collectibility of Bank Guarantees issued and the irrevocable L/C in the Administrative Accounts is categorized as "Current" (Notes 2a0 and 43) (continued):

	December 31, 2018		December 31, 2017		December 31, 2016	
	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent	Notional amount foreign currencies (Full amount)	Rupiah Equivalent
<u>Related Parties</u> <u>(Note 44)</u> <u>(continued)</u>						
<u>Foreign Currencies</u> Guarantees issued						
United States						
Dollar	800,687,150	11,513,881	479,169,690	6,501,135	394,079,942	5,309,242
Japanese						
Yen	3,160,126,352	412,776	324,000,000	39,047	74,828,897	8,610
Malaysian						
Ringgit	87,500,000	304,219	8,500,000	28,493	8,500,000	25,527
Thailand Baht	348,208,000	154,472	-	-	-	-
European						
Euro	3,036,383	49,920	32,281,032	524,122	71,004,683	1,006,546
Canadian						
Dollar	1,240,000	13,095	1,240,000	13,419	1,240,000	12,383
		12,448,363		7,106,216		6,362,308
<u>Irrevocable L/C</u>						
United States						
Dollar	162,569,130	2,337,744	239,833,977	3,253,948	334,073,051	4,500,799
European						
Euro	77,746,394	1,278,202	89,256,297	1,449,185	63,038,569	893,620
Great Britain						
Pound Sterling	7,603,524	139,232	6,038,100	110,652	5,307,740	87,870
Japanese						
Yen	943,002,510	123,175	374,485,163	45,131	3,406,896,610	392,015
Singaporean						
Dollar	155,840	1,645	182,613	1,854	266,951	2,486
Renminbi	400,000	836	-	-	2,798,000	5,426
Swiss Franc	51,374	750	-	-	-	-
Australian Dollar		-	1,199,000	12,702	-	-
		3,881,584		4,873,472		5,882,216
		16,329,947		11,979,688		12,244,524
		25,801,148		23,310,331		20,453,488
Total		53,579,742		43,011,051		33,064,167

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

28. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of:

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Bonuses and incentives	7,405,332	7,962,072	5,889,022
Provision for grand leaves (Note 42e)	1,849,533	1,563,223	1,352,409
Provision for work separation scheme (Note 42d)	1,404,235	1,349,689	1,283,544
Provision for gratuity for services (Note 42e)	1,130,266	1,076,018	954,955
Provision for post employment BPJS health program (Note 42e)	-	243,259	-
Total	11,789,366	12,194,261	9,479,930

29. OTHER LIABILITIES

Other liabilities consist of:

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Third parties</u>			
<u>Rupiah</u>			
Future policy benefit liabilities	5,233,977	4,823,808	3,764,582
Kemempupera subsidy funds	1,908,918	1,291,497	692,560
Interest payables	1,540,041	1,311,391	1,025,594
Investment contract liabilities	1,122,086	699,564	401,903
Allowance for litigation liabilities (Note 45b)	1,060,301	971,354	613,720
Credit card liabilities	335,634	151,406	88,063
Unearned income	334,630	64,590	92,768
Allowance for timely interest payment (Note 2z)	291,935	669,194	758,697
Unearned premiums	151,125	136,658	98,374
Estimated claim liabilities	87,315	91,697	91,135
Temporary syirkah funds	78,673	63,967	52,550
Accrued profit sharing	57,896	35,683	34,991
Reinsurance payable	31,687	20,481	9,761
Provision for simpedes gift tax	25,052	24,222	21,756
Guarantee deposits	17,628	18,476	14,343
Others	2,111,304	2,468,099	2,011,747
	14,388,202	12,842,087	9,772,544
<u>Foreign currencies</u>			
Interest payable	473,606	327,659	249,908
Unearned income	202,451	164,541	148,591
Others	275,528	460,226	327,761
	951,585	952,426	726,260
Total	15,339,787	13,794,513	10,498,804

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

30. SUBORDINATED LOANS AND MARKETABLE SECURITIES

BRI obtained subordinated loans and marketable securities with details as follows:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
Subordinated Sukuk <i>Mudharabah</i> I	973,717	972,065	973,039
Two-step loan	3,609	14,385	35,471
Subordinated Bonds III	496,189	-	-
	1,473,515	986,450	1,008,510

a. Subordinated Sukuk *Mudharabah* I

On November 17, 2016, BRISyariah issued Subordinated Sukuk *Mudharabah* I Year 2016 amounted to Rp1,000,000 with profit-sharing income and was issued at 100.00% of its nominal value. The amount of Sukuk holder's *nisbah* is 80.2013%, calculated from cash gross revenue, which is indicated at 11.8452%. Profit sharing is paid every 3 (three) months and will mature on November 16, 2023. At the time of issuance, this Subordinated Sukuk *Mudharabah* I was rated A+(idn) by Fitch.

The proceeds from the issuance of the Subordinated Sukuk *Mudharabah* I is used to strengthen the capital structure in order to support business development activities through financing distributions.

This Subordinated Sukuk *Mudharabah* I is not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and not included in the bank guarantee program implemented by the Deposit Insurance Institute (Lembaga Penjamin Simpanan/LPS) or other insurance institutes.

As of December 31, 2018, 2017 and 2016, the Subordinated Sukuk *Mudharabah* I obtained an A+(idn) rating from Fitch. Acting as trustee for the Subordinated Sukuk *Mudharabah* I is PT Bank Negara Indonesia (Persero) Tbk.

BRISyariah's restrictions and obligations are, without written approval from the trustee, to not conduct the following:

- Issuing another Sukuk or MTN with higher ranking and priority in payment over Subordinated Sukuk *Mudharabah*.
- Changing its main business.
- Reducing the authorized, issued and paid-up capital.
- Conducting merger, consolidation, acquisition with other companies that caused dissolution of BRISyariah, or would have negative impact on business continuity.
- Selling or transferring premises and equipments of BRISyariah to other parties, either all or most (over 50%) of BRISyariah's premises and equipments based on the latest audited financial statement.
- Conducting transactions with affiliated parties, unless the transaction is performed under favorable terms for BRISyariah or at least equal to the requirements obtained by BRISyariah from non-affiliated third parties in customary transactions.
- Providing financing or investment in shares to other parties.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

30. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

b. Two-step loan

The two-step loans in Rupiah represent the loans from the Government which were funded by the Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), International Fund for Agricultural Development (IFAD), United States Agency for International Development (USAID) and Islamic Development Bank (IDB). The interest rates of these loans vary according to the respective agreements with periods ranging from 15 (fifteen) to 40 (forty) years. The average interest rates for this subordinated loan are 2.47%, 4.06%, and 4.27%, for the years ended December 31, 2018, 2017 and 2016, respectively. These loans will mature on various dates up to 2027.

c. Subordinated Bonds III Year 2018

On June 27, 2018, BRI issued Subordinated Bonds III Year 2018 with a nominal value of Rp500,000 with an interest of 7.70% per annum, for a period of 5 (five) years and will mature on June 26, 2023. The interest of Subordinated Bonds III Year 2018 is paid every 3 (three) months, starting from June 26, 2018. At the time of issuance, the Subordinated Bonds III Year 2018 were rated AA by Pefindo.

As of December 31, 2018, Subordinated Bonds III year 2018 obtained an AA rating from Pefindo.

Management believes that all covenants/restrictions stipulated in the trustee agreements have been complied with.

The classification of subordinated loans and marketable securities based on their remaining period until maturity are as follows:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
> 3 months - 1 year	-	10,312	-
> 1 year - 5 years	-	-	30,935
> 5 years	1,473,515	976,138	977,575
Total	1,473,515	986,450	1,008,510

31. EQUITY

a. Capital stock

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2018, 2017 and 2016, are as follows:

	December 31, 2018			
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dwiwarna Share	1	50	50	0.00%
Series B Common Shares	299,999,999,999	50	14,999,999,999,950	100.00
Total	300,000,000,000		15,000,000,000,000	100.00%

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

a. Capital stock (continued)

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2018, 2017 and 2016, are as follows (continued):

December 31, 2018				
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Issued and Fully Paid Capital Stock				
Series A Dwiwarna Share Republic of Indonesia	1	50	50	0.00%
Series B Common Shares Republic of Indonesia	69,999,999,999	50	3,499,999,999,950	56.75
Directors:				
- Sis Apik Wijayanto	1,328,700	50	66,435,000	0.00
- Mohammad Irfan	698,700	50	34,935,000	0.00
- Ahmad Solichin Lutfiyanto	585,000	50	29,250,000	0.00
- Kuswiyoto	528,700	50	26,435,000	0.00
- Haru Koesmahargyo	528,700	50	26,435,000	0.00
- Priyastomo	528,700	50	26,435,000	0.00
- Suprajarto	466,100	50	23,305,000	0.00
- Indra Utoyo	419,500	50	20,975,000	0.00
- Osbal Saragi Rumahorbo	410,500	50	20,525,000	0.00
- R. Sophia Alizsa	142,100	50	7,105,000	0.00
- Handayani	106,600	50	5,330,000	0.00
Public	52,231,476,700	50	2,611,573,835,000	42.35
	122,237,220,000		6,111,861,000,000	
Treasury stock (Note 1d)	1,108,590,000		55,429,500,000	0.90
Total	123,345,810,000		6,167,290,500,000	100.00%

December 31, 2017				
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dwiwarna Share	1	50	50	0.00%
Series B Common Shares	299,999,999,999	50	14,999,999,999,950	100.00
Total	300,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Series A Dwiwarna Share Republic of Indonesia	1	50	50	0.00%
Series B Common Shares Republic of Indonesia	69,999,999,999	50	3,499,999,999,950	56.75
Directors:				
- Susy Liestiowaty	2,900,000	50	145,000,000	0.00
- Sis Apik Wijayanto	700,000	50	35,000,000	0.00
- Mohammad Irfan	170,000	50	8,500,000	0.00
- Donsuwan Simatupang	142,500	50	7,125,000	0.00
- R. Sophia Alizsa	25,000	50	1,250,000	0.00
Public	52,233,282,500	50	2,611,664,125,000	42.35
	122,237,220,000		6,111,861,000,000	
Treasury stocks (Note 1d)	1,108,590,000		55,429,500,000	0.90
Total	123,345,810,000		6,167,290,500,000	100.00%

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

a. Capital stock (continued)

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2018, 2017 and 2016, are as follows (continued):

	December 31, 2016			
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dwiwarna Share	1	250	250	0.00%
Series B Common Shares	59,999,999,999	250	14,999,999,999,750	100.00
Total	60,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Series A Dwiwarna Share				
Republic of Indonesia	1	250	250	0.00%
Series B Common Shares				
Republic of Indonesia	13,999,999,999	250	3,499,999,999,750	56.75
Directors:				
- Randi Anto	661,000	250	165,250,000	0.00
- Susy Liestiowaty	580,000	250	145,000,000	0.00
- Sis Apik Wijayanto	140,000	250	35,000,000	0.00
- Mohammad Irfan	34,000	250	8,500,000	0.00
- Donsuwan Simatupang	28,500	250	7,125,000	0.00
Public	10,446,000,500	250	2,611,500,125,000	42.35
	24,447,444,000		6,111,861,000,000	
Treasury stocks (Note 1d)	221,718,000		55,429,500,000	0.90
Total	24,669,162,000		6,167,290,500,000	100.00%

Series A Dwiwarna share is the share that gives the shareholder preferential rights to approve the appointment and dismissal of Board of Commissioners and Directors, amendments in the articles of association, approval on BRI's merger, dissolution, acquisition and separation, as well as submission of BRI's bankruptcy and liquidation declaration request.

Series B shares are common shares that can be owned by the public.

b. Additional Paid-in Capital

The details of additional paid-in capital are as follows:

Additional capital by the Government related to the recapitalization program	1,092,144
Remaining balance of paid-up capital by the Government	5
Additional paid-in capital from IPO	589,762
Exercise of stock options	
Year 2004	49,514
Year 2005	184,859
Year 2006	619,376
Year 2007	140,960
Year 2008	29,013
Year 2009	14,367
Year 2010	43,062
Stock Option MSOP Stage-I which is already expired	504
Stock Option MSOP Stage-II which is already expired	1,845
Stock Option MSOP Stage-III which is already expired	8,447
Acquisition of merging entities in 2018	(81,195)
Total	2,692,663

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

In line with the realization of the Recapitalization Program for Commercial Banks in accordance with Government Regulation No. 52 Year 1999 regarding the "Increase in Investment by the Republic of Indonesia in State-Owned Banks", the Government determined that the recapitalization requirement amount of BRI to achieve Capital Adequacy Ratio (CAR) of 4% was Rp29,063,531. Up to June 30, 2003, the authorized and issued capital stock of BRI has not yet been increased by additional capital from the above recapitalization program, therefore, the paid-up capital from the Government of Rp29,063,531 was recorded temporarily in "Additional Paid-in Capital" CCOUNT together with the previous balance of paid-up capital of Rp5 from the Government.

Based on the Decision Letter of the Minister of Finance No. 427/KMK.02/2003 dated September 30, 2003, the final recapitalization requirement of BRI amounted to Rp29,063,531. The amount of Rp3,272,000 was converted to paid-up capital and the remaining balance of Rp25,791,531 was recorded as additional paid-in capital. Furthermore, with the implementation of the quasi-reorganization by BRI, the accumulated losses before quasi-reorganization as of June 30, 2003 amounted to Rp24,699,387 was eliminated against additional paid-in capital, resulting in additional paid-in capital amounting to Rp1,092,149 as of June 30, 2003.

On November 10, 2003, BRI conducted an IPO by issuing 1,764,705,000 new Series B common shares with a par value of Rp500 (full Rupiah) per share at the offering price of Rp875 (full Rupiah) per share, resulting in additional paid-in capital as follows:

Total new Series B Common shares issued to the public under the IPO (shares) (Note 1c)	1,764,705,000
Additional paid-in capital per share (full Rupiah)	375
Total additional paid-in capital - before discount	661,764
Less:	
- 3% discount given to BRI customers	(2,961)
- Cost of IPO	(69,041)
Additional paid-in capital from IPO	589,762

In accordance with the Extraordinary General Meeting of Shareholders on October 3, 2003, as disclosed in the Deed No. 6 of Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock options to be implemented in 3 (three) phases. The stock options are granted to Directors and employees in certain positions and appointments who have fulfilled the stipulated requirements (Management Stock Option Plan (MSOP)).

The compensation cost of the MSOP is recognized as stock options which is part of equity.

BRI employees have exercised their stock options for MSOP I starting from November 10, 2004, MSOP II starting from November 10, 2005 and MSOP III starting from November 15, 2006. MSOP I, II and III stock options that have been exercised from 2004 to 2010 amounted to 569,876,000 shares where there were 4,728,500 shares in 2010, 4,553,000 shares in 2009, 7,499,000 shares in 2008, 31,379,000 shares in 2007, 250,721,000 shares in 2006, 185,610,000 shares in 2005 and 85,385,500 shares in 2004. The additional paid-in capital arising from the exercise of stock options amounted to Rp43,062 in 2010, Rp14,367 in 2009, Rp29,013 in 2008, Rp140,960 in 2007, Rp619,376 in 2006, Rp184,859 in 2005 and Rp49,514 in 2004.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

Entities under common control transaction.

Based on the Deed Sale and Purchase of Shares No. 70 dated December 20, 2018, of Ashoya Ratam, S.H., M.Kn, PT Bahana Artha Ventura transferred 15,874 shares of BRI Ventura to BRI (Note 1f). Based on the Deed of Shares Takeover No. 53 dated December 21, 2018, of Notary M. Nova Faisal, S.H., M.Kn, PT Danareksa (Persero) sold 335,000,000 shares of Danareksa Sekuritas to BRI (Note 1f).

These sale and purchase transactions constitute a business combination of entities under common control where the ultimate shareholder of BRI, PT Danareksa (Persero) and PT Bahana Artha Ventura is the Government of the Republic of Indonesia. Therefore, the transactions are treated based on the pooling of interests method in accordance with the SFAS No. 38 (Revised 2012), "Business Combination of Entities Under Common Control".

The difference between the amount of the considerations transferred and the carrying amount of the investment obtained from this transaction is recorded in the "additional paid-in capital" account in equity, with details as follows:

	Considerations transferred	Investment carrying amount	Additional paid-in capital
Danareksa Sekuritas	446,888	366,359	80,529
BRI Ventura	3,090	2,424	666
Total	449,978	368,783	81,195

c. Differences Arising from Translation of Foreign Currency Financial Statements

This account represents the exchange rate differences arising from the translation of the financial statements of BRI overseas branches/representative offices (Cayman Islands, New York, Hong Kong, Singapore and Timor Leste) and subsidiaries with functional currencies of United States Dollar, Hong Kong Dollar and Singaporean Dollar into Rupiah (Note 2aj). Assets and liabilities as well as commitments and contingencies denominated in other foreign currencies were translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian time) on the statements of financial position date. The consolidated statements of profit or loss and other comprehensive income for the year ended as of December 31, 2018, 2017 and 2016 is the sum of monthly consolidated statements of profit or loss and other comprehensive income which are translated into Rupiah using the average mid-rate of currency exchange for the respective month.

d. Distribution of Net Income

In the Annual General Meetings of BRI's Shareholders held on March 22, 2018, March 15, 2017 and March 23, 2016, the Shareholders agreed to distribute dividend from net income for the years ended December 31, 2017, 2016 and 2015 as follows:

	Income for the year		
	2017	2016	2015
Dividend	13,048,441	10,478,309	7,619,322

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

e. Reclassification of Appropriated Retained Earnings

In order to maintain its capital structure, BRI has reclassified its appropriated retained earnings into unappropriated retained earnings amounted to Rp15,093,056. This is in accordance with the implementation of the Financial Services Authority Regulation (POJK) No. 34/POJK.03/2016 dated September 26, 2016 regarding "Amendment to POJK No. 11/POJK.03/2016 regarding Minimum Capital Adequacy Requirement for Commercial Banks".

f. Bonus Shares Program

Taking into account the development of BRI's business performance and in order to increase the employee's sense of belonging to the company and provide long-term incentives for employees to achieve the determined targets, the BRI's Board of Directors decided to provide a share ownership bonus program for management and employees (Management and Employee Stock Ownership Program or MESOP). The allocation of shares is given to each worker based on the individual and company performance.

The MESOP will be completed no later than March 31, 2020 and will be paid with shares.

The fair value of the MESOP at the time of granting (January 1, 2018) amounted to Rp541,925. The fair value of MESOP is amortized over the vesting period and is recognized in profit and loss and other comprehensive income, while the accumulated cost allocation over the vesting period is recognized in equity.

32. INTEREST AND SHARIA INCOME

Interest income are derived from:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Rupiah</u>			
Loans			
Micro	47,356,385	42,392,633	40,946,075
Retail	38,440,746	34,069,909	29,804,038
Corporate	7,669,723	9,134,968	8,428,432
Securities			
Fair value through profit or loss			
Government bonds	65,336	60,522	18,472
Bonds	1,675	1,309	11,983
Bank Indonesia Deposit Certificates	-	-	58,206
Bank Indonesia Certificates	-	-	12,635
Available-for-sale			
Government bonds	3,466,583	2,613,410	2,153,086
Bank Indonesia Deposit Certificates	907,717	1,025,495	384,725
Bonds	676,706	492,943	134,390
Bank Indonesia Certificates	364,142	219,361	424,375
Negotiable Certificates of Deposit	63,055	16,726	-
Medium-Term Notes	13,111	18,648	26,617
Mutual Fund	2,393	-	-
Held-to-maturity			
Government bonds	1,665,214	2,506,018	2,558,389
Bonds	250,938	282,125	235,228
Bank Indonesia Deposit Certificates	3,294	-	11,425
Negotiable Certificates of Deposit	9,645	89,962	34,660
Medium-Term Notes	4,255	23,959	18,008
Bank Indonesia Certificates	-	9,350	87,678

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

32. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Rupiah (continued)</u>			
Government Recapitalization Bonds			
Held-to-maturity	84,520	65,394	173,129
Available-for-sale	15,844	12,626	28,112
Placements with Bank Indonesia and other banks			
Deposit Facility/Term Deposit	320,230	643,369	460,282
Others	235,160	37,231	183,915
Inter-bank call money	231,157	159,434	155,010
Current accounts with Bank Indonesia	100,677	158,770	158,570
Others	1,607,031	1,282,183	914,898
	103,555,537	95,316,345	87,422,338
<u>Foreign currencies</u>			
Loans			
Corporate	2,111,936	2,246,515	1,347,607
Retail	646,151	264,091	531,801
Securities			
Fair value through profit or loss			
Government bonds	3,368	32,300	724
Bank Indonesia Certificates	-	205	-
Available-for-sale			
Government bonds	817,529	693,803	629,431
Bank Indonesia Certificates	58,068	72,824	40,105
Bonds	20,836	29,677	26,162
Held-to-maturity			
Government bonds	652,009	674,298	647,443
Bonds	37,038	38,129	23,347
Promissory Notes	-	1,374	57,082
Credit Link Notes	-	-	7,628
Bank Indonesia Certificates	-	11,517	7,992
Placements with Bank Indonesia and other banks			
Inter-bank call money	132,779	68,768	45,424
Deposit Facility/Term Deposit	74,445	158,401	62,019
Others	119,832	77,659	75,637
Others	228,830	407,427	454,577
	4,902,821	4,776,988	3,956,979
	108,458,358	100,093,333	91,379,317
Sharia income are derived from:			
Murabahah	1,480,934	1,507,098	1,533,339
Musyarakah	640,468	528,286	526,506
Others	1,003,044	783,658	576,832
Total Sharia income	3,124,446	2,819,042	2,636,677
Total	111,582,804	102,912,375	94,015,994

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

33. INTEREST AND SHARIA EXPENSE

This account represents interest expense on:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Rupiah</u>			
Time deposits	16,558,159	15,394,210	16,429,029
Saving deposits	3,010,436	2,700,285	2,880,441
Demand deposits	2,528,625	2,021,036	1,572,976
Marketable securities issued	2,167,787	1,989,118	1,015,247
Securities sold under agreement to repurchase	887,657	509,300	356,224
Deposits from other banks and financial institutions	482,089	400,517	496,936
Fund borrowings	354,594	1,989,118	1,015,247
Others	2,772,149	868,754	1,437,076
	28,761,496	25,872,338	25,203,176
<u>Foreign Currencies</u>			
Time deposits	1,399,085	1,035,328	685,944
Fund borrowings	1,215,528	1,050,731	1,091,202
Marketable securities issued	210,547	237,413	114,238
Deposits from other banks and financial institutions	332,275	176,402	141,315
Securities sold under agreement to repurchase	169,382	24,685	22,006
Demand deposits	108,120	80,974	88,276
Saving deposits	3,801	3,166	5,717
Others	341,161	171,654	189,428
	3,779,899	2,780,353	2,338,126
	32,541,395	28,652,691	27,541,302
Sharia expense consist of:			
Mudharabah deposits	1,202,503	1,077,056	990,710
Others	173,134	164,534	44,792
Total Sharia expense	1,375,637	1,241,590	1,035,502
Total	33,917,032	29,894,281	28,576,804

34. PROVISION FOR ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

This account represents provision for (reversal of) allowance for impairment losses on financial assets as follows:

	Year Ended December 31,		
	2018	2017	2016
Loans (Note 12)	17,592,892	16,800,820	13,454,979
Sharia receivables and financing (Note 13)	186,998	202,008	244,267
Finance lease receivables (Note 14)	12,803	(8,713)	995
Total	17,792,693	16,994,115	13,700,241

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

35. SALARIES AND EMPLOYEE BENEFITS

The details of this account are as follows:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Salaries, wages and allowances	11,787,842	10,455,636	9,293,453
Bonuses, incentives and <i>tantiem</i>	5,881,638	6,441,267	5,904,569
Defined benefit pension (Note 42a)	848,359	246,012	513,384
Jamsostek contribution	695,893	623,454	525,477
Training and development	633,758	557,236	593,654
Grand leaves (Note 42e)	463,478	306,843	317,957
Medical allowances	425,894	397,363	368,137
Work separation scheme (Note 42d)	348,502	342,567	189,899
Defined contribution pension (Note 42c)	292,444	257,441	231,801
Post employment BPJS health program (Note 42e)	141,390	243,259	-
Gratuity for services (Note 42e)	131,063	157,013	152,480
Others	773,010	412,867	503,165
Total	22,423,271	20,440,958	18,593,976

For the years ended December 31, 2018, 2017 and 2016, total salaries and allowances of the Board of Directors amounted to Rp362,081, Rp92,556 and Rp74,062, respectively, and total salaries and allowances of the Board of Commissioners amounted to Rp128,603, Rp29,863 and Rp27,543, respectively (Note 44). Bonuses, incentives and *tantiem* of BRI's Boards of Directors, Commissioners and key employees amounted to Rp407,604, Rp433,539 and Rp404,642 for the years ended December 31, 2018, 2017 and 2016, respectively (Note 44).

36. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Outsourcing service	3,128,971	3,247,488	2,918,089
Depreciation of premises and equipments (Note 17)	1,865,317	1,582,751	1,227,754
Rent	1,712,520	1,589,032	1,764,788
Repairs and maintenance	1,189,443	1,176,969	965,726
Transportation	869,560	833,997	465,264
Electricity and water	612,098	601,279	580,366
Office supplies	316,782	302,473	298,711
Printing and postage	330,999	379,085	306,174
Communications	155,343	173,226	182,397
Professional fees	267,230	163,839	142,640
Computer installations	54,453	70,705	67,588
Research and product development	24,105	20,600	21,367
Others	3,837,457	3,057,987	3,103,043
Total	14,364,278	13,199,431	12,043,907

^{*)} As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

37. NON OPERATING INCOME - NET

The details of this account are as follows:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Gain on sale of premises and equipments	5,741	13,419	7,934
Rent income	7,118	9,502	9,833
Cash distribution from the liquidation of BRI Finance Limited, Hong Kong	-	-	1,656
Others - net	14,958	193,474	(17,709)
Total	27,817	216,395	1,714

38. TAXATION

a) Taxes Payable

As of December 31, 2018, 2017 and 2016, the details of taxes payable are as follows:

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>BRI (Parent Entity)</u>			
Income tax			
Article 29	3,499	470,272	881,207
<u>Subsidiaries</u>			
Income tax and other tax			
Article 21	17,579	14,155	11,598
Article 22	53	51	116
Article 23	3,276	1,565	1,146
Article 25	-	677	6,162
Article 26	-	-	157
Article 29	88,530	50,485	28,085
Article 4 (2)	37,213	27,317	23,604
Value-added tax	3,683	4,494	4,478
	150,334	98,744	75,346
Total	153,833	569,016	956,553

b) Tax Expense

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>BRI (Parent Entity)</u>			
Current tax expense of:			
Current year	9,120,880	8,983,257	8,165,498
Prior year tax assessment	724,829	81,393	466,188
Deferred income tax (benefit) expense	(749,620)	(1,183,155)	(943,499)
	9,096,089	7,881,495	7,688,187

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Subsidiaries</u>			
Current tax expense of:			
Current year	218,841	198,254	151,088
Prior year tax assessment	12,180	5,091	672
Deferred income tax expense (benefit)	8,098	(106,653)	(78,163)
	239,119	96,692	73,597
Total	9,335,208	7,978,187	7,761,784

The reconciliation between income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income and estimated taxable income are as follows:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income	41,753,694	37,023,236	34,047,035
Income of subsidiaries	(955,630)	(672,506)	(605,392)
Income before tax expense of BRI (Parent Entity)	40,798,064	36,350,730	33,441,643
Temporary differences:			
Allowance for impairment losses on loans	1,660,792	4,262,620	3,154,390
Provision for employee expenses	731,940	535,764	651,210
Bonus shares	425,332	-	-
Depreciation of premises and equipments	178,752	(62,549)	(24,727)
Unrealized gains(losses) of securities and Government Recapitalization			
Bonds measured at fair value through profit or loss	1,664	(3,217)	(6,879)
	2,998,480	4,732,618	3,773,994
Permanent differences:			
Public relations	301,784	233,789	298,147
Representations and donations	180,567	177,116	159,361
Physical and spiritual development	52,800	48,825	46,622
Income subjected to final tax	(1,905)	(6,316)	(7,302)
Income of associated entities	(1,482)	(56)	(18,564)
Others	1,276,095	3,379,578	3,133,588
	1,807,859	3,832,936	3,611,852
Estimated taxable income	45,604,403	44,916,284	40,827,489
<u>Parent Entity</u>			
Income tax expense - current	(9,120,880)	(8,983,257)	(8,165,498)
Income tax installment payments during the year	9,094,487	8,487,061	7,263,072
Foreign tax credit	22,894	25,924	21,219
Estimated income tax payable - Article 29	(3,499)	(470,272)	(881,207)

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

The reconciliation between income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income and estimated taxable income are as follows (continued):

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
<u>Parent Entity (continued)</u>			
Installment payment for income tax Article 25 for fiscal year 2018 for the period January and February 2019 and fiscal year 2017 for the period January and February 2018 (Note 18)	1,371,867	927,453	-
<u>Subsidiaries</u>			
Income tax expense - current	(218,841)	(198,254)	(146,475)
Income tax installment payments during the year	257,211	182,608	181,560
Income tax refund (payable) - Article 29^{**)}	38,370	(15,646)	35,085

^{**) As of December 31, 2018, included tax payable amounted to Rp88,530, as of December 31, 2017, included income tax refund amounted to Rp34,839, while as of December 31, 2016 included income tax payable amounted to Rp28,085.}

According to Head of Tax Office Letter No. PBK-00002/I/WPJ.19/KP.0403/2019 and No. PBK-00003/I/WPJ.19/KP.0403/2019 dated January 8, 2019, as requested by BRI, the overbooking of Income Tax Article 25 installments for fiscal period December 2018 amounting to Rp614,804 and Rp757,062 to fiscal period January and February 2019 has been approved.

According to Head of Tax Office Letter No. PBK-00005/I/WPJ.19/KP.0403/2018, No. PBK-00006/I/WPJ.19/KP.0403/2018, and No. PBK-00004/I/WPJ.19/KP.0403/2018 dated January 5, 2018, as requested by BRI, the overbooking of Income Tax Article 25 installments for fiscal period January 2017 and February 2017 amounting to Rp618,302 to fiscal period January 2018 and the overbooking of Income Tax Article 25 installments for fiscal period March 2017 amounting to Rp309,151 to fiscal period February 2018 has been approved.

The reconciliation of income tax expense by multiplying the income before tax expense and the applicable tax rate are as follows:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income	41,753,694	37,023,236	34,047,035
Income of Subsidiaries	(955,630)	(672,506)	(605,392)
Income before tax expense of BRI (Parent Entity)	40,798,064	36,350,730	33,441,643
Tax expense with 20% tax rate	8,159,613	7,270,146	6,688,329
Tax effect on permanent differences	361,571	766,587	722,370
Impact of difference in tax rate usage in deferred tax calculation	(149,924)	(236,631)	(188,700)
Correction of previous year income tax assessment	724,829	81,393	466,188
Tax expense - Parent Entity	9,096,089	7,881,495	7,688,187
Tax expense - Subsidiaries	239,119	96,692	73,597
Tax expense	9,335,208	7,978,187	7,761,784

^{*) As restated (Note 50)}

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

Estimated taxable income in 2017 and 2016 are in accordance with the Annual Tax Return (SPT) for Corporate Income Tax reported by BRI to the Tax Office (KPP). Up to January 30, 2019, BRI has not yet reported its SPT for fiscal year 2018 to the Tax Office. However, the base for reporting the SPT for fiscal year 2018 will be in accordance with the estimated taxable income stated above.

Assessment for fiscal year 2010

The Directorate General of Taxes based on Tax Assessment Letter No. 00003/206/10/093/12 dated November 28, 2012, stipulated the underpayment of Income Tax amounted to Rp1,484,041 which had been approved by BRI amounted to Rp34,529. Management believes that the treatment of the tax underpayment not yet approved by BRI is already in accordance with the applicable tax regulations.

On February 27, 2013, BRI submitted an objection to the Tax Underpayment Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012. To fulfill the requirement for filing an objection, BRI has paid deposit amounted to Rp1,449,512 to the State Treasury on February 28, 2013. According to the decree of the Directorate General of Taxes No. KEP-229/WPJ.19/2014 dated February 18, 2014, the submission was rejected, then on May 12, 2014, BRI submitted an appeal to the Tax Court.

Based on the trial facts that have taken place on November 17, 2014 and December 8, 2014, where BRI had a better opportunity to resolve the tax dispute at the appeals level, BRI's management believes that the provision made for possible losses of the appeal process until the appeal decision amounted to Rp724,756, which was already charged in 2013 amounted to Rp483,171 and in 2014 amounted to Rp241,585, and the remaining provision amounted to Rp724,756 was still recorded in the other asset account - prepaid tax (Note 18).

Based on the Tax Court Decision No. PUT-63381/PP/M.XVA/15/2015 stated by the panel of judges in the Open Trial to the public on August 24, 2015, the Tax Court granted BRI's appeal on the decree of the Directorate General of Taxes No. KEP-229/WPJ.19/2014 dated February 18, 2014 regarding the objection to the Tax Underpayment Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012.

Based on the decree of the Directorate General of Taxes No. KEP-00003.PPH/WPJ.19/KP.0403/2016 dated January 8, 2016 and the Disbursement of Refund Claim Letter No. 80006/093-0006-2016 dated January 8, 2016, BRI has received the refund of the overpayment of income tax amounted to Rp1,448,498 after calculating BRI's outstanding tax payable amounted to Rp1,013, as of February 24, 2016.

Tax on evaluation of premises and equipments

BRI through the letter No. 830-DIR/AMK/11/2015 on November 30, 2015 submitted the "Application for Revaluation of premises and equipments for taxation purposes in 2015 by tax payers that have not yet revalued the premises and equipments" to the Head of Regional Tax Office of the Directorate General of Taxes (DGT) for Large Taxpayer Tax Office.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

Tax on revaluation of premises and equipments (continued)

Based on the Minister of Finance Regulation (PMK) No. 191/PMK.010/2015 dated October 15, 2015 which was amended by PMK No. 233/PMK.03/2015 dated December 21, 2015, the application submitted until December 31, 2015, will receive special treatment in the form of a reduction in the final income tax rate to 3%. With regards to this, BRI estimates the fair value of premises and equipments in the form of lands and buildings, and for the increase in fair values of premises and equipments compared to the book values of the existing premises and equipments, BRI has made tax payment amounted to Rp245,357 on December 2, 2015, even though the revaluation is still not approved by the Directorate General of Taxes.

On April 1, 2016, BRI revaluated its lands which resulted in the increase in its carrying value amounted to Rp14,315,527 and was subject to final tax amounted to Rp490,835. the Directorate General of Taxes through its Decree No. KEP-479/WPJ.19/2016 dated July 29, 2016 has given its approval over this matter.

Assessment for fiscal year 2011

The Directorate General of Taxes through Tax Assessment Letter No. 00025/207/11/093/16 dated June 2, 2016, stipulates the underpayment of Value-Added Tax for goods and services amounted to Rp3,284 and its penalty amounting to Rp443 that has been billed through Tax Collection Letter No. 00025/107/11/093/16 dated June 2, 2016 and has been approved by BRI.

The Directorate General of Taxes through Tax Assessment Letter No. 00003/201/11/093/16 dated May 30, 2016, stipulates the underpayment of Income Tax Article 21 amounted to Rp49,656 and has been approved by BRI.

The Directorate General of Taxes through Tax Assessment Letter No. 00005/203/11/093/16 dated June 1, 2016, stipulates the of Income Tax Article 23 amounted to Rp8,015 and has been approved by BRI.

The Directorate General of Taxes through Tax Assessment Letter No. 00005/206/11/093/16 dated May 30, 2016, stipulates the underpayment of income tax amounted to Rp466,188 and has been approved by BRI.

Income Tax Collection Letter for fiscal year 2014

The Directorate General of Taxes based on Tax Collection Letter No.90002/106/14/093/15 dated December 29, 2015, stipulates the underpayment of Income Tax for fiscal year 2014 amounted to Rp1,603,100 and administrative sanction amounted to Rp256,496, with regards to the correction of provision of Bank Indonesia's minimum balance of allowance for earning assets.

Management believes that Tax Collection Letter is inappropriate and BRI's treatment is already in accordance with the applicable regulation.

On January 13, 2016, BRI submitted a request for the Tax Collection Letter cancellation. To meet the requirement for submitting the Tax Collection Letter cancellation, on December 30, 2015, BRI has paid deposit amounted to Rp1,603,100.

Based on the Directorate General of Taxes Decree No. KEP-90001/NKEB/WPJ.19/2016 dated February 1, 2016, "Regarding the Tax Assessment Cancellation on Tax Collection Letter", all BRI's requests were granted.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

Income Tax Collection Letter for fiscal year 2014 (continued)

On February 4, 2016, BRI submitted a requested so the cancellation of the Tax Collection Letter amounted to Rp1,603,100 could be compensated to the installment payment of Income Tax Article 25 for fiscal period January and February 2016 amounted to Rp800,000 and Rp803,100, respectively.

Based on the Tax Refund Decree No. KEP-00019.PPH/WPJ.19/KP.0403/2016 dated February 15, 2016 and the Disbursement of Refund Claim Letter No. 80095/093-0095-2016 dated February 15, 2016, the Directorate General of Taxes approved the petition for compensation request submitted by BRI.

Assessment for fiscal year 2014

The Directorate General of Taxes based on Tax Underpayment Assessment Letter for Income Tax No. 00009/206/14/093/17 dated December 19, 2017, stipulates the underpayment amounted to Rp54,995 and administrative sanction amounted to Rp26,398 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00009/201/14/093/17 dated December 19, 2017, stipulates the underpayment of Income Tax Article 21 amounted to Rp32,159 and administrative sanction amounted to Rp15,436 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00011/203/14/093/17 dated December 19, 2017, stipulates the underpayment of Income Tax Article 23 amounted to Rp10,313 and administrative sanction amounted to Rp4,950 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00002/204/14/093/17 dated December 19, 2017, stipulates the underpayment of Income Tax Article 26 amounted to Rp2,839 and administrative sanction amounted to Rp1,363 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00081/207/14/093/17 dated December 19, 2017, stipulates the underpayment of Value-Added Tax for Goods and Services amounted to Rp109 and administrative sanction amounted to Rp52 and has been approved by BRI.

The Directorate General of Taxes based on Tax Collection Letter No. 00077/107/14/093/17 dated December 19, 2017, stipulates the underpayment of Value-Added Tax for Goods and Services amounted to Rp21 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00020/277/14/093/17 dated December 19, 2017, stipulates the underpayment of Value-Added Tax for Goods and Services for the Utilization of Taxable Services from Outside Customs Area amounted to Rp448 and administrative sanction amounted to Rp215 and has been approved by BRI.

Assessment for fiscal year 2015

The Directorate General of Taxes based on Tax Underpayment Assessment Letter for Income Tax No. 00006/206/15/093/18 dated December 17, 2018, stipulates the underpayment amounted to Rp489,749 and administrative sanction amounted to Rp235,080 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00003/201/15/093/18 and 00003/243/15/093/18 dated December 17, 2018, stipulates the underpayment of Income Tax Article 21 amounted to Rp26,353 and Rp1,167 and administrative sanction amounted to Rp12,650 and Rp560 and has been approved by BRI.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

Assessment for fiscal year 2015 (continued)

The Directorate General of Taxes based on Tax Assessment Letter No. 00013/203/15/093/18 dated December 17, 2018, stipulates the underpayment of Income Tax Article 23 amounted to Rp7,783 and administrative sanction amounted to Rp3,736 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00002/204/15/093/18 dated December 17, 2018, stipulates the underpayment of Income Tax Article 26 amounted to Rp534 and administrative sanction amounted to Rp256 and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00066/207/15/093/18, 00067/207/15/093/18, 00068/207/15/093/18, 00069/207/15/093/18, 00070/207/15/093/18, 00071/207/15/093/18, 00072/207/15/093/18, 00073/207/15/093/18, 00074/207/15/093/18, 00075/207/15/093/18, 00076/207/15/093/18 and 00077/207/15/093/18 dated December 17, 2018, stipulates the underpayment of Value-Added Tax for Goods and Services amounted to Rp160 and administrative sanction amounted to Rp77 each and has been approved by BRI.

The Directorate General of Taxes based on Tax Collection Letter No. 00041/107/15/093/18, 00042/107/15/093/18, 00043/107/15/093/18, 00044/107/15/093/18, 00045/107/15/093/18, 00046/107/15/093/18, 00047/107/15/093/18, 00048/107/15/093/18, 00049/107/15/093/18, 00050/107/15/093/18, 00051/107/15/093/18 and 00052/107/15/093/18 dated December 17, 2018, stipulates the underpayment of Value-Added Tax amounted to Rp66, Rp46, Rp86, Rp55, Rp73, Rp70, Rp51, Rp67, Rp55, Rp54, Rp43 and Rp108, respectively, and has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00003/277/15/093/18 dated December 17, 2018, stipulates the underpayment of Value-Added Tax for Goods and Services for the Utilization of Taxable Services from Outside Customs Area amounted to Rp1,121 and administrative sanction amounted to Rp538 and has been approved by BRI.

b) Deferred Tax Assets

The calculations of deferred income tax (expense) benefit BRI are as follow:

	Year Ended December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Parent Entity			
Reversal of allowance for possible losses on earning assets	415,198	1,065,655	788,598
Reversal of provision for employee expense	182,985	133,941	162,803
Unrealized gains/(losses) on securities and Government Recapitalization Bonds measured at fair value through profit or loss	416	(804)	(1,720)
Bonus shares	106,333	-	-
Depreciation on premises and equipments	44,688	(15,637)	(6,182)
	749,620	1,183,155	943,499
Subsidiaries	(8,098)	106,653	78,163
Total	741,522	1,289,808	1,021,662

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Deferred Tax Assets (continued)

The tax effects of significant temporary differences between commercial and tax reporting (recorded in the "Deferred Tax Assets" account) are as follows:

	December 31,		
	2018	2017 ^{*)}	2016 ^{*)}
Parent Entity			
Allowance for possible losses on earning assets	3,097,640	2,682,442	1,616,787
Provision for employee expense	1,426,783	1,243,798	1,109,857
Depreciation on premises and equipments	(116,220)	(160,908)	(145,271)
Remeasurement of defined benefit programs	(381,118)	(235,040)	(218,213)
Unrealized gains/(losses) on securities and Government Recapitalization Bonds measured at fair value through profit or loss	(388)	(804)	-
Bonus shares	106,333	-	-
Unrealized gains/(losses) on available-for-sale securities and Government Recapitalization Bonds	639,829	(540,422)	(34,630)
	4,772,859	2,989,066	2,328,530
Subsidiaries	341,794	297,666	211,183
Total	5,114,653	3,286,732	2,539,713

Based on Article 17 Paragraph 2 of Law No. 7 year 1983 regarding "Income Tax" which has been amended for the fourth time by Law No. 36 year 2008, the Corporate Income Tax rate is 25%.

However, based on Law No. 36 year 2008 dated September 23, 2008, Government Regulation No. 81 year 2007 dated December 28, 2007 regarding "Reduction of the Income Tax Rate for Resident Corporate Tax Payers in the Form of Public Companies" and the Minister of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 regarding "The Guidelines on the Implementation and Supervision on the Rate Reduction for Resident Corporate Tax Payers in the Form of Public Companies" stipulates that the resident Public Companies in Indonesia can obtain the reduced Income Tax rate facility by 5% lower than the highest existing Income Tax rate, by fulfilling the prescribed criteria, specifically the public companies with at least 40% of their paid-up shares traded on Indonesia Stock Exchange and these shares are owned by at least 300 (three hundred) parties with each party owning less than 5% of the total paid-up shares. This criteria should be fulfilled by the Public Companies for a minimum period of 6 (six) months in 1 (one) fiscal year.

Based on Notification Letter No. DE/II/2019-0140 dated January 4, 2019 and the monthly share ownership report (Form No. X.H.I-2 dated January 3, 2019 from the Securities Administration Bureau, Datindo Entrycom, on the ownership of BRI's shares during 2018)), all of the above mentioned criteria to obtain the tax rate reduction facility for BRI's consolidated financial statements for the year ended December 31, 2018 has been fulfilled.

Based on Notification Letter No. DE/II/2018-0155 dated January 5, 2018 and the monthly share ownership report (Form No. X.H.I-2 dated January 5, 2018 from the Securities Administration Bureau, Datindo Entrycom, on the ownership of BRI's shares during 2017), all of the above mentioned criteria to obtain the tax rate reduction facility for BRI's consolidated financial statements for the year ended December 31, 2017 has been fulfilled.

*) As restated (Note 50)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Deferred Tax Assets (continued)

Based on Notification Letter No. DE//17-0128 dated January 5, 2017 and the monthly share ownership report (Form No. X.H.I-2 dated January 5, 2017 from the Securities Administration Bureau, Datindo Entrycom, on the ownership of BRI's shares during 2016), all of the above mentioned criteria to obtain the tax rate reduction facility for BRI's consolidated financial statements for the year ended December 31, 2016 has been fulfilled.

39. RISK MANAGEMENT

BRI's business activities are always faced with risks related to its function as a financial intermediary institution. Rapid developments in the bank's external and internal environments also leads to increasingly complex bank's business activity risks. Therefore, in order to be able to adapt in the business environment, BRI is required to manage risks in an integrated and systematic manner, specifically management of credit risk, liquidity risk, operational risk, market risk, strategic risk, compliance risk, reputation risk, and legal risk.

The principles of integrated and systematic risk management by BRI are outlined in several policies and procedures, among others, the Risk Management General Policy (KUMR). KUMR is the highest guiding policy for the implementation of risk management in all BRI business activities, starting from general policies, strategies, organizations, information systems for risk management, process and implementation of risk management, to internal control systems. The implementation of risk management is governed by the derivative policies according to the type of risks.

Board of Commissioners ("BOC") and Board of Directors ("BOD") are responsible for the effectiveness of risk management implementation in BRI and have an important role in supporting and overseeing the implementation of risk management in all business units.

BOC evaluates the risk management policies and implementation carried out by the BOD. Evaluation is carried out in order to ensure that BOD manages BRI's activities and risk effectively. In carrying out its active supervision, BOC were assisted by the Risk Management Oversight Committee (KPMR).

BOD determine the direction and strategy of risk management policies in a comprehensive manner and their implementation. Moreover, BOD ensures that all material risks and their impacts have been addressed and that corrective measures have been taken to remedy the problems and irregularities found in BRI's business activities. BOD appoints Special Director, in this case, Director of Risk Management, to implement the process of monitoring and controlling the risks bank-wide.

BOD is assisted by individual Risk Management Committee (RMC) and integrated RMC (consolidated with the subsidiaries) as the committee in BRI's risk management system which are assigned to provide recommendations to the President Director in formulating policies, enhancing policy implementation and evaluating the development and conditions of risk profiles as well as providing advises corrective actions.

In order to address the bank operational issues the require immediate decisions, the ORMC (Operational Risk Management Committee) meeting is conducted to discuss issues related to operational risks.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management

Credit risk is a risk due to failure of debtors and/or other party to fulfill their obligations to BRI including settlement failure. BRI identifies and measures the risk level of each prospective debtor using Internal Risk Rating. BRI monitors loan quality as part of the early identification of loan deterioration. Credit risk management is carried out through a comprehensive and integrated risk management policies. BRI prepares credit risk management policies including governance, managing limit on acceptable level for risk exposure, managing limit on geographical boundaries and managing concentration limit of each industry. The credit risk rating is updated periodically to estimate potential loss as a risk due to loan expansion and determination of corrective actions.

Credit risk management is implemented not only to comply with the current prevailing regulation but also a necessity in order to implement a credit risk management system at the optimum level of risk and return, and in accordance with banking industry practices. The implementation of credit risk management is expected to be able to drive BRI's business activities but still pay attention to its prudent principle.

Loan granting, carried out by the business units has considered and paid attention to credit risk, from the time of loan disbursement to repayment. The loan ratings are monitored periodically to prevent the occurrence of Non-Performing Loan (NPL).

Through the implementation of Early Warning System (EWS) to the debtor's developments of the debtor's business condition, then effective credit risk management can minimize the risk of losses and optimize the use of capital to earn maximum income.

BRI's credit risk management is intended to minimize the possible losses due to loans default and/or default on other financial contracts, either at the individual level or overall level as credit portfolios. The credit risk management is also carried out by BRI as an effort to fulfill the regulatory requirements.

BRI continues to improve its credit risk assessment methodology in order to improve the accuracy of credit risk management, especially in the process of identifying, measuring, monitoring and controlling risks.

1. Analysis of the maximum exposure to credit risks after considering the value of collaterals and other credit risks mitigations.

The carrying value of BRI's financial assets, other than loans and securities purchased under agreement to resell describes the maximum exposure to credit risk.

In order to discuss the bank's operational issues that require immediate decisions, Operational Risk Management Committee (ORMC) meeting would be held to discuss the issues related to the operational risk.

The tables below show the net maximum exposure to credit risk for securities purchased under the agreement to resell as of December 31, 2018, 2017 and 2016:

December 31, 2018			
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	9,396,553	9,279,208	117,345

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

1. Analysis of the maximum exposure to credit risks after considering the value of collaterals and other mitigations of credit risks (continued)

The tables below show the net maximum exposure to credit risk for securities purchased under the agreement to resell as of December 31, 2018, 2017 and 2016 (continued):

	December 31, 2017		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	18,011,026	17,443,973	567,053
	December 31, 2016		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	1,557,370	1,576,958	-

For loans, BRI uses collaterals to minimize the credit risks. Based on the classification, BRI's loans can be classified into 2 (two) major categories, which are:

1. Secured loans
2. Unsecured loans

For secured loans, BRI determines the type and value of collaterals according to the loan scheme. The types of collateral consist of:

- a. Physical collateral, in the form of lands and buildings, Certificate of Vehicles Ownership (BPKB) and properties.
- b. Financial collateral, in the form of deposits (time deposits, saving deposits and demand deposits), securities and gold.
- c. Others, in the form of guarantees, government guarantees and guarantor institutions.

In the event of default, BRI will use the collaterals as the last resort to fulfill the counterparty's obligations.

Unsecured loans consist of fully unsecured loans such as credit cards and partially secured loans such as loans for fixed income employees, loans for retirees, and other consumer loans. The repayment of partially secured loans is generally carried out through automatic payroll deduction.

Thus, although partially secured loans are included in the unsecured loans category, the risk level of partially secured loans is lower than their carrying value. Whereas for fully unsecured loans, the risk level is equal to the loan's carrying value.

Credit risk mitigation for partially secured loans consist of employee appointment decision letter and certificate of retirement.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis

a. Geographical sectors

The following tables describes the detail of the risk concentration of consolidated financial assets with credit exposures at carrying value, categorized according to their geographical regions as of December 31, 2018, 2017 and 2016. Geographical sectors are based on BRI's business operational locations which also illustrate the business potentials of each region:

	December 31, 2018							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	71,120,304	1,922	192	7,431	1,668	3,457	24,468	71,159,442
Current accounts with other banks	10,781,543	1,650	65,200	52,116	320,188	576,506	880,152	12,677,355
Placements with Bank Indonesia and other banks	84,963,140	-	-	-	-	-	2,054,911	87,018,051
Securities								
Fair value through profit or loss	3,762,256	-	-	-	-	-	-	3,762,256
Available-for-sale	127,854,025	-	-	-	-	-	2,096,783	129,950,808
Held-to-maturity	50,141,326	-	-	-	-	-	430,420	50,571,746
Export bills and notes receivable	23,075,870	17,636	483,019	484,924	544,278	1,855,247	981,716	27,442,690
Government Recapitalization Bonds								
Available-for-sale	30,273	-	-	-	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	-	-	-	1,475,000
Securities purchased under agreement to resell	9,396,553	-	-	-	-	-	-	9,396,553
Derivatives receivable	485,810	-	-	-	-	-	-	485,810
Loan								
Micro	23,894,433	27,951,167	47,404,873	38,505,902	60,949,420	92,910,113	-	291,615,908
Retail	90,791,700	24,112,655	34,851,642	39,769,259	56,360,320	84,182,426	565,961	330,633,963
Corporate	146,587,491	8,978,283	2,219,943	5,772,684	16,525,026	9,232,656	8,444,203	197,760,286
Sharia receivables and financing	6,722,287	3,232,084	2,109,215	1,982,097	3,025,149	3,107,569	-	20,178,401
Finance lease receivables	1,611,880	779,147	79,890	349,894	273,015	316,020	-	3,409,846
Acceptances receivable	10,527,697	800,627	74,814	137,690	87,234	14,941	-	11,643,003
Investment in associated entities*)	15,268	-	-	-	-	-	-	15,268
Other assets**)	4,580,779	1,219,163	338,060	285,825	383,039	1,364,417	603,230	8,774,513
Total	667,817,635	67,094,334	87,626,848	87,347,822	138,469,337	193,563,352	16,081,844	1,258,001,172
Less: Allowance for impairment losses								(35,603,931)
Net								1,222,397,241
Administrative Accounts								
Irrevocable L/C	3,797,245	3,166,172	17,088	865,149	450,131	397,906	-	8,693,691
Guarantees issued	37,305,912	3,597,330	417,968	516,451	1,767,018	1,281,372	-	44,886,051
Total	41,103,157	6,763,502	435,056	1,381,600	2,217,149	1,679,278	-	53,579,742

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

The following tables describes the detail of the risk concentration of consolidated financial assets with credit exposures at carrying value, categorized according to their geographical regions as of December 31, 2018, 2017 and 2016. Geographical sectors are based on BRI's business operational locations which also illustrate the business potentials of each region (continued):

	December 31, 2017 ^{*)}							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Current accounts with Bank Indonesia	58,155,479	-	-	-	-	-	-	58,155,479
Current accounts with other banks	5,339,375	59	137	1,891	234	8,583	782,233	6,132,512
Placements with Bank Indonesia and other banks	53,140,678	6,587	544	-	-	1,075	2,007,878	55,156,762
Securities								
Fair value through profit or loss	1,764,033	-	-	-	-	-	-	1,764,033
Available-for-sale	129,095,450	-	-	-	-	-	1,850,233	130,945,683
Held-to-maturity	53,994,290	-	-	-	-	-	235,590	54,229,880
Export bills and notes receivable	8,791,888	518,211	279,121	293,157	459,860	208,924	103,192	10,654,353
Government Recapitalization Bonds								
Available-for-sale	717,840	-	-	-	-	-	-	717,840
Held-to-maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell	18,011,026	-	-	-	-	-	-	18,011,026
Derivatives receivable	162,912	-	-	-	-	-	-	162,912
Loan								
Micro	20,361,828	24,638,871	40,371,919	33,385,745	53,269,609	80,822,682	-	252,850,654
Retail	72,811,460	21,195,987	29,623,872	37,429,335	50,867,566	75,420,193	87,816	287,436,229
Corporate	130,600,725	11,953,348	2,286,366	4,118,838	13,609,258	8,215,230	7,912,020	178,695,785
Sharia receivables and financing	5,758,078	2,874,036	2,093,955	1,765,856	2,625,028	2,747,916	-	17,864,869
Finance lease receivables	1,410,880	435,594	7,486	278,529	244,868	111,626	-	2,488,983
Acceptances receivable	4,757,849	542,649	134,108	156,304	102,515	-	-	5,693,425
Investment in associated entities**)	11,718	-	-	-	-	50	-	11,768
Other assets***)	4,140,508	40,924	31,442	43,516	122,054	351,011	789,667	5,519,122
Total	571,626,017	62,206,266	74,828,950	77,473,171	121,300,992	167,887,290	13,768,629	1,089,091,315
Less: Allowance for impairment losses								(30,104,945)
Net								1,058,986,370
Administrative Accounts								
Irrevocable L/C	5,188,328	2,091,479	103,479	403,997	1,093,134	99,502	752	8,980,671
Guarantees issued	29,483,331	1,929,418	322,367	411,173	1,099,907	784,184	-	34,030,380
Total	34,671,659	4,020,897	425,846	815,170	2,193,041	883,686	752	43,011,051

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

The following tables describes the detail of the risk concentration of consolidated financial assets with credit exposures at carrying value, categorized according to their geographical regions as of December 31, 2018, 2017 and 2016. Geographical sectors are based on BRI's business operational locations which also illustrate the business potentials of each region (continued):

	December 31, 2016 ^{*)}							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	55,635,946	-	-	-	-	-	-	55,635,946
Current accounts with other banks	10,509,038	6,593	1,066	294	262	46,414	717,128	11,280,795
Placements with Bank Indonesia and other banks	77,234,959	-	-	-	-	3,080	1,010,794	78,248,833
Securities								
Fair value through profit or loss	492,008	-	-	-	-	-	184,224	676,232
Available-for-sale	67,833,912	-	-	-	-	-	1,679,744	69,513,656
Held-to-maturity	61,286,147	-	-	-	-	-	610,723	61,896,870
Export bills and notes receivable	9,556,450	198,567	147,953	960,666	710,207	6,332	-	11,580,175
Government Recapitalization Bonds								
Available-for-sale	718,434	-	-	-	-	-	-	718,434
Held-to-maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell	1,557,370	-	-	-	-	-	-	1,557,370
Derivatives receivable	103,907	-	-	-	-	-	-	103,907
Loans								
Micro	17,333,003	21,577,469	35,655,855	28,925,252	47,381,058	70,929,568	-	221,802,205
Retail	61,738,137	18,263,167	27,318,709	32,540,023	46,571,908	66,557,034	702	252,989,680
Corporate	124,221,578	9,842,962	2,157,765	4,257,485	12,058,423	8,262,540	7,878,337	168,679,090
Sharia receivables and financing	5,562,328	3,096,990	1,967,988	1,838,606	2,558,727	2,724,304	-	17,748,943
Finance lease receivables	1,107,160	415,637	-	314,227	273,494	89,782	-	2,200,300
Acceptances receivable	4,939,982	114,705	78,217	557,509	632	1,538	-	5,692,583
Investment in associated entities**)	11,718	-	-	-	-	50	-	11,768
Other assets***)	2,771,617	39,280	29,707	33,947	57,933	98,637	275,066	3,306,187
Total	505,213,694	53,555,370	67,357,260	69,428,009	109,612,644	148,719,279	12,356,718	966,242,974
Less allowance for impairment losses								(22,807,260)
Net								943,435,714
Administrative Accounts								
Irrevocable L/C	6,313,266	1,303,388	57,293	381,770	463,165	22,270	-	8,541,152
Guarantees issued	20,227,433	2,244,394	341,443	573,537	737,002	395,993	3,213	24,523,015
Total	26,540,699	3,547,782	398,736	955,307	1,200,167	418,263	3,213	33,064,167

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sectors

The following tables describe the detail of credit exposure at carrying value, categorized according to industrial sectors as of December 31, 2018, 2017 and 2016:

December 31, 2018								
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Assets								
Current accounts with Bank Indonesia	71,159,442	-	-	-	-	-	-	71,159,442
Current accounts with other banks	-	12,677,355	-	-	-	-	-	12,677,355
Placements with Bank Indonesia and other banks	68,341,900	18,676,151	-	-	-	-	-	87,018,051
Securities								
Fair value through profit or loss	2,122,778	1,404,983	-	9,176	-	21,667	203,650	3,762,254
Available-for-sale	113,872,520	12,496,819	-	1,991,375	-	1,437,131	152,964	129,950,809
Held-to-maturity	45,785,025	2,891,134	-	1,152,895	-	740,805	1,888	50,571,747
Export bills and notes receivable	990,406	-	-	1,869,269	49,654	10,549,548	13,983,813	27,442,690
Government Recapitalization Bonds								
Available-for-sale	30,273	-	-	-	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	-	-	-	1,475,000
Securities purchased under agreement to resell	6,723,269	2,673,284	-	-	-	-	-	9,396,553
Derivatives receivable	-	485,810	-	-	-	-	-	485,810
Loans								
Micro	-	-	43,637,386	9,557,768	133,762,059	18,812,359	85,846,336	291,615,908
Retail	-	3,723,543	20,708,920	20,298,614	121,146,436	11,083,004	153,673,446	330,633,963
Corporate	260,206	794,892	38,704,505	38,026,558	35,599,579	6,298,657	78,075,889	197,760,286
Sharia receivables and financing	1,255	947,488	-	2,567,746	-	118,899	16,543,013	20,178,401
Finance lease receivables	-	39,299	96,353	646,133	688,317	811,393	1,128,351	3,409,846
Acceptances receivables	1,045,015	-	-	176,210	2,968	16,515	10,402,295	11,643,003
Investment in associated entities**)	-	278	-	-	-	14,990	-	15,268
Other Assets***)	1,855,818	554,185	-	-	-	219,291	6,145,219	8,774,513
Total	313,662,907	57,365,221	103,147,164	76,295,744	291,249,013	50,124,259	366,156,864	1,258,001,172
Less: Allowance for impairment losses								(35,603,931)
Net								1,222,397,241
Administrative Accounts								
Irrevocable L/C	4,493,172	-	-	265,371	5,009	30,421	3,899,718	8,693,691
Guarantees issued	21,071,088	1,281	562,020	1,609,874	1,355,784	77,354	20,208,650	44,886,051
Total	25,564,260	1,281	562,020	1,875,245	1,360,793	107,775	24,108,368	53,579,742

	December 31, 2017 ¹⁾							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Assets								
Current accounts with Bank Indonesia	58,155,479	-	-	-	-	-	-	58,155,479
Current accounts with other banks	-	6,132,512	-	-	-	-	-	6,132,512
Placements with Bank Indonesia and other banks	45,045,953	10,110,809	-	-	-	-	-	55,156,762

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sector (continued)

The following tables describe the detail of credit exposure at carrying value, categorized according to industrial sectors as of December 31, 2018, 2017 and 2016 (continued):

December 31, 2017 ¹⁾								
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Assets (continued)								
Securities								
Fair value through profit or loss	579,868	541,586	30,633	-	-	393,071	218,876	1,764,034
Available-for-sale	117,209,900	10,393,823	-	1,346,737	-	1,792,656	202,566	130,945,682
Held-to-maturity	48,884,507	2,618,577	-	2,018,980	-	511,908	195,908	54,229,880
Export bills and notes receivable	18,420	-	-	2,128,717	110,129	28,725	8,368,362	10,654,353
Government Recapitalization Bonds								
Available-for-sale	717,840	-	-	-	-	-	-	717,840
Held-to-maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell	16,583,431	1,427,595	-	-	-	-	-	18,011,026
Derivatives receivable	-	145,928	-	-	-	-	16,984	162,912
Loan								
Micro	-	-	37,841,570	7,475,754	115,976,898	13,849,550	77,706,882	252,850,654
Retail	258,751	256,146	15,465,399	18,434,337	107,772,072	10,854,136	134,395,388	287,436,229
Corporate	443,302	9,833,219	36,276,635	37,863,665	17,498,159	6,142,339	70,638,466	178,695,785
Sharia receivables and financing	404,574	500,946	-	7,016,107	9,511,713	337,966	93,563	17,864,869
Finance lease receivables	-	-	8,454	729,517	375,209	281,491	1,094,312	2,488,983
Acceptances receivable	1,030,279	-	-	338,662	21,868	-	4,302,616	5,693,425
Investment in associated entities**)	-	1,034	-	-	-	975	9,759	11,768
Other Assets***)	1,930,438	1,056,167	-	-	-	257,640	2,274,878	5,519,123
Total	293,862,742	43,018,342	89,622,691	77,352,476	251,266,048	34,450,457	299,518,559	1,089,091,315
Less: Allowance for impairment losses								(30,104,945)
Net								1,058,986,370
Administrative Accounts								
Irrevocable L/C	4,696,968	-	-	354,114	19,077	-	3,910,512	8,980,671
Guarantees issued	16,195,739	640	543,925	245,615	265,164	146,452	16,632,845	34,030,380
Total	20,892,707	640	543,925	599,729	284,241	146,452	20,543,357	43,011,051

December 31, 2016								
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Assets								
Current accounts with Bank Indonesia	55,635,946	-	-	-	-	-	-	55,635,946
Current accounts with other banks	-	11,280,795	-	-	-	-	-	11,280,795
Placements with Bank Indonesia and other banks	72,792,533	5,456,300	-	-	-	-	-	78,248,833
Securities								
Fair value through profit or loss	84,746	329,944	-	-	-	18,029	243,513	676,232
Available-for-sale	60,612,578	4,627,494	-	2,293,191	-	1,633,416	346,977	69,513,656
Held-to-maturity	54,759,343	4,674,843	-	1,446,121	-	746,500	270,063	61,896,870

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sector (continued)

The following tables describe the detail of credit exposure at carrying value, categorized according to industrial sectors as of December 31, 2018, 2017 and 2016 (continued):

	December 31, 2016 ^{*)}							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Asset (continued)								
Export bills and notes receivable	272,507	-	-	3,102,788	174,899	22,825	8,007,156	11,580,175
Government Recapitalization Bonds								
Available-for-sale	718,434	-	-	-	-	-	-	718,434
Held-to-maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased								
under agreement to resell	925,140	632,230	-	-	-	-	-	1,557,370
Derivatives receivable	-	91,657	-	-	-	-	12,250	103,907
Loan								
Micro	-	-	32,354,043	6,532,381	101,384,386	11,236,469	70,294,926	221,802,205
Retail	348,026	1,270,563	10,146,991	18,459,090	96,606,690	8,672,342	117,485,978	252,989,680
Corporate	600,926	4,650,036	35,089,990	35,621,255	21,279,907	4,590,913	66,846,063	168,679,090
Sharia receivables and financing	-	1,455,136	398,661	2,443,509	4,812,794	757,641	7,881,202	17,748,943
Finance lease receivables	-	4,607	2,362	1,105,236	-	866,959	221,136	2,200,300
Acceptances receivable	428,155	89,740	-	301,789	5,127	632	4,867,140	5,692,583
Investment in associated entities**)	-	1,034	-	-	-	975	9,759	11,768
Other Assets****)	1,501,389	393,192	-	-	-	314,152	1,097,454	3,306,187
Total	251,279,723	34,957,571	77,992,047	71,305,360	224,263,803	28,860,853	277,583,617	966,242,974
Less: Allowance for impairment losses								(22,807,260)
Net								943,435,714
Administrative Accounts								
Irrevocable L/C	5,505,442	-	377	226,337	20,707	-	2,788,289	8,541,152
Guarantees issued	12,990,267	737	443,271	907,353	195,202	92,565	9,893,620	24,523,015
Total	18,495,709	737	443,648	1,133,690	215,909	92,565	12,681,909	33,064,167

^{*)} As restated (Note 50)

^{**)} Investment in associated entities with no significant influence.

^{***)} Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

3. Impairment of financial assets as of December 31, 2018, 2017 and 2016

a. Current accounts with other banks

As of December 31, 2018, 2017 and 2016, this financial asset is neither individually nor collectively impaired.

a. Placements with Bank Indonesia and other banks

As of December 31, 2018, 2017 and 2016, this financial asset is neither individually nor collectively impaired.

c. Securities

As of December 31, 2018, 2017 and 2016, all securities are classified as "Current", except Bonds I Year 2003 issued by PT Great River International is classified as "Loss", which is held by BRI Life (subsidiary), that has already matured on October 13, 2008, amounting to Rp758.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2018, 2017 and 2016 (continued)

d. Finance lease receivables

As of December 31, 2018, 2017 and 2016, this financial asset is impaired as follow:

	December 31, 2018	December 31, 2017	December 31, 2016
Impaired	96,854	103,445	217,115
Past due but not impaired	49,938	110,585	221,851
Neither past due nor impaired	3,263,054	2,274,953	1,761,334
	3,409,846	2,488,983	2,200,300
Less allowance for impairment losses	(88,000)	(103,500)	(130,000)
Impairment losses	3,321,846	2,385,483	2,070,300

e. Loans, sharia receivables and financing

As of December 31, 2018, 2017 and 2016, these financial assets are individually and collectively impaired, with the following details:

December 31, 2018					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	243,698,940	12,333,709	11,652,571	9,640,398	277,325,618
Agriculture	76,946,221	1,155,680	2,162,279	6,069,755	86,333,935
Manufacturing	36,324,097	940,481	1,210,062	2,116,775	40,591,415
Business services	31,212,507	612,823	795,653	4,689,141	37,310,124
Electricity, gas and water	27,917,041	27,468	55,044	86,307	28,085,860
Construction	30,280,757	354,463	544,635	2,431,610	33,611,465
Transportation, warehousing and communications	20,294,647	339,506	444,159	1,651,908	22,730,220
Social services	8,679,905	341,862	251,239	507,449	9,780,455
Mining	3,448,521	194,851	84,995	1,054,770	4,783,137
Others	201,845,650	3,568,705	4,422,858	2,109,823	211,947,036
	680,648,286	19,869,548	21,623,495	30,357,936	752,499,265
<u>Foreign currencies</u>					
Manufacturing	26,305,394	11,874	-	4,655,438	30,972,706
Agriculture	17,667,723	-	-	-	17,667,723
Trading, hotels and restaurant	8,372,659	-	-	722,878	9,095,537
Electricity, gas and water	14,588,147	7,615	42,331	108,517	14,746,610
Social services	3,161,915	-	-	224,048	3,385,963
Transportation, warehousing and communications	2,491,811	-	-	738,631	3,230,442
Mining	3,011,637	-	-	-	3,011,637
Business services	2,108,698	-	-	17,255	2,125,953
Construction	1,429,101	66,974	1,726	1,325,096	2,822,897
Others	629,825	-	-	-	629,825
	79,766,910	86,463	44,057	7,791,863	87,689,293
Total	760,415,196	19,956,011	21,667,552	38,149,799	840,188,558
Less: Allowance for impairment losses					(35,515,123)
Net					804,673,435

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2018, 2017 and 2016 (continued)

e. Loans, sharia receivables and financing (continued)

As of December 31, 2018, 2017 and 2016, these financial assets are individually and collectively impaired, with the following details (continued):

December 31, 2017					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	208,941,190	9,219,724	13,130,011	9,840,619	241,131,544
Agriculture	66,580,203	1,630,968	1,978,945	4,776,126	74,966,242
Business services	35,806,525	658,828	1,404,509	1,290,482	39,160,344
Manufacturing	30,027,023	477,416	866,830	4,217,950	35,589,219
Electricity, gas and water	28,500,509	8,438	24,373	25,402	28,558,722
Construction	23,493,510	354,850	245,389	1,972,233	26,065,982
Transportation, warehousing and communications	17,310,995	281,006	672,142	1,263,900	19,528,043
Social services	5,763,160	182,779	278,949	707,128	6,932,016
Mining	1,024,116	56,059	60,801	1,103,730	2,244,706
Others	183,835,359	949,376	4,616,378	1,799,464	191,200,577
	601,282,590	13,819,444	23,278,327	26,997,034	665,377,395
<u>Foreign currencies</u>					
Manufacturing	26,665,130	11,873	-	4,670,108	31,347,111
Agriculture	16,070,541	-	-	-	16,070,541
Electricity, gas and water	5,148,785	-	-	682,810	5,831,595
Trading, hotels and restaurant	4,043,006	7,199	22,149	391,733	4,464,087
Transportation, warehousing and communications	3,044,175	-	-	416,321	3,460,496
Mining	1,706,282	3,193	-	1,609,741	3,319,216
Social services	3,054,991	-	-	-	3,054,991
Business services	1,735,827	-	10,706	350,972	2,097,505
Construction	310,509	-	-	1,223,141	1,533,650
Others	290,950	-	-	-	290,950
	62,070,196	22,265	32,855	9,344,826	71,470,142
Total	663,352,786	13,841,709	23,311,182	36,341,860	736,847,537
Less: Allowance for impairment losses					(30,000,637)
Net					706,846,900

December 31, 2016					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	194,421,942	6,713,103	12,197,071	9,197,709	222,529,825
Agriculture	62,778,609	948,799	2,061,115	4,321,466	70,109,989
Manufacturing	29,205,165	345,519	1,130,893	4,697,397	35,378,974
Business services	27,111,516	649,859	1,129,198	1,307,191	30,197,764
Electricity, gas and water	28,677,845	10,184	23,344	32,519	28,743,892
Construction	17,552,083	204,414	242,271	2,473,659	20,472,427
Transportation, warehousing and communications	14,927,759	217,035	649,998	1,270,357	17,065,149
Social services	8,712,795	150,190	550,859	273,676	9,687,520
Mining	1,397,823	38,171	41,345	1,297,754	2,775,093
Others	159,567,402	705,909	4,186,671	1,505,581	165,965,563
	544,352,939	9,983,183	22,212,765	26,377,309	602,926,196

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2018, 2017 and 2016 (continued)

e. Loans, sharia receivables and financing (continued)

As of December 31, 2018, 2017 and 2016, these financial assets are individually and collectively impaired, with the following details (continued):

	December 31, 2016				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Foreign currencies					
Manufacturing	23,536,391	-	-	4,745,531	28,281,922
Agriculture	8,789,899	-	177,628	27,157	8,994,684
Mining	3,474,378	-	3,434	1,821,394	5,299,206
Electricity, gas and water	3,773,707	-	-	691,591	4,465,298
Social services	3,707,071	-	-	-	3,707,071
Transportation, warehousing and communications	1,681,947	-	-	423,869	2,105,816
Business services	1,406,898	1,347	-	450,252	1,858,497
Construction	484,670	-	-	1,261,603	1,746,273
Trading, hotels and restaurant	1,080,091	6,877	346	681,367	1,768,681
Others	66,274	-	-	-	66,274
	48,001,326	8,224	181,408	10,102,764	58,293,722
Total	592,354,265	9,991,407	22,394,173	36,480,073	661,219,918
Less: Allowance for impairment losses					(22,676,452)
Net					638,543,466

f. Export bills and notes receivables

As of December 31, 2018, 2017 and 2016, this financial asset is neither individually nor collectively impaired.

g. Acceptances receivable

As of December 31, 2018, 2017 and 2016, this financial asset is neither individually nor collectively impaired.

h. Other Assets

As of December 31, 2018, 2017 and 2016, this financial asset is neither individually nor collectively impaired.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2018, 2017 and 2016 (continued)

i. Administrative accounts

As of December 31, 2018, 2017 and 2016, these administrative accounts are impaired with the following details:

	December 31,		
	2018	2017	2016
<u>Rupiah</u>			
Guarantees issued	19,610,811	16,033,717	11,979,117
Irrevocable L/C	2,353,758	1,639,383	1,086,496
	21,964,569	17,673,100	13,065,613
<u>Foreign Currencies</u>			
Guarantees issued	25,275,240	17,996,663	12,543,898
Irrevocable L/C	6,339,932	7,341,288	7,454,656
	31,615,172	25,337,951	19,998,554
Less allowance for impairment losses	53,579,741 (1,221)	43,011,051 (2,134)	33,064,167 (895)
Total	53,578,520	43,008,917	33,063,272

4. Quality of financial assets

The following tables show the quality of financial assets based on asset classes for all financial assets with credit risk, amounts presented at gross.

	December 31, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	71,159,442	-	-	-	71,159,442
Current accounts with other banks	12,575,906	101,449	-	-	12,677,355
Placements with Bank Indonesia and other banks	87,018,051	-	-	-	87,018,051
Securities					
Fair value through profit or loss	3,762,254	-	-	-	3,762,254
Available-for-sale	128,909,408	1,041,401	-	-	129,950,809
Held-to-maturity	50,201,832	369,915	-	-	50,571,747
Export bills and notes receivable	27,442,690	-	-	-	27,442,690
Government Recapitalization Bonds					
Available-for-sale	30,273	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	1,475,000
Securities purchased under agreement to resell	9,396,553	-	-	-	9,396,553
Derivatives Receivable	485,810	-	-	-	485,810

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets based on asset classes for all financial assets with credit risk, amounts presented at gross (continued).

December 31, 2018					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets (continued)					
Loans					
Micro	271,488,534	7,038,815	10,137,656	2,950,903	291,615,908
Retail	295,110,821	12,413,639	10,438,190	12,671,313	330,633,963
Corporate	176,327,164	66,973	211,221	21,154,928	197,760,286
Sharia receivables and financing	17,488,677	436,584	880,485	1,372,655	20,178,401
Finance lease receivables	3,263,054	-	49,938	96,854	3,409,846
Acceptances receivable	11,583,506	59,497	-	-	11,643,003
Investment in associated entities*)	15,268	-	-	-	15,268
Other Assets**)	8,710,014	64,499	-	-	8,774,513
Total	1,176,444,257	21,592,772	21,717,490	38,246,653	1,258,001,172

December 31, 2017 ^{*)}					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with					
Bank Indonesia	58,155,479	-	-	-	58,155,479
Current accounts with other banks	5,925,713	206,799	-	-	6,132,512
Placements with Bank					
Indonesia and other banks	55,106,762	50,000	-	-	55,156,762
Securities					
Fair value through profit or loss	1,762,263	1,771	-	-	1,764,034
Available-for-sale	127,515,291	3,430,391	-	-	130,945,682
Held-to-maturity	53,461,707	768,173	-	-	54,229,880
Export bills and notes receivable	10,654,353	-	-	-	10,654,353
Government Recapitalization Bonds					
Available-for-sale	717,840	-	-	-	717,840
Held-to-maturity	2,600,000	-	-	-	2,600,000
Securities purchased					
under agreement to resell	18,011,026	-	-	-	18,011,026
Derivatives Receivable	145,928	16,984	-	-	162,912
Loans					
Micro	236,294,763	3,482,707	10,226,251	2,846,933	252,850,654
Retail	254,805,588	9,653,287	11,593,072	11,384,282	287,436,229
Corporate	157,675,485	-	108,977	20,911,323	178,695,785
Sharia receivables and financing	14,576,950	705,715	1,382,882	1,199,322	17,864,869
Finance lease receivables	2,274,953	-	110,585	103,445	2,488,983
Acceptances receivable	5,693,425	-	-	-	5,693,425
Investment in associated entities**)	2,439	9,279	-	50	11,768
Other Assets***)	5,490,267	28,855	-	-	5,519,122
Total	1,010,870,232	18,353,961	23,421,767	36,445,355	1,089,091,315

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets based on asset classes for all financial assets with credit risk, amounts presented at gross (continued).

	December 31, 2016 ^{*)}				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	55,635,946	-	-	-	55,635,946
Current accounts with other banks	10,998,783	282,012	-	-	11,280,795
Placements with Bank Indonesia and other banks	78,145,833	103,000	-	-	78,248,833
Securities					
Fair value through profit or loss	674,966	1,266	-	-	676,232
Available-for-sale	67,702,626	1,811,030	-	-	69,513,656
Held-to-maturity	61,028,620	868,250	-	-	61,896,870
Export bills and notes receivable	11,580,175	-	-	-	11,580,175
Government Recapitalization Bonds					
Available-for-sale	718,434	-	-	-	718,434
Held-to-maturity	2,600,000	-	-	-	2,600,000
Securities purchased under agreement to resell	1,557,370	-	-	-	1,557,370
Derivatives Receivable	91,657	12,250	-	-	103,907
Loans					
Micro	206,999,682	2,496,361	9,958,341	2,347,821	221,802,205
Retail	225,594,155	6,880,476	10,484,935	10,030,114	252,989,680
Corporate	145,315,222	-	80,245	23,283,623	168,679,090
Sharia receivables and financing	14,445,206	614,570	1,870,652	818,515	17,748,943
Finance lease receivables	1,761,334	-	221,851	217,115	2,200,300
Acceptances receivable	5,692,583	-	-	-	5,692,583
Investment in associated entities**)	2,439	9,279	-	50	11,768
Other Assets***)	3,295,316	10,871	-	-	3,306,187
Total	893,840,347	13,089,365	22,616,024	36,697,238	966,242,974

^{*)} As restated (Note 50)

^{**)} Investment in associated entities with no significant influence.

^{***)} Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

Credit quality is defined as follows:

1. High Grade

- a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements in Government institutions and transactions with banks listed on the Exchange.
- b) Loans and sharia receivables and financing, are loans to third parties that are neither past due nor impaired, and have never been restructured.
- c) Export bills and notes receivable as well as acceptances receivable, are third party receivables that are not past due and have strong financial capacity in terms of repaying all obligations in a timely manner.
- d) Securities and Government Bonds are securities issued by Governments, investment grade securities and bonds with a minimum rating of idA- (Pefindo), A- (Fitch), A- (Standard & Poor's), or A3 (Moody's).
- e) Investment in associated entities, are investments in entities which are listed on the Exchange and have an overall good performance level.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

Credit quality is defined as follows (continued):

2. Standard Grade

- a) Current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with banks not listed on the Exchange.
 - b) Loans and sharia receivables and financing, are loans to third parties that are neither past due nor impaired, but have been restructured.
 - c) Export bills and notes receivable as well as acceptances receivable, are third party receivables that are not past due and have adequate financial capacity in terms of repaying all obligations in a timely manner.
 - d) Securities and Government Bonds are securities and bonds with a rating between idBBB+ and idBBB- (Pefindo), BBB+ and BBB- (Fitch), BBB+ and BBB- (Standard & Poor's) or Baa1 and Baa3 (Moody's).
 - e) Investment in associated entities, are investment in entities which are not listed on the Exchange and have an overall good performance level.
5. According to SFAS No. 60, past due financial assets are determined when debtors fail to meet their obligations in a timely manner. The following tables show the aging analysis of loans, sharia receivables and financing and finance lease receivables which are past due but not impaired.

December 31, 2018				
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	Total
Loans				
Micro	4,330,615	2,525,918	3,281,123	10,137,656
Retail	5,022,322	2,418,228	2,997,640	10,438,190
Corporate	211,221	-	-	211,221
Sharia receivables and financing	407,770	177,920	294,795	880,485
Finance lease receivables	40,092	3,184	6,662	49,938
Total	10,012,020	5,125,250	6,580,220	21,717,490

December 31, 2017				
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	Total
Loans				
Micro	4,613,769	2,481,527	3,130,955	10,226,251
Retail	5,666,894	2,673,799	3,252,379	11,593,072
Corporate	108,977	-	-	108,977
Sharia receivables and financing	905,650	187,999	289,233	1,382,882
Finance lease receivables	83,351	5,216	22,018	110,585
Total	11,378,641	5,348,541	6,694,585	23,421,767

December 31, 2016				
	≤ 30 hari	> 30 – 60 hari	> 60 – 90 hari	Total
Loans				
Micro	4,548,784	2,399,345	3,010,212	9,958,341
Retail	5,463,764	2,229,201	2,791,970	10,484,935
Corporate	80,245	-	-	80,245
Sharia receivables and financing	1,471,901	176,717	222,034	1,870,652
Finance lease receivables	179,860	18,679	23,312	221,851
Total	11,744,554	4,823,942	6,047,528	22,616,024

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management

Liquidity Risk is a risk due to BRI's inability to meet the maturity obligations of cash flow funding sources and/or of high quality liquid assets that can be pledged so as not to disrupt BRI's activities and financial conditions.

BRI manages liquidity risks in order to meet every financial obligations that has been agreed upon in a timely manner and to maintain adequate and optimal liquidity level. In order to support liquidity management, BRI has established Guidelines for Implementation of Liquidity Risk Management (PPMRL) which includes liquidity management, projected cash flows, maturity gap, net stable funding ratio and liquidity coverage ratio, the adequacy policies and guidelines for determination of liquidity risk limit, liquidity risk stress test, contingency funding plan, and information system of liquidity risk.

The purpose of these guidelines is to ensure the adequacy of daily liquidity risk management in meeting its obligations in normal or crisis conditions in a timely manner from various available sources of funds, including ensuring the availability of high quality liquid assets and having a healthy and sustainable structure of deposits collected from customer.

BRI also stimulates stress testing on a quarterly basis which is submitted to the BRI's Board of Commissioners and Directors through Risk Management Committee (RMC). The purpose of stress testing is to measure the resistance or ability to meet liquidity needs during crisis (stress). Moreover, stress test is also used as reference for developing or improving contingency funding plan and liquidity risk limits.

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity

Potential liquidity risks which BRI will encounter in the future are measured through Liquidity Gap Analysis, which is a projection of liquidity mismatch based on the maturity of assets and liabilities, after taking into account the business expansion needs. This information is also considered when planning and managing liquidity, including the business expansion needs. By implementing the effective liquidity management, it is expected that liquidity risks can be minimized while simultaneously increasing the overall banking system stability.

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2018, 2017 and 2016:

December 31, 2018						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	27,421,625	-	-	-	-	27,421,625
Current Account with Bank Indonesia	71,159,442	71,159,442	-	-	-	-
Current Account with Other Bank	12,677,355	12,575,906	-	-	-	101,449
Placements with Bank Indonesia and other banks	87,018,051	85,083,644	1,712,207	222,200	-	-
Securities	184,284,810	133,772,828	7,468,990	8,017,543	35,025,449	-
Allowance for impairment losses	(758)	-	-	-	-	(758)
Exports bills and notes receivable	27,442,690	5,515,512	10,973,847	10,953,331	-	-
Government Recapitalization Bonds	1,505,273	30,273	-	375,000	1,100,000	-
Securities purchased under agreement to resell	9,396,553	2,901,245	3,400,936	3,094,372	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2018, 2017 and 2016 (continued):

December 31, 2018						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets (continued)						
Derivatives receivable	485,810	214,804	71,734	108,126	91,146	-
Loan						
Micro	291,615,910	3,013,113	6,271,320	35,184,332	247,147,145	-
Retail	330,633,963	21,068,739	22,779,770	91,452,047	195,333,407	-
Corporate	197,760,286	11,626,529	5,803,401	37,001,755	143,328,601	-
Allowance for impairment losses	(35,017,982)	-	-	-	-	(35,017,982)
Sharia receivables and financing	20,178,401	1,055,340	1,742,143	1,805,648	15,575,270	-
Allowance for impairments losses	(497,141)	-	-	-	-	(497,141)
Finance lease receivables	3,409,846	-	-	308,746	3,101,100	-
Allowance for impairment losses	(88,000)	-	-	-	-	(88,000)
Acceptances receivable	11,643,003	991,252	2,685,342	7,966,409	-	-
Investment in associated ^{*)}	15,268	-	-	-	-	15,268
Other assets ^{**) (3)}	8,774,513	611,446	1,619,843	954,377	22,009	5,566,838
	1,249,818,916	620,081	64,529,533	197,443,886	640,724,127	(2,498,701)
Liabilities						
Liabilities due immediately	8,462,958	8,462,958	-	-	-	-
Deposits from customers						
Demand deposits	178,097,981	178,097,981	-	-	-	-
Wadiah demand deposits	2,277,850	2,277,850	-	-	-	-
Mudharabah demand deposits	293,264	293,264	-	-	-	-
Saving deposits	379,918,705	379,918,705	-	-	-	-
Wadiah saving deposits	5,601,811	5,601,811	-	-	-	-
Mudharabah saving deposits	1,659,109	1,659,109	-	-	-	-
Time deposits	357,413,513	29,146,459	287,763,205	33,454,955	7,048,894	-
Mudharabah time deposits	19,006,504	16,585,766	2,264,111	156,627	-	-
Deposits from other Banks and financial Institutions	9,131,158	9,080,497	50,661	-	-	-
Securities sold under agreement to repurchase	37,379,394	25,995,013	4,650,068	4,282,376	2,451,937	-
Derivatives payable	332,343	52,612	49,879	114,327	115,525	-
Acceptances payable	11,643,003	991,253	2,685,341	7,966,409	-	-
Marketable securities issued	31,190,216	-	-	2,436,706	28,753,510	-
Fund borrowings	40,457,429	880,278	3,637,058	8,948,472	26,991,621	-
Subordinated loans and marketable securities	1,473,515	-	-	-	1,473,515	-
Other liabilities ^{***)}	3,324,974	1,123,697	562,360	519,200	1,111,962	7,755
	1,087,663,727	660,167,253	301,662,683	57,879,072	67,946,964	7,755
Maturity gap	162,155,189	(311,160,554)	(238,274,083)	139,814,941	574,281,341	(2,506,456)

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

***) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance payable, reinsurance payable and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2018, 2017 and 2016 (continued):

December 31, 2017 ^{*)}						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	24,798,037	-	-	-	-	24,798,037
Current Account with Bank Indonesia	58,155,479	58,155,479	-	-	-	-
Current Accounts with other banks	6,132,512	6,132,512	-	-	-	-
Placements with Bank Indonesia and other banks	55,156,762	53,644,287	1,173,288	339,187	-	-
Securities	186,939,596	134,676,377	5,546,579	5,833,275	40,883,365	-
Allowance for impairment losses	(758)	-	-	-	-	(758)
Export bills and notes receivable	10,654,352	2,330,950	3,724,347	4,599,055	-	-
Government Recapitalization Bonds	3,317,840	717,840	375,000	750,000	1,475,000	-
Securities purchased under agreement to resell	18,011,026	16,691,189	1,319,837	-	-	-
Derivatives receivable	162,912	24,766	33,611	44,734	59,801	-
Loans						
Micro	252,850,654	2,291,479	5,218,530	32,882,324	212,458,321	-
Retail	287,436,229	12,058,635	17,288,925	77,933,581	180,155,088	-
Corporate	178,695,785	20,138,725	14,298,124	28,158,748	116,100,188	-
Allowance for impairment losses	(29,423,380)	-	-	-	-	(29,423,380)
Sharia receivables and financing	17,864,869	530,569	236,409	2,425,842	14,672,049	-
Allowance for impairment losses	(577,257)	-	-	-	-	(577,257)
Finance leases receivable	2,488,983	106,308	16,802	139,370	2,226,503	-
Allowance for impairment losses	(103,500)	-	-	-	-	(103,500)
Acceptances receivable	5,693,425	1,894,633	1,983,239	1,815,553	-	-
Investment in associated entities **)	11,768	-	-	-	-	11,768
Other assets ***)	5,519,123	569,472	2,202,645	889,598	15,050	1,842,358
	1,083,784,457	309,963,221	53,417,336	155,811,267	568,045,365	(3,452,732)
Liabilities						
Liabilities due immediately	6,584,201	6,584,201	-	-	-	-
Deposits from customers						
Demand deposits	145,529,168	145,529,168	-	-	-	-
Wadiah demand deposits	1,766,901	1,766,901	-	-	-	-
Mudharabah demand deposits	139,535	139,535	-	-	-	-
Saving deposits	343,420,737	343,420,737	-	-	-	-
Wadiah Saving deposits	4,749,652	4,749,652	-	-	-	-
Mudharabah saving deposits	1,270,484	1,270,484	-	-	-	-
Time deposits	326,417,937	178,534,567	96,297,623	40,992,107	10,593,640	-
Mudharabah time deposits	18,362,036	14,272,754	3,949,195	140,087	-	-

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2018, 2017 and 2016 (continued):

December 31, 2017 ^{*)}						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Liabilities (continued)						
Deposits from other Banks and financial Institutions	5,593,367	5,506,174	57,408	29,785	-	-
Securities sold under agreement to repurchase	12,136,684	2,024,388	1,332,430	3,512,249	5,267,617	-
Derivatives payable	200,858	8,472	9,903	58,219	124,264	-
Acceptances payable	5,693,425	1,894,633	1,983,239	1,815,553	-	-
Marketable securities Issued	30,619,658	-	7,588,383	3,267,391	19,763,884	-
Fund borrowings	29,408,694	679,827	744,627	6,378,546	21,605,694	-
Subordinated loans and marketable securities	986,450	-	-	10,312	976,138	-
Other liabilities ^{***)}	2,461,869	792,645	531,439	353,778	-	784,007
	935,341,656	707,174,138	112,494,247	56,558,027	58,331,237	784,007
Maturity gap	148,442,801	(397,210,917)	(59,076,911)	99,253,240	509,714,128	(4,236,739)
December 31, 2016 ^{*)}						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	25,212,226	-	-	-	-	25,212,226
Current Account with Bank Indonesia	55,635,946	55,635,946	-	-	-	-
Current accounts with other banks	11,280,795	11,280,795	-	-	-	-
Placements with Bank Indonesia and other banks	78,248,833	78,115,753	-	133,080	-	-
Securities	132,086,758	71,599,997	5,232,606	9,190,425	46,063,730	-
Allowance for impairment losses	(758)	-	-	-	-	(758)
Export bills and notes receivable	11,580,175	3,015,105	4,151,700	4,413,370	-	-
Government Recapitalization Bonds	3,318,434	718,434	-	-	2,600,000	-
Securities purchased under agreement to resell	1,557,370	632,230	925,140	-	-	-
Derivatives receivable	103,907	44,464	-	489	58,954	-

^{*)} As restated (Note 50)

^{***)} Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance payable, reinsurance payable and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2018, 2017 and 2016 (continued):

December 31, 2016 ^{*)}						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets (continued)						
Loans						
Micro	221,802,205	1,942,248	4,449,159	30,293,610	185,117,188	-
Retail	252,989,680	10,772,881	13,610,761	65,274,471	163,331,567	-
Corporate	168,679,090	5,396,333	23,567,386	26,470,817	113,244,554	-
Allowance for impairment losses	(22,184,296)	-	-	-	-	(22,184,296)
Sharia receivables and financing	17,748,943	282,812	452,795	1,728,426	15,284,910	-
Allowance for impairment losses	(492,156)	-	-	-	-	(492,156)
Finance leases receivable	2,200,300	-	-	264,036	1,936,264	-
Allowance for impairment losses	(130,000)	-	-	-	-	(130,000)
Acceptances receivable	5,692,583	1,045,643	2,106,327	2,540,613	-	-
Investment in associated entities**)	11,768	-	-	-	-	11,768
Other Assets***)	3,306,187	335,747	1,199,076	954,797	478	816,089
	968,647,990	240,818,388	55,828,030	141,131,054	527,637,645	3,232,873
Liabilities						
Liabilities due immediately	5,410,313	5,410,313	-	-	-	-
Deposits from customers						
Demand deposits	141,419,021	141,419,021	-	-	-	-
Wadiah demand deposits	1,127,843	1,127,843	-	-	-	-
Saving deposits	298,110,406	298,110,406	-	-	-	-
Wadiah saving deposits	4,176,761	4,176,761	-	-	-	-
Mudharabah saving deposits	983,121	983,121	-	-	-	-
Time deposits	293,029,378	239,316,486	37,907,214	13,639,996	2,165,682	-
Mudharabah time deposits	15,679,845	13,791,599	1,670,222	214,638	3,386	-
Deposits from other banks and financial institutions	2,229,538	2,186,158	42,057	1,323	-	-
Securities sold under agreement to repurchase	7,302,398	-	673,625	1,917,625	4,711,148	-
Derivatives payable	347,217	-	114,152	-	233,065	-
Acceptances payable	5,692,583	1,045,643	2,106,327	2,540,613	-	-
Marketable securities issued	24,800,781	-	807,927	4,110,712	19,882,142	-
Fund borrowings	35,013,680	320,647	6,202,044	8,104,288	20,386,701	-
Subordinated loans and marketable securities	1,008,510	-	-	-	1,008,510	-
Other liabilities ****)	1,861,761	1,064,120	73,376	241,664	-	482,601
	838,193,157	708,952,118	49,596,944	30,770,859	48,390,635	482,601
Maturity gap	130,454,833	(468,133,730)	6,231,086	110,360,195	479,247,010	2,750,272

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

****) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management

Market risk arises because of the movement of market factors which include interest rates and exchange rates that are against the BRI's positions, both positions in the statements of financial position or in the administrative accounts. These positions are those which exist in trading book and banking book.

BRI has implemented treasury and market risk application system (GUAVA), an integrated system used by the front, middle and back office functions. The Middle Office can measure market risks using an internal model (Value-at-Risk (VaR)) that is integrated with the daily transaction process. Other than monitoring the instruments' risk exposures, the Middle Office also monitors market risk limits and transaction limits including dealer transaction nominal limits, cut loss limits, stop loss limits and VaR limits. Monitoring is carried out daily so as to accelerate the provision of updated information, supporting timely decision-making by officials and managements, especially for instruments which are classified as trading.

1. Value-at-Risk (VaR): Purpose and Limitation of the Method

BRI uses an internal model approach to measure VaR potential loss due to changes in market price of trading portfolio based on historical data. The VaR potential loss that arise from market risks is measured using the assumptions that the change in risk factors follow normal distribution pattern. BRI uses VaR to calculate exchange rate risk for trading and banking book positions and interest rate risks for trading book positions.

2. Value-at-Risk (VaR) Assumptions

VaR potential loss is calculated based on an estimated value with a 99% confidence level and market risk position that is unchanged within 1 (one) day (holding period). This shows that the potential loss which might exceed VaR value under normal market conditions, in average, may occur once every one hundred days. The method used in VaR measurement is Delta Gamma.

The following tables present information on VaR value starting from January 1, 2018, 2017 and 2016 until December 31, 2018, 2017 and 2016 (unaudited).

2018		
	Exchange Rate^{*)}	Interest Rate
Daily Average	51,671.99	5,893.22
Highest	79,747.46	24,908.51
Lowest	13,449.78	90.95
2017		
	Exchange Rate^{*)}	Interest Rate
Daily Average	39,407.73	3,293.16
Highest	67,226.24	8,366.41
Lowest	26,745.25	468.63
2016		
	Exchange Rate^{*)}	Interest Rate
Daily average	58,421.11	851.78
Highest	134,093.77	4,153.38
Lowest	20,170.30	7.00

*) Including trading and banking book

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

3. Back Testing

The purpose of implementing back testing is to ensure that the result of the internal model calculation for interest rate risk and exchange rate risk is appropriate. When performing back testing, BRI compares estimated daily VaR with realization price changes.

Based on the back testing procedures for exchange rate risk and interest rate risk, the actual loss results throughout the year is significantly consistent with the VaR forecast model.

4. Market Risk Outside of Trading Book

a. Interest Rate Risk

Interest rate based financial instruments have risks because of potential changes in interest rates that will have an impact on future cash flows.

Board of Directors and Management are responsible for determining, managing and controlling interest rate by weighing the bank's risk appetite and financial performance target. The review of interest rate determination is conducted at least once in a month in the Asset and Liability Committee (ALCO) forum.

The following tables present information regarding the average interest rates for financial assets and liabilities position for the years ended December 31, 2018, 2017 and 2016:

	December 31,					
	2018		2017		2016	
	Rupiah (%)	Foreign Currency (%)	Rupiah (%)	Foreign Currency (%)	Rupiah (%)	Foreign Currency (%)
Asset						
Placements with Bank Indonesia and other banks	6.31	2.36	3.63	1.05	5.46	0.53
Securities	7.57	3.24	8.04	3.30	8.65	3.36
Loans	11.19	4.20	11.78	4.11	11.91	4.23
Government recapitalization Bonds	6.71	-	6.72	-	6.63	-
Finance lease receivables	14.61	6.73	13.62	6.38	13.43	5.93
Liabilities						
Deposits from customers						
Demand deposits	2.44	0.20	2.32	0.33	2.33	0.49
Saving deposits	0.84	0.17	0.86	0.21	1.14	0.22
Time deposits	6.17	2.14	6.20	1.43	7.49	1.19
Deposits from other banks and financial institutions	4.44	0.14	3.45	0.47	3.97	0.32
Fund borrowings	0.02	3.34	3.79	2.51	4.04	2.35
Subordinated loans and marketable securities	5.56	-	4.06	-	4.27	-
Marketable securities issued	8.51	4.63	8.44	2.95	8.56	2.95

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The following table presents the sensitivity of BRI's statement of profit or loss and other comprehensive income towards possible changes in the interest rate of banking book (unaudited), with all other variables held constant.

2018	
Changes in Percentage	Impact on Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- 1,687,437
2017	
Changes in Percentage	Impact on Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- 1,703,685
2016	
Changes in Percentage	Impact on Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- (1,103,509)

The sensitivity level is used to analyze possible changes in interest rates that have an impact on the gain and loss of the banking book portfolio. In the above sensitivity analysis, the assumption of changes in interest rate for the banking book is one basis point (1%).

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited):

December 31, 2018						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Asset						
Cash	-	-	-	-	27,421,625	27,421,625
Current accounts with Bank Indonesia	71,159,442	-	-	-	-	71,159,442
Current accounts with other banks	12,575,906	-	-	-	101,449	12,677,355
Placements with Bank Indonesia and other banks	85,122,844	1,895,207	-	-	-	87,018,051
Securities						
Fair value through profit or loss	-	-	-	3,762,254	-	3,762,254
Available-for-sale	-	-	-	129,950,809	-	129,950,809
Held-to-maturity	-	-	-	50,571,747	-	50,571,747
Export bills and notes receivable	27,442,690	-	-	-	-	27,442,690
Government						
Recapitalization Bonds						
Available-for-sale	30,273	-	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	-	1,475,000
Securities purchased under agreement to resell	-	-	-	9,396,553	-	9,396,553

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2018						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Asset (continued)						
Derivatives receivable	-	-	-	-	485,810	485,810
Loans						
Micro	9,284,431	51,315,957	-	231,015,520	-	291,615,908
Retail	43,848,509	153,138,746	37,768,887	95,877,821	-	330,633,963
Corporate	17,429,932	180,330,354	-	-	-	197,760,286
Sharia receivables and financing	-	-	-	-	20,178,401	20,178,401
Finance leases receivable	9,393	51,011	1,184,662	2,164,780	-	3,409,846
Acceptances receivable	-	-	-	-	11,643,003	11,643,003
Investment in associated entities*)	-	-	-	-	15,268	15,268
Other assets**)	-	-	-	-	8,774,513	8,774,513
	268,378,420	386,731,275	38,953,549	522,739,484	68,620,069	1,285,422,797
Liabilities						
Liabilities due immediately	-	-	-	-	8,462,958	8,462,958
Deposits from customers						
Demand deposits	125,213,788	-	-	52,884,193	-	178,097,981
Wadiah demand deposits	-	-	-	-	2,277,850	2,277,850
Mudharabah demand deposits	-	-	-	-	293,264	293,264
Saving deposits	180,877,412	-	-	199,041,293	-	379,918,705
Mudharabah saving deposits	-	-	-	-	1,659,109	1,659,109
Wadiah saving deposits	-	-	-	-	5,601,811	5,601,811
Time deposits	316,909,665	33,454,955	7,048,894	-	-	357,413,514
Mudharabah time deposits	-	-	-	-	19,006,504	19,006,504
Deposits from other banks and financial institution	9,131,158	-	-	-	-	9,131,158
Securities sold under agreement to repurchase	4,513,036	1,308,110	-	31,558,248	-	37,379,394
Derivatives payable	-	-	-	-	332,343	332,343
Acceptances payable	-	-	-	-	11,643,003	11,643,003
Marketable securities issued	-	2,436,706	28,753,510	-	-	31,190,216
Fund borrowings	4,517,336	8,948,472	26,991,621	-	-	40,457,429
Subordinated loans and marketable securities	-	-	-	499,798	973,717	1,473,515
Other liabilities***)	-	-	-	-	3,324,974	3,324,974
	641,162,395	46,148,243	62,794,025	283,983,532	53,575,533	1,087,663,728
Interest rate repricing gap between financial assets and liabilities	(372,783,975)	340,583,032	(23,840,476)	238,755,952	15,044,536	197,759,069

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

****) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available-for-sale, *tabarru'* fund and temporary *svirkah* funds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2017 ^{*)}						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Asset						
Cash	-	-	-	-	24,798,037	24,798,037
Current accounts with Bank Indonesia	58,155,479	-	-	-	-	58,155,479
Current accounts with other banks	5,925,713	-	-	206,799	-	6,132,512
Placements with Bank Indonesia and other banks	55,156,762	-	-	-	-	55,156,762
Securities						
Fair value through profit or loss	-	-	-	1,762,263	1,771	1,764,034
Available-for-sale	-	-	-	130,927,293	18,389	130,945,682
Held-to-maturity	-	-	-	54,229,880	-	54,229,880
Export bills and notes receivable	10,654,353	-	-	-	-	10,654,353
Government						
Recapitalization Bonds						
Available-for-sale	717,840	-	-	-	-	717,840
Held-to-maturity	2,600,000	-	-	-	-	2,600,000
Securities purchased under agreement to resell	-	-	-	18,011,026	-	18,011,026
Derivatives receivable	-	-	-	-	162,912	162,912
Loans						
Micro	7,510,009	45,099,796	-	200,240,849	-	252,850,654
Retail	29,347,560	141,940,025	29,309,168	86,839,476	-	287,436,229
Corporate	34,436,851	144,258,934	-	-	-	178,695,785
Sharia receivables and financing	-	-	-	-	17,864,869	17,864,869
Finance leases receivable	19,744	141,583	770,715	1,556,941	-	2,488,983
Acceptances receivable	-	-	-	-	5,693,425	5,693,425
Investment in associated entities ^{**)}	-	-	-	-	11,768	11,768
Other assets ^{***)}	-	-	-	-	5,519,123	5,519,123
	204,524,311	331,440,338	30,079,883	493,774,527	54,070,294	1,113,889,353
Liabilities						
Liabilities due immediately	-	-	-	-	6,584,201	6,584,201
Deposits from customers						
Demand deposits	96,798,129	-	-	48,731,039	-	145,529,168
Wadiah demand deposits	-	-	-	-	1,766,901	1,766,901
Mudharabah demand deposits	-	-	-	-	139,535	139,535
Saving deposits	171,075,330	-	-	172,345,407	-	343,420,737
Wadiah saving deposits	-	-	-	-	4,749,652	4,749,652
Mudharabah saving deposits	-	-	-	-	1,270,484	1,270,484
Time deposits	274,832,190	40,992,107	10,593,640	-	-	326,417,937
Mudharabah time deposits	-	-	-	-	18,362,036	18,362,036

^{*)} As restated (Note 50)

^{**)} Investment in associated entities with no significant influence.

^{***)} Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2017 ^{*)}						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Liabilities (continued)						
Deposits from other banks and financial institution	5,563,581	29,786	-	-	-	5,593,367
Securities sold under agreement to repurchase	-	2,486,042	-	-	9,650,642	12,136,684
Derivatives payable	-	-	-	-	200,858	200,858
Acceptances payable	-	-	-	-	5,693,425	5,693,425
Marketable securities issued	-	-	-	30,619,658	-	30,619,658
Fund borrowings	1,423,160	6,378,546	21,606,989	-	-	29,408,695
Subordinated loans and marketable securities	-	-	-	14,385	972,065	986,450
Other liabilities****)	-	-	-	-	2,461,869	2,461,869
	549,692,390	49,886,481	32,200,629	251,710,489	51,851,668	935,341,657
Interest rate repricing gap between financial assets and liabilities	(345,168,079)	281,553,857	(2,120,746)	242,064,038	2,218,626	178,547,696

December 31, 2016 ^{*)}						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Asset						
Cash	-	-	-	-	25,212,226	25,212,226
Current accounts with Bank Indonesia	55,635,946	-	-	-	-	55,635,946
Current accounts with other banks	11,022,749	-	-	258,046	-	11,280,795
Placements with Bank Indonesia and other banks	78,248,833	-	-	-	-	78,248,833
Securities						
Fair value through profit or loss	-	-	-	676,232	-	676,232
Available-for-sale	-	-	-	69,513,656	-	69,513,656
Held-to-maturity	-	-	-	61,896,870	-	61,896,870
Export bills and notes receivable	11,580,175	-	-	-	-	11,580,175

*) As restated (Note 50)

****) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2016 ^{*)}						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Asset (continued)						
Government						
Recapitalization bonds						
Available-for-sale	718,434	-	-	-	-	718,434
Held-to-maturity	2,600,000	-	-	-	-	2,600,000
Securities purchased under agreement to resell	-	-	-	1,557,370	-	1,557,370
Derivatives receivable	-	-	-	-	103,907	103,907
Loans						
Micro	6,391,407	39,348,602	-	176,062,196	-	221,802,205
Retail	24,383,642	127,623,404	23,750,225	77,232,409	-	252,989,680
Corporate	28,963,719	139,715,371	-	-	-	168,679,090
Sharia receivables and financing	-	-	-	-	17,748,943	17,748,943
Finance leases receivable	31,206	155,746	935,350	1,077,998	-	2,200,300
Acceptances receivable	-	-	-	-	5,692,583	5,692,583
Investment in associated entities**)	-	-	-	-	11,768	11,768
Other assets***)	-	-	-	-	3,306,187	3,306,187
	219,576,111	306,843,123	24,685,575	388,274,777	52,075,614	991,455,200
Liabilities						
Liabilities due immediately	-	-	-	-	5,410,313	5,410,313
Deposits from customers						
Demand deposits	97,490,396	-	-	43,928,624	-	141,419,020
Wadiah demand deposits	-	-	-	-	1,127,843	1,127,843
Saving deposits	155,940,955	-	-	142,169,451	-	298,110,406
Wadiah saving deposits	-	-	-	-	4,176,761	4,176,761
Mudharabah saving deposits	-	-	-	-	983,121	983,121
Time deposits	215,329,405	51,934,654	25,765,319	-	-	293,029,378
Mudharabah time deposits	-	-	-	-	15,679,845	15,679,845
Deposits from other banks and financial institution	2,186,158	42,057	1,323	-	-	2,229,538
Securities sold under agreement to repurchase	673,625	673,625	-	5,955,148	-	7,302,398
Derivatives payable	-	-	-	-	347,217	347,217
Acceptances payable	-	-	-	-	5,692,583	5,692,583

*) As restated (Note 50)

**) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2016 ^{*)}						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Liabilities (continued)						
Marketable securities issued	-	-	-	24,800,781	-	24,800,781
Fund borrowings	320,647	14,304,899	20,288,134	-	100,000	35,013,680
Subordinated loans and Marketable securities	-	-	-	35,471	973,039	1,008,510
Other liabilities****)	-	-	-	-	1,861,761	1,861,761
	471,941,188	66,955,235	46,054,776	216,889,475	36,352,483	838,193,157
Interest rate repricing gap between financial assets and liabilities	(252,365,077)	239,887,888	(21,369,201)	171,385,302	15,723,131	153,262,043

^{*)} As restated (Note 50)

^{****)} Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

b. Exchange Rate Risk

Exchange rate risk is a risk arising from foreign exchange rate fluctuations against Rupiah of foreign exchange the positions held by BRI. Included in the foreign exchange positions are trading book positions held to generate profit both from foreign exchange transactions in the short term and banking book positions held to control the Net Open Position (NOP).

According to Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated May 29, 2015, regarding the fourth amendment to PBI No. 5/13/PBI/2003 regarding Net Open Position for Commercial Banks dated July 1, 2010, NOP is set to a maximum of 20% of capital.

NOP is the sum of the absolute values of the net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of commitment and contingent receivables and liabilities in the administrative accounts for each foreign currency, which are all stated in Rupiah.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

b. Exchange Rate Risk (continued)

The following tables are NOP (BRI only) as of December 31, 2018, 2017 and 2016, by currency, respectively, as follows:

December 31, 2018			
Currencies	Assets	Liabilities	NOP
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	202,779,020	198,605,581	4,173,439
Singaporean Dollar	6,669,876	5,910,615	759,261
Japanese Yen	471,610	253,175	218,435
Great Britain Pound Sterling	229,202	128,721	100,481
Australian Dollar	359,154	284,098	75,056
European Euro	10,329,347	9,810,831	518,516
Renminbi	3,871,986	3,921,420	49,434
Canadian Dollar	10,435	88	10,347
Others	926,258	333,078	593,180
			6,498,149
Capital (Note 48a)			173,831,121
NOP Ratio			3.74%

December 31, 2017			
Currencies	Assets	Liabilities	NOP
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	154,683,931	151,009,523	3,674,408
Renminbi	4,974,959	4,185,484	789,475
European Euro	2,657,026	3,109,627	452,601
Singaporean Dollar	1,367,530	711,167	656,363
Japanese Yen	368,820	29,103	339,717
Great Britain Pound Sterling	123,919	53,640	70,279
Australian Dollar	145,894	107,965	37,929
Canadian Dollar	7,196	62	7,134
Others	899,315	98,105	801,210
			6,829,116
Capital (Note 48a)			161,751,939
NOP Ratio			4.22%

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

b. Exchange Rate Risk (continued)

The following tables are NOP (BRI only) as of December 31, 2018, 2017 and 2016, by currency, respectively, as follows (continued):

Currencies	December 31, 2016		
	Asset	Liabilities	NOP
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	138,725,987	137,134,766	1,591,221
Renminbi	6,598,517	4,678,412	1,920,105
European Euro	10,065,634	14,520,265	4,454,631
Australian Dollar	185,862	262,620	76,758
Singaporean Dollar	1,377,990	574,284	803,706
Japanese Yen	315,709	301,684	14,025
Great Britain Pound Sterling	212,224	66,595	145,629
Canadian Dollar	12,211	116	12,095
Others	564,675	47,416	517,259
			9,535,429
Capital (Note 48a)			142,910,432
NOP Ratio			6.67%

5. BRI Agro Sensitivity Analysis

The following tables present sensitivity (unaudited) the possibility of changes in interest rate and exchange rate of BRI Agro against the profit or loss and other comprehensive income with all other variables held constant.

	December 31, 2018		December 31, 2017		December 31, 2016	
	Percentage change	Impact to statement of profit or loss and other comprehensive income	Percentage change	Impact to statement of profit or loss and other comprehensive income	Percentage change	Impact to statement of profit or loss and other comprehensive income
Interest rate risk	+/- 1%	+/-73,399	+/- 1%	+/-49,012	+/- 1%	+/- 33,410
Foreign exchange rate risk	+/- 1%	+/-83	+/- 1%	+/-70	+/- 1%	+/-23

Operational Risk Management

Implementation of Operational Risk Management is carried out according to Financial Services Authority Regulation (POJK) No. 18/POJK.03/2016 dated March 22, 2016 regarding Risk Management Implementation for Commercial Banks, which requires the risk management implementation to cover the pillars of monitoring from the Board of Commissioners and Directors, adequacy of policies, limit procedure and determination, adequacy of identification, measurement, monitoring and management of risk process adequacy as well as information system of risk management and internal control system.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

The implementation of operational risk management is intended to manage operational risk exposure caused by internal and external factors that can disrupt business and operational activities, such as inadequate human resources, internal processes, Information Technology system failures, natural disasters and external party's crimes against the bank that potentially cause financial and non-financial losses. Operational risk exposure management includes management of legal, reputational, compliance and strategic risk exposures that occur every in business process and operational activity.

Each of BRI's operational business units is responsible for the implementation of risk management process in the business and operational activities of each business unit through the internal control system. This is done starting from the phase of identification, measurement, monitoring and risk control. BRI's Board of Directors established a risk management function in every business unit starting from the level of Head Office (Division/Desk), Regional Offices, Special Branch Office, Branch Offices which cover operations, marketing and micro businesses as well as Sub-Branch Offices, BRI Priority Service Centers and Overseas Business Units.

Risk management of the Head Office and Regional Office has the duty and responsibility in preparing the guidelines for the implementation of operational risk management, development and implementation of policies/procedures and methodologies, monitoring, reviewing and controlling operational risk management process. On the other hand, risk management is also involved in the preparation and monitoring of BRI's risk profile, assessing the risk management adequacy of a new product and/or activity, and supporting the operational business units/risk owners in developing risk awareness culture, implementing anti-fraud strategies and compliance towards the risk management principles. In the context of discussing operational risk management and risk control improvement, the Risk Management Division coordinated the Operational Risk Management Committee (ORMC) held quarterly with the related Division/ Desk/business unit.

Internal audit as the third line of defense including the Head Office Audit and BRI's Inspectorate Office throughout Indonesia is responsible for monitoring and validating the internal control adequacy of business and operational activities in every operational business unit and the consistency of bankwide operational risk management implementation in BRI.

BRI's operational risk management implementation is facilitated by operational risk management tools in the form of BRI Operational Risk Assessor (BRI OPRA), which includes the Risk and Control Self-Assessment (RCSA) module, Key Risk Indicator (KRI), Incident Management (IM), Risk Management and Maturity Forum. Operational Risk Management Tools Policy has been updated in the Decree of BRI's Board of Directors No. S.17-DIR/DMR/02.2016.

In order to improve understanding on risk management, BRI focused on improving the risk awareness culture and continuing risk management socialization/training to all BRI's employees and also improving the risk control quality in each of BRI's operational activities.

1. Risk Control and Self-Assesment (RCSA)

RCSA is a qualitative and predictive risk management tool which is used to identify and measure the impact and likelihood of risks. RCSA has been implemented in BRI's Head Office (Desk/Division), Regional Offices, Special Branch Office, Branch Offices which also represents BRI Units, Sub Branch Offices and Priority Service Centres.

RCSA is intended to assist the operational business unit in identifying and measuring operational risk in every business and operational activities independently, including monitoring and determining corrective actions or the future action plans.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

1. Risk Control and Self-Assessment (RCSA) (continued)

The risk issue in RCSA is updated by considering BRI's business development which include the new product and or activity implementation, new market segment and business competition, change in internal/external regulation and other changes that affect BRI's risk exposure. These assessment is carried out by considering Incident Management (IM)/Loss Event Database (LED) data, Key Risk Indicator (KRI) and Audit Result report (LHAK). RCSA is performed quarterly and the frequency will be increased if there is a significant change in risk exposure.

The RCSA consolidation report is reported regularly to the Board of Directors in Risk Management Committee (RMC) held quarterly.

2. Incident Management (IM) and Loss Event Database (LED)

Incident Management (IM) is BRI's Loss Event Database (LED) which includes data documentation process of loss events for all types of loss, financial and non-financial loss, which includes actual loss, potential loss and near misses, since occurrence up to settlement, including corrective actions and incident handling conducted.

Based on loss event data in IM module, loss event analysis can be performed based on causes, functional activities, event types and business lines of BRI. The information system can be used to determine the preventive actions in risk controls, based on the documentation process of incident handling or settlement for the non financial loss, financial loss, loss recovery and litigation process.

BRI's operational loss event data has been documented consistently and systematically since 2007 in loss event database matrix which is classified into 8 (eight) business lines and 7 (seven) event types/categories based on the loss/severity and frequency.

In order to calculate operational capital charge and Risk Weighted Assets (RWA), according to regulator policy, BRI used Basic Indicator Approach (BIA) method since it has been implemented in 2010. However, BRI has prepared the implementation of The Standardised Approach (TSA) and Advanced Measurement Approach (AMA). BRI's LED also has been used to calculate the simulation of operational risk capital charge with the Advanced Measurement Approach (AMA) method, based on Extreme Value Theory (EVT) and Loss Distribution Approach (LDA). In order to do more advanced calculation of operational risk capital charge, BRI has prepared a gap analysis related to the implementation of TSA and AMA.

3. Key Risk Indicator (KRI)

KRI is a tool to detect risks/favorable risk trends increase and/or decrease, both leading/futuristic or historical. Risk trend prediction is used to determine action plans in order to mitigate operational risk before it causes the financial or non-financial loss.

BRI has identified key risk indicators for all risks type and determined the risks threshold or limit which portrays the acceptable condition and risk appetite of BRI. Identification of main risk indicator and KRI threshold determination is established using the best judgement, considering BRI risk exposures and risk appetite. Threshold determination involved internal auditor, risk owner and other related business units. BRI's KRI are reflected on its Bank-Wide Risk Profile and Regional Risk Profile Report which are monitored and reported monthly to the management.

4. Risk Management Forum

Risk Management Forum is a risk management tool to hold a meeting/forum among the head of BRI's operational business units with the lower level employees and staffs to discuss inherent risks in the daily business or operational activities that might be the constraint in achieving the business target or standard business performance. Risk management forum, which are held in each business unit, are expected to support the growth of BRI's risk awareness culture.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

5. Maturity

Maturity is a self-assessment process on the establishment level of risk management implementation in each of BRI business unit. Maturity assessment is performed at every end of year by each business unit head using certain parameters. By performing maturity assessment, it is expected that each business unit will be able to evaluate the risk management implementation, in order to compose future improvement plan.

6. Business Continuity Management (BCM)

The possibility of disruption/disaster caused by nature, human or technology pose a threat to BRI's business continuity, as BRI has business units spread across Indonesia. Therefore, the Board of Directors are developing and implementing Business Continuity Management (BCM) Policies in order to ensure the employees, customers and stakeholders in the vicinity of BRI business unit environment's safety and security (Emergency Response Plan) and maintain the continuity of critical businesses and operational activities, protect BRI's assets and provide sufficient response during disruption or disaster conditions (Business Continuity Plan). BCM policies are stipulated through BRI Circular Letter No. S.26-DIR/DMR/12/2016.

BCM implementation covers all business units and is done through Crisis Management Team, Call Tree arrangement and alternate sites determination. In order to deal with the disruption/disaster in each of business units, BRI business units have already estimated the Disaster and Threat Risk Assessment to identify necessary resources. BCM test runs are done annually and prioritized to the business units in disaster prone areas, including Head Offices BRI 1 and 2 Building, IT Building and BRI Corporate University Building as well as Student Dormitory in Ragunan.

The readiness of BRI organization to ensure the implementation of business continuity procedures has been tested during disaster conditions in several business units, whereas in third and fourth quarter of 2018 earthquakes occurred in Lombok with the force of 7 SR and earthquakes in Palu and Donggala with the force of 7.4 SR which have affected operations and business in Lombok, Palu and surrounding BRI business units.

7. New Product and/or Activity Launching

In order to launch each BRI's new product and/or activity, it involves risk management process that covers risk assessment done by product owner on every possible risk types from the launch of new product and/or activity, including control determination to mitigate the risks that might appear.

Risk Management Division are responsible to assess the risk mitigation adequacy and recommend the assessment result for the approval of the Risk Management Director. New Product and/or Activity Launching is stipulated through BRI Circular Letter No. S.89-DIR/MOP/11/2017.

8. Anti-Fraud Strategy Implementation

Anti-Fraud Strategy has been implemented in accordance with BRI internal policy and procedure in which special concern on fraud cases settlement are given in order to show the management intolerance to fraud (zero fraud tolerance). Anti-fraud strategy establishment and implementation is a part of risk management implementation, in order to prevent and manage fraud incident in BRI. Anti-Fraud Strategy covers 4 (four) pillars which are prevention pillar, detection pillar, investigation, report and sanction pillar, and evaluation, monitoring and follow-up pillar.

Statement of anti-fraud commitment are signed by Board of Commissioners and Directors, management and all BRI employees as a part of employee awareness improvement and fraud prevention. Anti-Fraud Strategy Policy is stipulated through BRI Decision Letter No. S.25-DIR/DMR/12/2016.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The tables below present the comparison of the carrying values and fair values of financial assets and liabilities. The fair values disclosed below are based on relevant information available as of December 31, 2018, 2017 and 2016 and are not updated to reflect changes in market conditions which have occurred subsequently.

	December 31, 2018		December 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
ASSETS						
Cash	27,421,625	27,421,625	24,798,037	24,798,037	25,212,226	25,212,226
Current account with Bank Indonesia	71,159,442	71,159,442	58,155,479	58,155,479	55,635,946	55,635,946
Current account with other banks	12,677,355	12,677,355	6,132,512	6,132,512	11,280,795	11,280,795
Placements with Bank Indonesia and other banks	87,018,051	87,018,051	55,156,762	55,156,762	78,248,833	78,248,833
Securities						
Fair value through profit or loss	3,762,256	3,762,256	1,762,263	1,762,263	674,966	674,966
Available-for-sale	129,981,081	129,981,081	130,927,293	130,927,293	69,492,266	69,492,266
Held-to-maturity	50,540,715	50,608,601	54,229,122	56,701,981	61,896,112	62,452,483
Export bills and notes receivables	27,442,690	27,442,690	10,654,353	10,654,353	11,580,175	11,580,175
Government Recapitalization Bonds						
Available-for-sale	30,273	30,273	717,840	717,840	718,434	718,434
Held-to-maturity	1,475,000	1,468,395	2,600,000	2,575,239	2,600,000	2,592,245
Securities purchased under agreement to resell	9,396,553	9,396,553	18,011,026	18,011,026	1,557,370	1,557,370
Derivatives receivable	485,810	485,810	162,912	162,912	103,907	103,907
Loans, sharia receivables and financing	804,673,435	744,066,835	706,846,900	667,849,222	638,543,466	601,402,821
Finance lease receivables	3,321,846	3,223,990	2,385,483	2,405,495	2,070,300	2,059,460
Acceptances receivable	11,643,003	11,643,003	5,693,425	5,693,425	5,692,583	5,692,583
Investment in associated entities ^{*)}	15,218	15,218	11,718	11,718	11,718	11,718
Other assets ^{**) (***))}	8,774,513	8,774,513	5,484,806	5,484,806	3,291,918	3,291,918
Total	1,249,818,866	1,189,175,691	1,083,729,931	1,047,200,363	968,611,015	932,008,146
LIABILITIES						
Immediate liabilities	8,462,958	8,462,958	6,584,201	6,584,201	5,410,313	5,410,313
Deposits from customers ^{****)}						
Demand deposits	180,669,095	180,669,095	147,435,604	147,435,604	142,546,863	142,546,863
Saving deposits	387,179,625	387,179,625	349,440,873	349,440,873	303,270,288	303,270,288
Time deposits	376,420,017	376,420,017	344,779,973	344,779,973	308,709,223	308,709,223
Deposits from other banks and financial institutions						
Demand deposits	344,319	344,419	351,951	351,951	239,006	239,006
Saving deposits	3,407	3,407	6,709	6,709	6,497	6,497
Time deposits and deposits on call	5,997,341	5,997,341	4,059,761	4,059,761	1,028,520	1,028,520
Inter-bank call money	2,786,091	2,786,091	1,174,946	1,174,946	955,515	955,515
Securities sold under						
Agreement to repurchase	37,379,394	37,379,394	12,136,684	12,136,684	7,302,398	7,302,398
Derivatives payable	332,343	332,343	200,858	200,858	347,217	347,217
Acceptances payable	11,643,003	11,643,003	5,693,425	5,693,425	5,692,583	5,692,583
Marketable securities issued	31,190,216	30,749,094	30,619,658	31,472,743	24,800,781	25,123,300
Fund borrowings	40,457,429	40,457,429	29,408,694	29,408,694	35,013,680	35,013,680
Subordinated loans and Marketable securities	1,473,515	1,473,575	986,450	986,450	1,008,510	1,007,148
Other liabilities ^{****)}	3,324,974	3,324,974	2,454,031	2,454,031	1,851,087	1,851,087
Total	1,087,663,727	1,087,222,765	935,333,818	936,186,903	838,182,481	838,503,638

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivable, other receivable and accrued income based on sharia principles.

***)) Including deposits based on sharia principles.

****)) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available-for-sale, *tabarru'* funds and temporary *syirkah* funds.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

Methods and assumptions used to estimate fair value are as follows:

- a) The fair values of certain financial assets and liabilities, except for securities and Government Recapitalization Bonds classified as held-to-maturity, loans, sharia receivables and financing, finance lease receivables, derivatives receivable and payable, fund borrowings, marketable securities issued and subordinated loans and marketable securities approximate their carrying values due to their short-term maturities.

The estimated fair values of certain financial assets are determined based on discounted cash flows using money market interest rates for debts with similar credit risk and remaining maturities.

The estimated fair values of certain financial liabilities which are not quoted in an active market are determined based on discounted cash flows using interest rates of a new debt with similar remaining maturities.

- b) Securities and Government Recapitalization Bonds

The fair values of securities and Government Recapitalization Bonds classified as held-to-maturity are determined based on market prices or quoted price of intermediary (broker)/securities traders (dealers). If this information is not available, the fair values are estimated by using quoted market price of securities with similar credit characteristics, maturities and yields.

- c) Loans and sharia receivables and financing

BRI's loan portfolio generally consists of loans with floating and fixed interest rates. Loans are stated at the carrying amount. The fair value of loans represents the discounted value of estimates future cash flows expected to be received by BRI. The estimated future cash flow is discounted using market interest rate to determine the fair value.

Sharia receivables and financing portfolio generally has a floating margin and short-term sharia receivables and financing has a fixed margin.

- d) Finance lease receivables

The fair values are calculated based on the discounted cash flow models using market interest rates.

- e) Derivatives receivable and payable

The fair values of derivatives instrument are assessed using valuation techniques that use components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. The most widely used valuation techniques include forward and swap valuation models using present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts as well as interest rate curve.

- f) Fund borrowings, marketable securities issued and subordinated loans and marketable securities

The fair values are calculated based on the discounted cash flow models using market rates for the remaining maturity period.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments recognized at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

	December 31, 2018			
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Government bonds	1,454,489	1,454,489	-	-
Mutual funds	1,251,100	1,251,100	-	-
Bank Indonesia Certificates	569,017	569,017	-	-
Derivatives receivable	485,810	-	485,810	-
Bonds	128,769	128,769	-	-
Bank Indonesia Deposit Certificates	99,272	99,272	-	-
Subordinated bonds	55,957	55,957	-	-
Others	203,652	203,652	-	-
	<u>4,248,066</u>	<u>3,762,256</u>	<u>485,810</u>	<u>-</u>
Available-for-Sale				
Government bonds	95,661,891	95,661,891	-	-
Bank Indonesia Certificates	13,454,716	13,454,716	-	-
Bonds	11,239,956	11,339,956	-	-
Bank Indonesia Deposit Certificates	3,557,671	3,557,671	-	-
Mutual funds	1,820,571	1,820,571	-	-
Negotiable Certificates of Deposit	1,503,457	1,503,457	-	-
MAS Bills	737,315	737,315	-	-
Subordinated bonds	723,860	723,860	-	-
Medium-Term Note	416,277	316,277	-	-
U.S. Treasury Bonds	269,313	269,313	-	-
Singapore Government Securities	191,615	191,615	-	-
Government Recapitalization Bonds	30,273	30,273	-	-
Others	374,166	374,166	-	-
	<u>129,981,081</u>	<u>129,981,081</u>	<u>-</u>	<u>-</u>
Held-to-maturity				
Government bonds	44,652,472	44,652,472	-	-
Bonds	3,846,529	3,846,529	-	-
Government Recapitalization Bonds	1,468,395	1,468,395	-	-
Sharia Bank Indonesia Certificates	1,200,000	1,200,000	-	-
Negotiable Certificates of Deposit	200,653	200,653	-	-
Bank Indonesia Sukuk	100,000	100,000	-	-
Medium-Term Note	100,000	100,000	-	-
Subordinated bonds	56,847	56,847	-	-
Bank Indonesia Deposit Certificates	21,679	21,679	-	-
Others	430,421	430,421	-	-
	<u>52,076,996</u>	<u>52,076,996</u>	<u>-</u>	<u>-</u>
Loans and receivables				
Loans, sharia receivables and financing	744,066,835	-	733,498,500	10,568,335
Finance lease receivables	3,223,990	-	-	3,223,990
	<u>747,290,825</u>	<u>-</u>	<u>733,498,500</u>	<u>13,792,325</u>
Total Financial Assets	933,596,968	185,820,333	733,984,310	13,792,325
Financial Liabilities				
Fair value through profit or loss				
Derivatives payable	332,343	-	332,343	-
Other liabilities				
Marketable securities issued	30,749,094	30,749,094	-	-
Subordinated loans and marketable securities	1,437,575	1,437,575	-	-
	<u>32,186,669</u>	<u>32,186,669</u>	<u>-</u>	<u>-</u>
Total Financial Liabilities	32,519,012	32,186,669	332,343	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments recognized at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c) (continued):

December 31, 2017				
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Mutual Funds	842,935	842,935	-	-
Bank Indonesia Deposit Certificates	385,040	385,040	-	-
Government Bonds	196,415	196,415	-	-
Derivatives receivable	162,912	-	162,912	-
Bonds	71,378	71,378	-	-
Subordinated bonds	50,976	50,976	-	-
Others	217,289	217,289	-	-
	1,926,945	1,764,033	162,912	-
Available-for-Sale				
Government Bonds	74,830,836	74,830,836	-	-
Bank Indonesia Deposit Certificates	35,482,251	35,482,251	-	-
Bonds	10,238,591	10,238,591	-	-
Bank Indonesia Certificates	6,046,221	6,046,221	-	-
Mutual Funds	1,504,868	1,504,868	-	-
Subordinated bonds	796,981	796,981	-	-
Negotiable Certificates of Deposit	764,161	764,161	-	-
Government Recapitalization Bonds	717,840	717,840	-	-
MAS Bills	431,165	431,165	-	-
U.S. Treasury Bonds	234,941	234,941	-	-
Medium-Term Notes	207,000	207,000	-	-
Singapore Government Securities	184,486	184,486	-	-
Others	224,182	224,182	-	-
	131,663,523	131,663,523	-	-
Held-to-maturity				
Government Bonds	50,457,329	50,457,329	-	-
Bonds	4,453,319	4,453,319	-	-
Government Recapitalization Bonds	2,575,239	2,575,239	-	-
Bank Indonesia Deposit Certificates	597,605	597,605	-	-
Negotiable Certificates of Deposit	265,083	265,083	-	-
Sharia Bank Indonesia Certificates	250,000	250,000	-	-
Medium-Term Notes	150,360	150,360	-	-
Subordinated bonds	20,000	20,000	-	-
Others	508,285	508,285	-	-
	59,277,220	59,277,220	-	-
Loans and receivables				
Loans, sharia receivables and financing	667,849,222	-	653,265,720	14,583,502
Finance lease receivables	2,405,495	-	-	2,405,495
	670,254,717	-	653,265,720	16,988,997
Total Financial Assets	863,122,405	192,704,776	653,428,632	16,988,997
Financial Liabilities				
Fair value through profit or loss				
Derivatives payable	200,858	-	200,858	-
Other liabilities				
Marketable securities issued	31,472,743	31,472,743	-	-
Subordinated loans and marketable securities	986,450	986,450	-	-
	32,459,193	32,459,193	-	-
Total Financial Liabilities	32,660,051	32,459,193	200,858	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments recognized at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c) (continued):

		December 31, 2016			
		Fair Value	Level 1	Level 2	Level 3
Financial Assets					
Fair value through profit or loss					
Mutual funds	295,372	295,372	-	-	-
Derivatives receivable	103,907	-	103,907	-	-
Government Bonds	85,722	85,722	-	-	-
Bonds	64,745	64,745	-	-	-
Subordinated bonds	45,880	45,880	-	-	-
Others	184,513	184,513	-	-	-
	780,139	676,232	103,907	-	-
Available-for-Sale					
Government Bonds	41,098,626	41,098,626	-	-	-
Bank Indonesia Certificates	12,617,484	12,617,484	-	-	-
Bonds	6,785,877	6,785,877	-	-	-
Bank Indonesia Deposit Certificates	6,023,957	6,023,957	-	-	-
Mutual Funds	925,784	925,784	-	-	-
Subordinated bonds	812,649	812,649	-	-	-
Government Recapitalization Bonds	718,434	718,434	-	-	-
U.S. Treasury Bonds	347,887	347,887	-	-	-
MAS Bills	325,918	325,918	-	-	-
Singapore Government Securities	198,706	198,706	-	-	-
Medium-Term Notes	195,074	195,074	-	-	-
Others	181,694	181,694	-	-	-
	70,232,090	70,232,090	-	-	-
Held-to-maturity					
Government Bonds	51,737,965	51,737,965	-	-	-
Bonds	4,663,814	4,663,814	-	-	-
Government Recapitalization Bonds	2,592,245	2,592,245	-	-	-
Bank Indonesia Certificates	2,009,884	2,009,884	-	-	-
Sharia Bank Indonesia Certificates	1,650,000	1,650,000	-	-	-
Negotiable Certificates of Deposit	1,468,526	1,468,526	-	-	-
Medium-Term Notes	254,022	254,022	-	-	-
Subordinated bonds	60,549	60,549	-	-	-
Promissory Notes	26,945	26,945	-	-	-
Others	580,778	580,778	-	-	-
	65,044,728	65,044,728	-	-	-
Loans and receivables					
Loans, sharia receivables and financing	601,402,821	-	579,128,986	22,273,835	-
Finance lease receivables	2,059,460	-	-	2,059,460	-
	603,462,281	-	579,128,986	24,333,295	-
Total Financial Assets	739,519,238	135,953,050	579,232,893	24,333,295	-
Financial Liabilities					
Fair value through profit or loss					
Derivatives payable	347,217	-	347,217	-	-
Other liabilities					
Marketable securities issued	25,123,300	25,123,300	-	-	-
Subordinated loans and marketable securities	1,007,148	1,007,148	-	-	-
	26,130,448	26,130,448	-	-	-
Total Financial Liabilities	26,477,665	26,130,448	347,217	-	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. SEGMENT INFORMATION

The following are certain information of BRI and Subsidiaries:

a. Company Name	Business Field
PT Bank Rakyat Indonesia (Persero) Tbk	Conventional Banking
PT Bank BRI Syariah Tbk	Sharia Banking
PT Bank Rakyat Indonesia Agroniaga Tbk	Conventional Banking
BRI Remittance Co. Limited Hong Kong	Financial Service
PT Asuransi BRI Life	Life Insurance
PT BRI Multifinance Indonesia	Financing Company
PT Danareksa Sekuritas	Securities Company
PT BRI Ventura Investama	Venture Capital Company

b. Operating Segment

For management purposes, BRI is organized into 5 (five) operating segments based on products, as follows:

- Micro Segment
- Retail Segment
- Corporate Segment
- Other Segments
- Subsidiaries

The following are information on the operating segment of BRI and Subsidiaries (unaudited):

As of December 31, 2018 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	39,104,644	26,914,595	6,304,292	2,584,829	3,703,134	78,611,494
Other operating income	8,090,685	10,098,711	1,631,316	2,956,094	652,432	23,429,238
Total income	47,195,329	37,013,306	7,935,608	5,540,923	4,355,566	102,040,732
Other operating expenses	(17,223,314)	(17,338,436)	(3,443,732)	(1,460,548)	(2,528,062)	(41,994,092)
Provision for impairment losses	(7,920,968)	(6,011,336)	(3,509,445)	-	(879,014)	(18,320,763)
Total expense	(25,144,282)	(23,349,772)	(6,953,177)	(1,460,548)	(3,407,076)	(60,314,855)
Non operating income - net	50,956	9,316	5,055	(44,650)	7,140	27,817
Income before tax expense	22,102,003	13,672,850	987,486	4,035,725	955,630	41,753,694
Tax expense	(4,927,729)	(3,048,416)	(220,164)	(899,780)	(239,119)	(9,335,208)
Income for the year	17,174,274	10,624,434	767,322	3,135,945	716,511	32,418,486
Segment assets						
Loans	291,615,907	320,045,884	192,676,641	-	39,259,972	843,598,404
Allowance for impairment losses	(13,835,533)	(4,894,052)	(15,840,295)	-	(1,033,243)	(35,603,123)
Non-loans	-	-	-	459,658,630	24,129,728	483,788,358
	277,780,374	315,151,832	176,836,346	459,658,630	62,356,457	1,291,783,639
Segment liabilities						
Funding	271,646,940	341,329,004	285,056,620	-	46,236,173	944,268,737
Non-funding	-	-	-	155,148,895	12,205,329	167,354,224
	271,646,940	341,329,004	285,056,620	155,148,895	58,441,502	1,111,622,961

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. SEGMENT INFORMATION (continued)

b. Operating Segment (continued)

The following are information on the operating segment of BRI and Subsidiaries (unaudited) (continued):

As of December 31, 2017 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	36,447,777	23,067,911	6,857,906	4,054,952	2,974,962	73,403,508
Other operating income	6,453,398	8,985,018	899,231	2,355,189	578,450	19,271,286
Total income	42,901,175	32,052,929	7,757,137	6,410,141	3,553,412	92,674,794
Other operating expenses	(15,371,678)	(15,048,835)	(3,541,484)	(2,350,602)	(2,301,477)	(38,614,076)
Provision for impairment losses	(7,642,460)	(5,738,482)	(3,278,755)	-	(594,181)	(17,253,878)
Total expenses	(23,014,138)	(20,787,317)	(6,820,239)	(2,350,602)	(2,895,658)	(55,867,954)
Non operating income - net	88,970	185,381	327	(73,034)	14,751	216,395
Income before tax expense	19,976,007	11,450,993	937,225	3,986,505	672,505	37,023,235
Tax expense	(4,331,159)	(2,482,782)	(203,207)	(864,347)	(96,692)	(7,978,187)
Income for the year	15,644,848	8,968,211	734,018	3,122,158	575,813	29,045,048
Segment assets						
Loans	252,850,653	270,601,420	184,548,972	-	31,335,475	739,336,520
Allowance for impairment losses	(11,827,384)	(3,202,568)	(14,032,310)	-	(1,041,875)	(30,104,137)
Non-loans	-	-	-	394,510,217	20,418,157	414,928,374
	241,023,269	267,398,852	170,516,662	394,510,217	50,711,757	1,124,160,757
Segment liabilities						
Funding	243,794,632	304,439,989	255,091,949	-	38,329,880	841,656,450
Non-funding	-	-	-	108,064,289	9,718,972	117,783,261
	243,794,632	304,439,989	255,091,949	108,064,289	48,048,852	959,439,711
As of December 31, 2016 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	34,477,951	19,488,591	6,006,200	3,122,328	2,622,830	65,717,900
Other operating income	6,517,052	7,674,882	972,169	1,515,107	608,647	17,287,857
Total income	40,995,003	27,163,473	6,978,369	4,637,435	3,231,477	83,005,757
Other operating expenses	(14,921,582)	(13,814,825)	(2,994,735)	(1,296,931)	(2,128,764)	(35,156,837)
Provision for impairment losses	(6,624,372)	(3,355,030)	(3,340,361)	-	(483,836)	(13,803,599)
Total expenses	(21,545,954)	(17,169,855)	(6,335,096)	(1,296,931)	(2,612,600)	(48,960,436)
Non operating income - net	123,338	232,923	292,580	(633,642)	(13,485)	1,714
Income before tax expense	19,572,387	10,226,541	935,853	2,706,862	605,392	34,047,035
Tax expense	(4,499,665)	(2,351,067)	(215,151)	(622,304)	(73,597)	(7,761,784)
Income for the year	15,072,722	7,875,474	720,702	2,084,558	531,795	26,285,251
Segment assets						
Loans	221,802,205	237,808,490	175,680,526	-	28,128,997	663,420,218
Allowance for impairment losses	(10,556,250)	(2,920,658)	(8,467,463)	-	(862,081)	(22,806,452)
Non-loans	-	-	-	348,325,310	13,322,884	361,648,194
	211,245,955	234,887,832	167,213,063	348,325,310	40,589,800	1,002,261,960
Segment liabilities						
Funding	213,208,779	285,574,629	225,062,050	-	30,680,916	754,526,374
Non-funding	-	-	-	94,697,514	155,577,785	250,275,299
	213,208,779	285,574,629	225,062,050	94,697,514	186,258,701	1,004,801,673

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. SEGMENT INFORMATION (continued)

c. Geographical Segment

The following are information on the geographical segment of BRI and Subsidiaries (unaudited):

Description	Total Income		
	Year Ended December 31,		
	2018	2017	2016
Indonesia	101,556,169	92,115,998	82,478,838
United States of America	416,697	500,743	473,146
Hong Kong	7,037	5,653	4,452
Singapore	12,222	47,246	49,321
Timor Leste	48,606	5,155	-
Total	102,040,731	92,674,795	83,005,757

Description	Income before tax expense		
	Year Ended December 31,		
	2018	2017	2016
Indonesia	41,592,245	36,660,678	33,682,912
United States of America	315,385	365,318	346,335
Hong Kong	298	199	167
Singapore	(174,233)	4,964	17,621
Timor Leste	19,999	(7,924)	-
Total	41,753,694	37,023,235	34,047,035

Description	Total assets		
	December 31, 2018	December 31, 2017	December 31, 2016
Indonesia	1,269,539,970	1,105,560,539	985,395,191
United States of America	15,912,076	14,847,364	14,065,978
Singapore	5,526,456	3,365,196	2,794,839
Timor Leste	798,272	379,288	-
Hong Kong	6,865	8,370	5,952
Total	1,291,783,639	1,124,160,757	1,002,261,960

Description	Total liabilities		
	December 31, 2018	December 31, 2017	December 31, 2016
Indonesia	1,089,462,564	941,356,592	840,812,030
United States of America	15,690,108	14,330,575	13,656,808
Singapore	5,682,716	3,362,659	2,798,400
Timor Leste	787,151	387,328	-
Hong Kong	422	2,557	338
Total	1,111,622,961	959,439,711	857,267,576

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM

a. Defined Benefit Pension Plan

Effective on January 1, 2007, all newly appointed permanent employees are not included in this program and the right for pension benefits is given based on the established requirements stated in the regulations by considering the annual gratuity factor over the working period and income on the pension fund. BRI's pension plan is managed by Dana Pensiun BRI (DPBRI). According to the provisions stipulated in BRI Board of Directors' Decree, BRI employee's contribution for pension contribution amounted to 7% of the employee's pension-based salary and for the remaining amount required to be funded by DPBRI represents the contribution by BRI, amounted to 26.65% (previously 25.02%) since October 1, 2017.

The actuarial calculation of BRI's pension costs as of December 31, 2018, 2017 and 2016 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013) using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.40%	7.60%	8.10%
Basic pension salary growth rate	7.50	7.50	7.50
Pension benefit growth rate	4.00	4.00	4.00
Mortality rate	TMI 2011	CSO 1958	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958	10.00% from CSO 1958
Normal retirement age	56 years	56 years	56 years

The assets of DPBRI mainly consist of saving deposits, time deposits, securities, mutual fund units, securities with collateral assets and long-term investments in the form of shares of stocks and property.

Movements in present value of defined benefit pension liabilities as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Present value of defined benefit pension - beginning balance	16,749,997	15,032,520	13,221,843
Interest expense	1,252,182	1,191,806	1,151,483
Current service cost	310,856	316,354	286,216
Past service cost	505,778	-	300,295
Benefits paid	(858,680)	(954,113)	(853,894)
Actuarial (gain)/loss	(876,882)	1,163,430	926,577
Curtailment	(1,539,054)	-	-
Present value of defined benefit pension liabilities - ending balance	15,544,197	16,749,997	15,032,520

Movements in the fair value of program assets as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Fair value of program assets - beginning balance	17,665,697	16,230,759	14,287,884
Real development results	75,221	2,068,135	2,469,674
Contributions paid - employer	273,725	250,759	255,787
Contributions paid - participants	70,845	70,157	71,308
Benefits paid	(858,680)	(954,113)	(853,894)
Settlement	(1,642,904)	-	-
Program assets - ending balance	15,583,904	17,665,697	16,230,759

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Movements in the defined benefit pension liabilities as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	-	-	-
Defined benefit pension expense			
- net (Note 35)	848,359	246,012	513,384
Contributions paid - current period	(273,725)	(250,759)	(255,787)
Remeasurement of liabilities (assets) for defined pension benefit- net	(574,634)	4,747	(257,597)
Ending balance	-	-	-

Remeasurement of liabilities (assets) for defined benefit pension as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	(1,042,811)	(1,047,558)	(789,961)
Actuarial (gain)/loss	(876,882)	1,163,430	926,577
Yields on program assets	1,247,835	(779,088)	(1,221,494)
Changes in impact of assets other than net interest liabilities/(assets)	(945,587)	(379,595)	37,320
Total remeasurement of assets for defined pension benefit - net	(1,617,445)	(1,042,811)	(1,047,558)

Pension benefit expense for the years ended December 31, 2018, 2017 and 2016, respectively, in accordance with the actuarial calculation is as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	310,856	316,354	286,216
Contributions paid - participants	(70,845)	(70,157)	(71,308)
Interest expense - net	(1,280)	(185)	(1,819)
Past service cost	505,778	-	300,295
Actuarial (gain) loss	103,850	-	-
Defined benefit pension expense (Note 35)	848,359	246,012	513,384

b. Old-Age Benefits Plan

BRI's employees are also given old-age benefits (THT) in accordance with the provisions stipulated in the Decree of the Board of Directors of BRI. BRI's old-age benefits plan is managed by BRI Employee Welfare Foundation.

Old-age benefit contributions consist of contributions from the employees and BRI in accordance with the provisions stipulated in the Decree of BRI's Board of Directors.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

Based on the actuarial calculation of BRI's old-age benefits as of December 31, 2018, 2017 and 2016, which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, in accordance with SFAS No. 24 (Revised 2013) using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.80%	7.70%	8.30%
Salary growth rate	7.50	7.50	7.50
Mortality rate	TMI 2011	CSO 1958	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958	10.00% from CSO 1958

The status of the Old-Age Benefits as of December 31, 2018, 2017 and 2016, respectively, in accordance with the actuarial calculation is as follows:

	December 31,		
	2018	2017	2016
Fair value of assets	4,024,261	3,696,006	3,286,981
Present value of old-age benefits liabilities	(1,977,557)	(1,927,967)	(1,374,984)
Surplus	2,046,704	1,768,039	1,911,997

Movements of the Old-Age Benefits liabilities as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	-	-	-
Old-age benefits expense	108,534	59,067	16,809
Remeasurement of old-age benefits liabilities - net	53,959	37,473	74,546
Contributions paid in current period	(162,493)	(96,540)	(91,355)
Liabilities - ending balance	-	-	-

Remeasurement of Old-Age Benefits liabilities as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	239,574	202,101	127,555
Actuarial (gain)/loss	(76,313)	478,657	335,918
Yields on program (assets)/liabilities	(12,253)	(138,530)	150,663
Changes on impact of assets other than interest - net	142,525	(302,654)	(412,035)
Remeasurement of old-age benefits liabilities - net	293,533	239,574	202,101

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

Old-Age Benefits expense calculation for the years ended December 31, 2018, 2017 and 2016, in accordance with the actuarial calculation is as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	154,721	106,604	63,621
Contributions paid - participants	(49,838)	(46,043)	(43,571)
Interest expense - net	3,651	(1,494)	(3,241)
Old-age benefits expense	108,534	59,067	16,809

As of December 31, 2018, 2017 and 2016, BRI did not recognize the prepaid Old-Age Benefits and the income of Old-Age Benefits as BRI management has no benefits on those assets and BRI also has no plans to reduce its contributions in the future.

c. Defined Contribution Pension Plan

(i) BRI (Parent Entity)

The employees of BRI are also included in the defined contribution pension plan in accordance with BRI Board of Directors' decree which was effective since October 2000. BRI's contributions to this plan which are reported in the consolidated statement of profit or loss and other comprehensive income amounted to Rp291,569, Rp256,675 and Rp231,105 for the years ended December 31, 2018, 2017 and 2016, respectively (Note 35). This defined contribution pension plan is managed by DPBRI.

(ii) BRI Agro (Subsidiary)

BRI Agro conducted defined contribution pension plans for all of its permanent employees which is managed by Dana Pensiun Lembaga Keuangan (Financial Institutions Pension Fund) PT Bank Negara Indonesia (Persero) Tbk. BRI Agro's total contribution for the pension funds amounted to 87.8% of the contributions that have been determined based on the level of each employee which are reported in the consolidated statement of profit or loss and other comprehensive income amounted to Rp875, Rp766 and Rp696 for the year ended December 31, 2018, 2017 and 2016, respectively (Note 35).

d. Work Separation Scheme

(i) BRI (Parent Entity)

The calculation of Work Pension Scheme uses actuarial valuation assumption for BRI's liabilities related to allowance for severance, gratuity for services and compensation benefits which were prepared based on Labor Law No. 13/2003 dated March 25, 2003, as of December 31, 2018, 2017 and 2016, performed by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(i) BRI (Parent Entity) (continued)

	December 31,		
	2018	2017	2016
Discount rate	8.70%	7.70%	8.30%
Salary growth rate	7.50	7.50	7.50
Mortality rate	TMI 2011	CSO 1958	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958	10.00% from CSO 1958

Movements in the work separation scheme liabilities as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	1,212,209	1,109,732	997,669
Work separation scheme expense (Note 35)	309,403	304,706	153,280
Actual benefits paid by BRI	(87,447)	(92,705)	(61,297)
Remeasurement of work separation scheme liabilities/(assets) - net	(155,727)	(109,524)	20,080
Ending balance (Note 28)	1,278,438	1,212,209	1,109,732

Remeasurement of liabilities/(assets) for defined Work Separation Scheme as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	(136,918)	(27,394)	(47,474)
Actuarial (gain)/loss	(155,727)	(109,524)	20,080
Remeasurement of work separation scheme liabilities/(assets) - net	(292,645)	(136,918)	(27,394)

The calculation of Work Separation Scheme expense for the years ended December 31, 2018, 2017 and 2016 in accordance with the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	210,632	207,821	144,737
Interest expense	98,771	96,885	93,544
Past service cost	-	-	(85,001)
Work separation scheme expense (Note 35)	309,403	304,706	153,280

(ii) BRISyariah (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

c. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary) (continued)

The actuarial calculation for Work Pension Scheme as of December 31, 2018, 2017 and 2016 are in accordance with the calculation of PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2019, January 4, 2018 and January 4, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.10%	7.10%	8.10%
Salary growth rate	5.00	5.00	5.00
Mortality rate	TMI III 2011	TMI III 2011	TMI III 2011

Movements in the work separation scheme liability as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	12,829	58,108	46,966
Work separation scheme expense (Note 35)	12,190	13,214	12,599
Actual benefits paid by BRISyariah	(24,333)	(68,254)	(2,723)
Remeasurement of (assets)/ liabilities for work separation scheme - net	(686)	9,761	1,266
Ending balance (Note 28)	-	12,829	58,108

Remeasurement of (assets)/liabilities for Work Separation Scheme as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	(4,602)	(14,363)	(15,629)
Actuarial (gain)/loss	(686)	9,761	1,266
Remeasurement of assets for work separation scheme - net	(5,288)	(4,602)	(14,363)

The calculation of Work Separation Scheme expense for the years ended December 31, 2018, 2017 and 2016 in accordance with the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	12,440	9,528	8,034
Interest expense	(250)	3,686	4,565
Work separation scheme expense (Note 35)	12,190	13,214	12,599

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Pension Scheme as of December 31, 2018, 2017 and 2016 are in accordance with the calculation of PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.20%	7.50%	8.30%
Salary growth rate	7.00	7.00	8.00
Mortality rate	TMI 2011	TMI 2011	TMI 2011
Disability rate	10.00% from TMI 2011	10.00% from TMI 2011	10.00% from TMI 2011

Movements in the Work Separation Scheme liability as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	39,057	35,519	27,420
Work separation scheme expense (Note 35)	7,401	8,052	10,245
Actual benefits paid by BRI Agro	(881)	(2,245)	(1,540)
Remeasurement on liabilities (assets) for work separation scheme - net	(4,611)	(2,269)	(606)
Ending balance (Note 28)	40,966	39,057	35,519

Remeasurement of liabilities/(assets) for defined Work Separation Scheme as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	(1,827)	442	1,048
Actuarial (gain)/loss	(4,611)	(2,269)	(606)
Remeasurement on (assets)/liabilities for work separation scheme - net	(6,438)	(1,827)	442

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary) (continued)

The calculation of Work Separation Scheme expense for the years ended December 31, 2018, 2017 and 2016 in accordance with the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	5,991	4,991	3,212
Interest expense	3,072	3,061	2,542
Past service cost	(1,662)	-	4,491
Work separation scheme expense (Note 35)	7,401	8,052	10,245

(iv) BRI Life (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Pension Scheme as of December 31, 2018, 2017 and 2016 are in accordance with the calculation of PT Padma Radya Aktuaria, an independent actuary, in its reports dated January 2, 2019, January 4, 2018 and January 6, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.25%	7.00%	8.25%
Salary growth rate	7.00	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011	TMI III 2011
Disability rate	10.00% from TMI III 2011	10.00% from TMI III 2011	10.00% from TMI III 2011

Movements in the Work Separation Scheme liability as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	60,706	48,692	41,044
Work separation scheme expense (Note 35)	9,972	8,098	4,711
Actual benefits paid by BRI Life	(2,555)	(44)	(760)
Remeasurement on (assets)/liabilities for work separation scheme - net	(4,194)	3,960	3,697
Ending balance (Note 28)	63,929	60,706	48,692

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iv) BRI Life (Subsidiary) (continued)

Remeasurement of liabilities/(assets) for defined Work Separation Scheme as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	10,558	6,598	2,901
Actuarial (gain)/loss	(4,194)	3,960	3,697
Remeasurement on liabilities for work separation scheme - net	6,364	10,558	6,598

The calculation of Work Separation Scheme expense for the years ended December 31, 2018, 2017 and 2016 in accordance with the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	5,520	4,124	2,798
Interest expense	4,452	3,974	3,682
Past service cost	-	-	(1,769)
Work separations scheme expense (Note 35)	9,972	8,098	4,711

(v) BRI Finance (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Pension Scheme as of December 31, 2018, 2017 and 2016 are in accordance with the calculation of PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 4, 2019, January 2, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	7.00%	7.00%	8.00%
Salary growth rate	7.00	7.00	7.00
Mortality rate	TMI 2011	TMI 2011	TMI 2011
Disability rate	5.00% from TMI 2011	5.00% from TMI 2011	5.00% from TMI 2011

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(v) BRI Finance (Subsidiary) (continued)

Movements in the Work Separation Scheme liability as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	10,676	9,168	16,055
Work separation scheme expense (Note 35)	3,096	1,871	2,490
Actual benefits paid by BRI Finance	(2,024)	(971)	(5,074)
Remeasurement on (assets)/ liabilities for work separation scheme - net	(1,438)	608	(4,303)
Ending balance (Note 28)	10,310	10,676	9,168

Remeasurement of (assets)/liabilities for defined Work Separation Scheme as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	(5,134)	(5,742)	(1,439)
Actuarial (gain)/loss	(1,438)	608	(4,303)
Remeasurement on (assets)/liabilities for work separation scheme - net	(6,572)	(5,134)	(5,742)

The calculation of Work Separation Scheme expense for the years ended December 31, 2018, 2017 and 2016 in accordance with the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	1,326	1,133	1,061
Interest expense	1,673	733	1,429
Past service cost	97	5	-
Work separations scheme expense (Note 35)	3,096	1,871	2,490

(vi) Danareksa Sekuritas (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(vi) Danareksa Sekuritas (Subsidiary) (continued)

The actuarial calculation for Work Pension Scheme as of December 31, 2018, 2017 and 2016 are in accordance with the calculation of PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 17, 2019, February 9, 2018 and February 23, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.50%	7.00%	8.00%
Salary growth rate	10.00	10.00	10.00
Mortality rate	TMI II 1999	TMI II 1999	TMI II 1999
Disability rate	1.00% from TMI II 1999	1.00% from TMI II 1999	1.00% from TMI II 1999

Movements in the Work Separation Scheme liability as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	14,212	22,325	12,505
Work separation scheme expense (Note 35)	6,440	6,626	8,441
Contributions paid	(6,411)	(4,786)	(3,737)
Remeasurement on (assets)/liabilities for work separation scheme - net	(2,346)	(7,670)	6,045
Actual benefits paid by Danareksa Sekuritas	(1,303)	(2,283)	(929)
Ending balance (Note 28)	10,592	14,212	22,325

Remeasurement of (assets)/liabilities for defined Work Separation Scheme as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance	2,884	(4,786)	1,259
Actuarial loss/(gain)	2,346	7,670	(6,045)
Remeasurement on liabilities (assets) for work separation scheme - net	5,230	2,884	(4,786)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(vi) Danareksa Sekuritas (Subsidiary) (continued)

The calculation of work separation scheme expense for the years ended December 31, 2018, 2017 and 2016 in accordance with the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	5,423	5,189	7,549
Interest expense	996	1,401	889
Past service cost	21	36	3
Work separation scheme expense (Note 35)	6,440	6,626	8,441

e. Other Long-term Employee Benefits

BRI employees also have long-term employee benefits, such as gratuity for services, grand leaves, post employment BPJS health program and other benefit program of additional benefit fund.

(i) Allowance for gratuity for services

i. BRI (Parent Entity)

The actuarial calculation on gratuity for services as of December 31, 2018, 2017 and 2016 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.70%	7.70%	8.30%
Salary growth rate	7.50	7.50	7.50
Gold price growth rate	10.00	10.00	10.00
Mortality rate	TMI 2011	CSO 1958	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958	10.00% from CSO 1958

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp1,115,960, Rp1,061,952 and Rp940,341 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for gratuity for services as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	1,061,952	940,341	833,576
Gratuity for services expense (Note 35)	129,290	155,894	150,349
Benefits paid by BRI	(75,282)	(34,283)	(43,584)
Gratuity for services liability (Note 28)	1,115,960	1,061,952	940,341

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

i. BRI (Parent Entity) (continued)

The gratuity for services expense for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	96,549	83,175	72,442
Interest expense	81,762	86,831	76,320
Recognized actuarial (gain)/loss	(49,021)	(14,112)	1,587
Gratuity for services expense (Note 35)	129,290	155,894	150,349

ii. BRI Agro (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of December 31, 2018 and 2017 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019 and January 4, 2018, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2018	2017
Discount rate	8.00%	7.00%
Salary growth rate	7.00	7.50
Gold price growth rate	5.00	5.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10% from TMI III 2011	10.00% from TMI III 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp390 and Rp719 as of December 31, 2018 and 2017.

Movements in the liability for gratuity for services as of December 31, 2018 and 2017 are as follows:

	December 31,	
	2018	2017
Beginning balance of liability	297	-
Gratuity for services expense (Note 35)	194	719
Actual benefits paid by BRI Agro	(101)	(422)
Gratuity for services liability (Note 28)	390	297

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

ii. BRI Agro (Subsidiary) (continued)

The gratuity for services expense for the years ended December 31, 2018 and 2017 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2018	2017
Current service cost	148	274
Interest expense	22	-
Recognized actuarial loss	24	25
Past service cost	-	420
Gratuity for services expense (Note 35)	194	719

iii. BRI Life (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of December 31, 2018 and 2017 was prepared by PT Padma Radya Aktuaria, an independent actuary, in its reports dated January 2, 2019, January 4, 2018 and January 6, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.25%	7.00%	8.25%
Salary growth rate	7.00	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011	TMI III 2011
Disability rate	10% from TMI III 2011	10% from TMI III 2011	10% from TMI III 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp10,733, Rp10,289 and Rp10,623 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for gratuity for services as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	10,289	10,623	9,764
Gratuity for services expense (Note 35)	1,101	(51)	2,131
Actual benefits paid by BRI Life	(657)	(283)	(1,272)
Gratuity for services liability (Note 28)	10,733	10,289	10,623

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iii. BRI Life (Subsidiary) (continued)

The gratuity for services expense for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	1,210	935	729
Interest expense	728	765	602
Recognized actuarial (gain)/loss	(837)	(1,305)	1,709
Past service cost	-	(446)	(909)
Gratuity for services expense/ (income) (Note 35)	1,101	(51)	2,131

iv. BRI Finance (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services of the Subsidiary recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2018, 2017 and 2016, was prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 4, 2019, January 2, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Gold price (full Rupiah)	618,311	568,320	502,750
Average age below retirement age	36	37	36
Average age above retirement age	58	-	-
Average years of service	7.90	8.63	7.71

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp711, Rp264 and Rp244 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for gratuity for services as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	264	244	356
Gratuity for services expense/ (income) (Note 35)	478	26	(65)
Actual benefits paid by BRI Finance	(31)	(6)	(47)
Gratuity for services liability (Note 28)	711	264	244

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iv. BRI Finance (Subsidiary) (continued)

The gratuity for services expense for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	55	25	26
Interest expense	18	20	(122)
Recognized actuarial loss/(gain)	405	(19)	31
Gratuity for services expense/ (income) (Note 35)	478	26	(65)

v. Danareksa Sekuritas (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services recorded of the Subsidiary in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2018, 2017 and 2016 was prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 17, 2019, February 9, 2018 and February 23, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.50%	7.00%	8.00%
Salary growth rate	10.00	10.00	10.00
Mortality rate	TMI II 1999	TMI II 1999	TMI II 1999
Disability rate	1.00% from TMI II 1999	1.00% from TMI II 1999	1.00% from TMI II 1999

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp2,471, Rp3,216 and Rp3,747 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for gratuity for services as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	3,216	3,747	5,017
Gratuity for services (income)/ expense (Note 35)	(201)	374	(248)
Actual benefits paid	(543)	(905)	(1,022)
Gratuity for services liability (Note 28)	2,472	3,216	3,747

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

v. Danareksa Sekuritas (Subsidiary) (continued)

The gratuity for services expense for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	316	358	385
Interest expense	225	300	451
Recognized actuarial (gain)/loss	(742)	(284)	(1,084)
Gratuity for services (income)/ expense (Note 35)	(201)	374	(248)

(ii) Grand leaves

i. BRI (Parent Entity)

The actuarial calculation on grand leaves as of December 31, 2018, 2017 and 2016 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.70%	7.70%	8.30%
Salary growth rate	7.50	7.50	7.50
Mortality rate	TMI 2011	CSO 1958	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958	10.00% from CSO 1958

The present value of liability of allowance for grand leaves based on actuarial calculations amounted to Rp1,788,260, Rp1,517,614 and Rp1,314,399 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for grand leaves December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	1,517,614	1,314,399	1,119,535
Grand leaves expense (Note 35)	442,565	292,476	308,428
Actual benefits paid by BRI	(171,919)	(89,261)	(113,564)
Grand leaves liability (Note 28)	1,788,260	1,517,614	1,314,399

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

i. BRI (Parent Entity) (continued)

The grand leaves expense for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	195,947	217,623	187,174
Interest expense	118,591	114,422	104,070
Recognized actuarial loss/(gain)	128,027	(39,569)	17,184
Grand leaves expense (Note 35)	442,565	292,476	308,428

ii. BRISyariah (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves as of December 31, 2018, 2017 and 2016, was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2019, January 4, 2018 and January 4, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.10%	7.10%	8.10%
Salary growth rate	5.00	5.00	5.00
Mortality rate	TMI III 2011	TMI III 2011	TMI III 2011
Disability rate	10.00% from TMI III 2011	10.00% from TMI III 2011	10.00% from TMI III 2011

The present value of liability for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp44,466, Rp30,304 and Rp25,294 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for grand leaves December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	30,304	25,294	32,828
Grand leaves expense (Note 35)	15,493	10,046	985
Actual benefits paid by BRISyariah	(1,331)	(5,036)	(8,519)
Grand leaves liability (Note 28)	44,466	30,304	25,294

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

ii. BRISyariah (Subsidiary) (continued)

The grand leaves expense of the Subsidiary for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	7,379	5,372	6,485
Interest expense	2,366	1,721	2,927
Recognized actuarial loss/(gain)	5,748	2,953	(8,427)
Grand leaves expense (Note 35)	15,493	10,046	985

iii. BRI Agro (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves of the Subsidiary as of December 31, 2018, 2017 and 2016, was prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 3, 2019, January 4, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	7.70%	6.00%	7.50%
Salary growth rate	7.00	6.50	8.00
Mortality rate	TMI 2011	TMI 2011	TMI 2011
Disability rate	10.00% from TMI 2011	10.00% from TMI 2011	10.00% from TMI 2011

The present value of liability for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp3,501, Rp3,026 and Rp2,202 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for grand leaves as of December 31, 2018, 2017 and 2016, respectively, are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	3,026	2,202	1,957
Grand leaves expense (Note 35)	961	1,304	1,046
Actual benefits paid by BRI Agro	(486)	(480)	(801)
Grand leaves liability (Note 28)	3,501	3,026	2,202

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iii. BRI Agro (Subsidiary) (continued)

The grand leaves expense of the Subsidiary for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	1,046	1,081	844
Interest expense	182	188	172
Recognized actuarial (gain)/loss	(267)	35	30
Grand leaves expense (Note 35)	961	1,304	1,046

iv. BRI Life (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2018, 2017 and 2016, was prepared by PT Padma Radya Aktuarial, an independent actuary, in its reports dated January 2, 2019, January 4, 2018 and January 6, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.25%	7.00%	8.25%
Salary growth rate	7.00	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011	TMI III 2011
Disability rate	10% from TMI III 2011	10% from TMI III 2011	10% from TMI III 2011

The present value of liability for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp10,131, Rp9,050 and Rp7,542 as of December 31, 2018, 2017 and 2016, respectively.

Movements in the liability for grand leaves as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	9,050	7,542	2,221
Grand leaves expense (Note 35)	3,895	2,086	6,161
Actual benefits paid	(2,814)	(578)	(840)
Grand leaves liability (Note 28)	10,131	9,050	7,542

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iv. BRI Life (Subsidiary) (continued)

The grand leave expenses of the Subsidiary for the years ended December 31, 2018, 2017 and 2016, based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	3,030	2,619	1,990
Past service cost	-	-	2,678
Interest expense	536	533	412
Recognized actuarial (gain)/loss	329	(1,066)	1,081
Grand leaves expense (Note 35)	3,895	2,086	6,161

v. BRI Finance (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2018, 2017 and 2016, was prepared by PT Jasa Aktuaria Praptasentosa Gunajasa, an independent actuary, in its report dated January 4, 2019, January 2, 2018 and January 5, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	7.00%	7.00%	8.00%
Salary growth rate	7.00	7.00	7.00
Mortality rate	TMI 2011	TMI 2011	TMI 2011
Disability rate	5.00% from TMI 2011	5.00% from TMI 2011	5.00% from TMI 2011

Movements in the liability for grand leaves as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	654	317	485
Grand leaves expense (Note 35)	153	385	181
Actual benefits paid by BRI Finance	(150)	(48)	(349)
Grand leaves liability (Note 28)	657	654	317

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

v. BRI Finance (Subsidiary) (continued)

The grand leave expenses of the Subsidiary for the years ended December 31, 2018, 2017 and 2016, based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	93	83	48
Interest expense	46	25	43
Recognized actuarial (gain)/loss	14	277	90
Grand leaves expense (Note 35)	153	385	181

vi. Danareksa Sekuritas (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2018, 2017 and 2016, was prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its report dated January 17, 2019, February 9, 2018 and February 23, 2017, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,		
	2018	2017	2016
Discount rate	8.50%	7.00%	8.00%
Salary growth rate	10.00	10.00	10.00
Mortality rate	TMI II 1999	TMI II 1999	TMI II 1999
Disability rate	1.00% from TMI II 1999	1.00% from TMI II 1999	1.00% from TMI II 1999

Movements in the liability for grand leaves as of December 31, 2018, 2017 and 2016 are as follows:

	December 31,		
	2018	2017	2016
Beginning balance of liability	2,575	2,655	2,157
Grand leaves expense (Note 35)	411	546	1,292
Actual benefits paid	(468)	(626)	(794)
Grand leaves liability (Note 28)	2,518	2,575	2,655

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

vi. Danareksa Sekuritas (Subsidiary) (continued)

The grand leaves expense for the years ended December 31, 2018, 2017 and 2016 based on the actuarial calculation are as follows:

	Year Ended December 31,		
	2018	2017	2016
Current service cost	406	403	413
Interest expense	181	213	193
Recognized actuarial (gain)/loss	(176)	(70)	686
Grand leaves expense (Note 35)	411	546	1,292

(iii) Post Employment BPJS Health Program

i. BRI (Parent Entity)

The actuarial calculation on Post Employment BPJS Health Program as of December 31, 2018 and 2017 was prepared by PT Bestama Aktuaria, an independent actuary, in its report dated January 3, 2019 and January 4, 2018, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2018	2017
Discount rate	8.70%	7.60%
BPJS contribution growth rate	4.88	4.00
Mortality rate	TMI 2011	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958

Post Employment BPJS Health Program status in accordance with the actuarial valuation as of December 31, 2018 and 2017 are as follows:

	December 31,	
	2018	2017
Present value of post employment BPJS health program liability	795,084	790,946
Fair value of asset	(917,435)	(547,687)
(Deficit)/Surplus	(122,351)	243,259

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Post Employment BPJS Health Program (continued)

i. BRI (Parent Entity) (continued)

Movements in the liability for Post Employment BPJS Health Program as of December 31, 2018 and 2017 are as follows:

	December 31,	
	2018	2017
Beginning balance of liability	243,259	-
Post employment BPJS health program expense (Note 35)	141,390	243,259
Contributions paid in the current period	(372,884)	-
Remeasurement of post employment BPJS health program liability	(11,765)	-
Post employment BPJS health program liability (Note 28)	-	243,259

Remeasurement of liabilities (assets) for Post Employment BPJS Health Program as of December 31, 2018 and 2017, respectively, are as follows:

	December 31,	
	2018	2017
Beginning balance	-	-
Actuarial (gain)/loss	(174,249)	-
Yields on program assets	40,133	-
Changes on impact of assets other than net interest liabilities	122,351	-
Remeasurement on defined benefit asset – net	(11,765)	-

The Post Employment BPJS Health Program expenses for the years ended December 31, 2018 and 2017 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2018	2017
Current service cost	29,959	2,450
Interest expense - net	5,456	-
Past service cost	105,975	240,809
Post Employment BPJS Health Program expense (Note 35)	141,390	243,259

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iv) Other benefit program of additional benefit fund

i. BRI (Parent Entity)

The actuarial calculation on BRI's pension expense as of December 31, 2018 was prepared by PT Bestama Aktuaria, an independent actuary, in its report dated January 3, 2019, which was prepared in accordance with SFAS No. 24 (Revised 2013), using the the Projected Unit Credit method and considering the following assumptions:

	December 31, 2018
Discount rate	8.40%
Basi pension salary growth rate	7.50
Pension benefit growth rate	4.00
Mortality rate	TMI 2011
Disability rate	10.00% from TMI 2011
Normal retirement age	56 years

The assets of DPBRI mainly consist of saving deposits, time deposits, securities, mutual fund units, securities with collateral assets and long-term investments in the form of shares of stocks and property.

Movement in the present value of defined benefit pension liability as of December 31, 2018 is as follows:

	December 31, 2018
Present value of defined benefit pension liability at the beginning of the year	
Past service cost	1,696,462
Benefits paid	(157,408)
Present value of defined benefit pension liability at the end of the year	1,539,054

Movement in the fair value of program assets as of December 31, 2018 is as follows:

	December 31, 2018
Fair value of program assets at the beginning of the year	-
Benefits paid	(157,408)
Settlement	1,800,312
Program assets at the end of the year	1,642,904

Movement in the defined benefit pension liabilities as of December 31, 2018 is as follows:

	December 31, 2018
Beginning balance	-
Defined benefit pension plan income - net	(103,850)
Remeasurement of liabilities/(assets) for defined benefit pension - net	103,850
Ending balance	-

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iv) Other benefit program additional benefit fund (continued)

i. BRI (Parent Entity) (continued)

Remeasurement of liabilities/(assets) for defined benefit pension as of December 31, 2018 is as follows:

	December 31, 2018
Beginning balance	-
Changes on impact of assets other than net interest liabilities/(assets)	103,850
Remeasurement of liabilities/(assets) for defined pension benefit - net	103,850

Defined benefit pension expense for the year ended December 31, 2018, based on the actuarial calculation is as follows:

	Year Ended December 31, 2018
Past service cost	1,696,462
Actuarial (gain)/loss	(1,800,312)
Defined benefit pension income	(103,850)

43. INFORMATION ON COMMITMENTS AND CONTINGENCIES

	December 31,		
	2018	2017	2016
<u>Commitments</u>			
Commitments receivable			
Purchase of foreign currencies spot and futures	16,316,902	4,038,459	12,219,746
Commitment liabilities			
Unused loan facilities granted to debtors	130,854,091	107,073,032	120,916,072
Irrevocable Letters of Credit (Note 27c)	8,693,691	8,980,671	8,541,152
Purchase of foreign currencies spot and futures	18,476,485	13,000,508	7,109,202
Unused financing facilities granted to debtors	65,330	105,497	254,649
	158,089,597	129,159,708	136,821,075
Commitments - net	(141,772,695)	(125,121,249)	(124,601,329)
<u>Contingencies</u>			
Contingencies receivable			
Interest receivable in progress	112,273	70,905	45,208
Contingent liabilities			
Guarantees issued (Note 27c) in the form of:			
Standby Letters of Credit	13,535,519	10,841,726	3,838,190
Bank guarantees	31,350,532	23,188,654	20,684,825
	44,886,051	34,030,380	24,523,015
Contingencies - net	(44,773,778)	(33,959,475)	(24,477,807)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms.

Balances and transactions with related parties are as follows:

Related parties	Type of Relationship	Element of related party transactions
Ministry of Finance of the Republic of Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Loans
Ministry of Defense	Ownership relationship through the Government of the Republic of Indonesia	Irrecoverable L/C
Key employees	Control Relationship on company's activities	Loans, Sharia receivables and financing
Lembaga Pembiayaan Ekspor Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks, Securities
Government of the Republic of Indonesia (RI)	Ownership of majority shares through the Ministry of Finance of the Republic of Indonesia	Securities, Government Recapitalization Bonds
Perum BULOG	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Adhimix Precast Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Aerotrans Services Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Aneka Tambang (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Angkasa Pura I (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Sharia receivables and financing
PT Asuransi Jiwasraya	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell
PT Asuransi Jasa Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Premises and Equipments
PT Asuransi Bringin Sejahtera Artamakmur	Ownership relationship through the Government of the Republic of Indonesia	Premises and Equipments
PT Bahana Artha Ventura	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Bank BNI Syariah	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Type of Relationship	Element of related party transactions
PT Bank Mandiri (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities, Securities purchased under agreement to resell
PT Bank Mandiri Taspen	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell
PT Bank Negara Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT Bank Syariah Mandiri	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Bank Tabungan Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT BTN Syariah	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks
PT BNI Multifinance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks
PT Citra Waspphutowa	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Danareksa Investment Management	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Dirgantara Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Loans, Acceptances receivable, Irrevocable L/C
PT Garuda Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables, Loans, Guarantees issued
PT Garuda Maintenance Facility Aero Asia Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables, Acceptances receivable
PT Kereta Api Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Kimia Farma (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Relationship	Element of transactions
PT Kimia Farma Trading dan Distribusi	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Koperasi Karyawan BRISyariah	Management relationship	Sharia receivables and financing
PT Krakatau Steel (Persero) Tbk	Ownership relationship	Acceptances receivable
PT Kresna Kusuma Dyandra Marga	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Len Industri (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Len Railways System	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Mandiri Utama Finance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks
PT Pegadaian (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Sharia receivables and financing
PT Pembangunan Perumahan (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Acceptances receivable
PT Pertamina (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Loans Acceptances receivable Irrevocable L/C, Export bills and notes receivables
PT Pertamina Hulu Rokan	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Pertamina Patraniaga	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Perusahaan Listrik Negara (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans Guarantees issued Irrevocable L/C, Export bills and notes receivables
PT Perusahaan Gas Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Petrokimia Gresik	Ownership relationship through the Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT Pindad (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Type of Relationship	Element of related party transactions
PT Perkebunan Nusantara XI	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Pembangkitan Jawa-Bali	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Prima Armada Raya	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Pupuk Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Pupuk Kalimantan Timur	Ownership relationship through the Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT Sarana Multigriya Finansial (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks, Securities
PT Trans Jabar Tol	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Telekomunikasi Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Telekomunikasi Selular Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Waskita Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Guarantees issued
PT Waskita Beton Precast Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Sharia receivables and financing
PT Wijaya Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Export bills and notes receivable
PT Wijaya Karya Beton Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Wijaya Karya Bangunan Gedung	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
Yayasan Pendidikan Telkom	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31,		
	2018	2017	2016
Assets			
Current account with other banks (Note 5)			
PT Bank Mandiri (Persero) Tbk	62,270	95,995	146,848
PT Bank Negara Indonesia (Persero) Tbk	26,291	17,429	16,553
PT Bank Tabungan Negara (Persero) Tbk	3,809	3,982	5
PT Bank Syariah Mandiri	44	33	74
PT Bank BNI Syariah	3	79	74
	92,417	117,518	163,554
Placements with Bank Indonesia and other banks (Note 6)			
Lembaga Pembiayaan Ekspor Indonesia	1,200,000	135,675	200,000
PT Bank Mandiri (Persero) Tbk	650,200	43,400	58,400
PT Mandiri Utama Finance	200,000	-	-
PT BNI Multifinance	100,000	-	-
PT Sarana Multigriya Finansial	100,000	-	-
PT Bank Syariah Mandiri	36,000	-	-
PT BTN Syariah	30,200	8,550	4,000
PT Bank Tabungan Negara (Persero) Tbk	29,500	7,200	8,220
PT Bank BNI Syariah	2,000	2,000	2,000
PT Bank Negara Indonesia (Persero) Tbk	2,000	135,675	200,000
	2,349,900	332,500	472,620
Securities (Note 7)			
Government of the Republic of Indonesia	141,668,852	123,064,282	92,284,499
PT Bank Tabungan Negara (Persero) Tbk	1,905,291	1,367,453	1,481,711
Lembaga Pembiayaan Ekspor Indonesia	1,685,747	1,386,317	843,790
PT Pupuk Indonesia (Persero)	990,581	990,729	116,011
PT Perusahaan Listrik Negara (Persero)	982,849	645,144	460,620
PT Sarana Multigriya Finansial (Persero)	912,628	480,181	296,580
PT Bank Mandiri (Persero) Tbk	707,878	682,133	142,070
PT Pegadaian (Persero)	634,129	627,632	569,660
PT Bank Negara Indonesia (Persero) Tbk	426,530	617,343	89,573
PT Telekomunikasi Indonesia (Persero) Tbk	388,149	237,256	231,282
Others	3,717,873	4,089,882	4,532,365
	154,020,507	134,188,352	101,048,161
Export bills and notes receivable (Note 8)			
PT Pertamina (Persero)	2,429,223	799,827	932
PT Waskita Karya (Persero) Tbk	2,000,000	-	-
PT Wijaya Karya (Persero) Tbk	801,173	18,267	190,513
PT Perusahaan Listrik Negara (Persero)	665,197	-	-
PT Garuda Indonesia (Persero) Tbk	497,832	-	-
PT Garuda Maintenance Facility Aero Asia Tbk	122,201	3,134	-
PT Waskita Beton Precast Tbk	69,447	7,797	167,995
PT Angkasa Pura I (Persero)	58,105	-	-
PT Wijaya Karya Beton Tbk	51,060	14,134	30,455
PT Aerotrans Services Indonesia	39,009	4,719	-
Others	125,408	45,541	246,362
	6,858,655	893,419	636,257
Government Recapitalization Bonds (Note 9)			
Government of the Republic of Indonesia	1,505,273	3,317,840	3,318,434

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31,		
	2018	2017	2016
Assets (continued)			
Securities purchased under agreement to resell (Note 10)			
PT Asuransi Jiwasraya	1,149,156	-	-
PT Bank Mandiri Taspen	102,213	-	-
PT Bank Mandiri (Persero) Tbk	-	-	229,983
	1,251,369	-	229,983
Loans (Note 12)			
PT Perusahaan Listrik Negara (Persero)	23,616,099	27,039,931	27,446,991
Perum BULOG	16,316,937	9,049,660	16,112,248
PT Pertamina (Persero)	11,575,627	1,760,382	-
PT Pupuk Kalimantan Timur	3,032,393	1,776,795	1,621,845
PT Garuda Indonesia (Persero) Tbk	2,897,733	2,375,195	1,968,132
PT Dirgantara Indonesia (Persero)	2,893,383	2,438,770	1,735,635
Kementerian Keuangan Republik Indonesia	2,804,944	3,450,797	4,307,997
PT Trans Jabar Tol	2,438,362	748,931	-
PT Kresna Kusuma Dyandra Marga	2,338,069	-	-
PT Petrokimia Gresik	2,222,289	1,428,976	980,595
Others	40,651,278	46,166,684	39,539,172
	110,787,114	96,236,121	93,712,615
Sharia receivables and financing (Note 13)			
PT Waskita Beton Precast Tbk	512,000	400,000	-
PT Pegadaian (Persero)	400,000	400,000	300,000
PT Adhimix Precast Indonesia	314,043	-	-
PT Angkasa Pura I (Persero)	229,824	-	-
PT Citra Wasphtowa	213,515	-	-
PT Kimia Farma (Persero)	110,000	-	-
PT Kimia Farma Trading and Distribusi	100,000	-	-
PT Koperasi Karyawan BRISyariah	92,410	105,436	112,576
PT Prima Armada Raya	85,798	-	-
Yayasan Pendidikan Telkom	85,370	-	-
Key employees	9,946	17,180	13,346
Others	285,525	74,482	80,916
	2,438,431	997,098	506,838
Acceptances receivable (Note 15)			
PT Dirgantara Indonesia (Persero)	716,140	-	-
PT Garuda Maintenance Facility Aero Asia Tbk	421,000	274,365	66,490
PT Krakatau Steel (Persero) Tbk	173,595	136,471	-
PT Pertamina (Persero)	57,812	607,723	-
PT Pembangunan Perumahan (Persero) Tbk	51,003	189,270	119,260
PT Wijaya Karya Bangunan Gedung	12,031	-	-
PT Pertamina Patra Niaga	11,326	-	23,759
PT Len Industri (Persero)	7,975	2,379	6,459
PT Aneka Tambang (Persero) Tbk	7,953	241	-
PT Len Railways System	7,593	2,131	-
Others	11,265	126,536	278,677
	1,477,693	1,339,116	494,645
Investment in associated entities (Note 16)			
PT Danareksa Investment Management	372,271	-	-
PT Bahana Artha Ventura	72,607	71,382	-
	444,878	71,382	-
Total assets from related parties	281,226,237	237,493,346	200,583,107
Total consolidated assets	1,296,898,292	1,127,447,489	1,004,801,673
Percentage of total assets from related parties to total consolidated assets	21.68%	21.06%	19.96%

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31,		
	2018	2017	2016
Liabilities			
Demand deposits (Note 20)			
Government Entities and Institutions	53,016,669	45,075,744	44,484,819
Key employees	26,672	1,547	632
Others	1,435	19,629	23,533
	53,044,776	45,096,920	44,508,984
Saving deposits (Note 21)			
Government Entities and Institutions	89,093	80,414	18,806
Key employees	167,112	147,366	86,529
Others	44,581	11,933	6,150
	300,786	239,713	111,485
Time deposits (Note 22)			
Government Entities and Institutions	85,832,772	93,732,744	79,043,913
Key employees	157,555	120,479	118,601
Others	1,878,913	1,592,220	828,258
	87,869,240	95,445,443	79,990,772
Deposits from other banks and financial institutions (Note 23)			
Government Entities and Institutions	1,251,129	1,146,162	499,475
Securities sold under agreement to repurchase (Note 24)			
Government Entities and Institutions	1,934,600	1,465,014	1,454,477
Acceptances payable (Note 15)			
Government Entities and Institutions	1,477,693	1,339,116	494,645
Fund borrowings (Note 26)			
Government Entities and Institutions	454,595	5,685	105,510
Compensation to key employees management (Note 42)			
Present value of defined benefit pension liability	366,707	275,514	369,514
Present value of work separation scheme liability	129,433	61,379	80,094
Present value of old-age benefits liability	92,444	61,989	68,082
Present value of grand leaves liability	54,069	37,813	42,531
Present value of gratuity for services liability	42,492	29,720	37,807
Present value of other benefit program of defined benefit payment liability	11,523	-	-
	696,668	466,415	598,028
Total liabilities to related parties	147,029,487	145,204,468	127,763,376
Total consolidated liabilities	1,111,622,961	959,439,711	857,267,576
Percentage of liabilities to related parties to total consolidated liabilities	13.23%	15.13%	14.90%

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

	Year ended December 31,		
	2018	2017	2016
<u>Commitments and contingencies</u> <u>in the administrative accounts</u>			
Guarantees issued (Note 27c)			
PT Wijaya Karya (Persero) Tbk	3,479,242	2,516,028	2,348,096
PT Perusahaan Gas Negara (Persero) Tbk	2,361,314	2,316,148	2,457,968
PT Pembangunan Perumahan (Persero) Tbk	2,333,382	714,859	225,841
PT Pertamina (Persero)	1,922,168	1,428,608	141,439
PT Dirgantara Indonesia (Persero)	1,254,834	1,252,015	1,507,044
PT Garuda Indonesia (Persero) Tbk	1,178,058	407,897	298,690
PT Perusahaan Listrik Negara (Persero)	1,003,360	572,200	640,776
PT Waskita Karya (Persero) Tbk	882,663	1,897,681	2,310,583
PT Pertamina Hulu Rokan	719,000	-	-
PT Telekomunikasi Selular Tbk	519,702	492,264	463,357
Others	5,061,296	5,919,721	3,605,578
	20,715,019	17,517,421	13,999,372
Irrevocable L/C (Note 27c)			
PT Dirgantara Indonesia (Persero)	1,263,630	1,512,405	947,591
PT Kereta Api Indonesia (Persero)	748,692	-	270,468
PT Pindad (Persero)	542,655	514,038	62,824
PT Perusahaan Listrik Negara (Persero)	426,691	248,777	1,477,564
Kementerian Pertahanan	409,729	93,905	541,153
PT Pupuk Kalimantan Timur	260,822	53,504	-
PT Pertamina (Persero)	196,051	756,452	835,210
PT Perkebunan Nusantara XI	190,210	4,344	-
PT Petrokimia Gresik	168,222	38,430	86,325
PT Pembangunan Jawa-Bali	123,510	107,853	103,498
Others	755,917	2,463,202	2,129,483
	5,086,129	5,792,910	6,454,116
Year ended December 31,			
	2018	2017	2016
Salaries and allowance for the Board of Commissioners and Directors (Note 35)			
Salaries and allowances for			
the Board of Directors	362,081	92,556	74,062
Salaries and allowances for			
the Board of Commissioners	128,603	29,863	27,543
Total	490,684	122,419	101,605
Tantiem, bonuses and incentives for the Board of Commissioners, Directors and key employees (Note 35)			
Tantiem for the			
Board of Directors	268,226	239,461	217,443
Tantiem for the			
Board of Commissioners	99,290	99,622	84,028
Bonuses and incentives			
for key employees	40,088	94,456	103,171
Total	407,604	433,539	404,642

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

Percentage of transactions with related parties to total consolidated assets and liabilities of BRI and Subsidiaries are as follows:

	December 31,		
	2018	2017	2016
<u>Assets</u>			
Current accounts with other banks	0.007%	0.010%	0.016%
Placements with Bank Indonesia and other banks	0.181	0.029	0.047
Securities	11.876	11.902	10.057
Export bills and notes receivable	0.529	0.079	0.063
Government Recapitalization Bonds	0.116	0.294	0.330
Securities purchased under agreement to resell	0.096	-	0.023
Loans	8.542	8.536	9.326
Sharia receivables and financing	0.188	0.088	0.050
Acceptances receivable	0.114	0.119	0.049
Investment in associated entities	0.034	0.006	-
Total	21.683%	21.063%	19.961%
<u>Liabilities</u>			
Demand deposits	4.772%	4.700%	5.192%
Saving deposits	0.027	0.025	0.013
Time deposits	7.905	9.948	9.331
Deposits from other banks and financial institutions	0.113	0.119	0.058
Securities sold under agreement to repurchase	0.174	0.153	0.170
Acceptances payable	0.133	0.140	0.058
Fund borrowings	0.041	0.001	0.012
Compensation to key employees management	0.063	0.049	0.070
Total	13.228%	15.134%	14.904%

45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Significant Agreements

On December 29, 2018, BRI entered into an agreement with PT PP (Persero) in connection with the construction of BRI Gatot Subroto Tower Building Package 2 (two) for a period of 720 (seven hundred twenty) calendar days with a contract value of Rp845,950.

On October 12, 2018, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement of 600 (six hundred) CRM (Cash Recycling Machine) units for BRI's RBB year 2018 for a period of 3 (three) months with a contract value of Rp92,400.

On October 12, 2018, BRI entered into an agreement with PT Telekomunikasi Indonesia (Persero) in connection with the procurement of upgrades for 230 (two hundred thirty) server unit in DC GTI and Tabanan for a period of 19 (nineteen) weeks with contract value of Rp69,027.

On February 14, 2018, BRI entered into an agreement with PT PP (Persero) in connection with the procurement of the contractor services for BRI Gatot Subroto Tower Building Package 1 (one) for a period of 380 (three hundred eighty) calendar days with a contract value of Rp112,900.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Significant Agreements (continued)

On January 24, 2018, BRI entered into an agreement with PT Telekomunikasi Indonesia (Persero) in connection with the procurement of communication channels rental for credit line officer as a supporting facilities for BRISpot and MYBRI application for a period of 24 (twenty four) months with a contract value of Rp275,895.

On November 15, 2017, BRI entered into an agreement with PT Asaba Computer Centre in connection with the procurement of 780 (seven hundred and eighty) units of CRM for BRI's RBB year 2017 for a period of 3 (three) years with a contract value of Rp100,558.

On September 13, 2017, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of maintenance agreement service for 2 (two) units of IBM AS400 Power8 E880 machine for the period from 2017 to 2020 with a contract value of Rp80,000.

On May 17, 2017, BRI entered into an agreement with PT Anabatic Technologies Tbk in connection with the procurement of 2 (two) units of Z13S N10 mainframe machine for a period of 1 (one) year with a contract value of Rp69,000.

On May 9, 2017, BRI entered into an agreement with PT Patra Telekomunikasi Indonesia in connection with the procurement of Hub and Remote VSAT Phase-1 BRI'sat Integration instruments lease for 2,278 (two thousand two hundred and seventy eight) locations for a period of 3 (three) years with a contract value of Rp67,994.

On April 13, 2017, BRI entered into an agreement with PT Ingenico International Indonesia in connection with the procurement of 45,750 (forty five thousand seven hundred and fifty) EDC units for a period of 3 (three) years with a contract value of Rp74,572.

On December 23, 2016, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement of Hub and Remote VSAT Phase-1 BRI'sat Integration instruments lease for 6,836 (six thousand eight hundred and thirty six) locations for a period of 3 (three) years with a contract value of Rp210,549.

On June 9, 2016, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 2 (two) units of AS/400 Power-8 (E880) machine for a period of 1 (one) year with a contract value of Rp220,000.

On June 1, 2016, BRI entered into an agreement with Koperasi Swakarya BRI in connection with the procurement of 3,000 (three thousand) ATM units for a period of 3 (three) years with a contract value of Rp250,805.

On June 1, 2016, BRI entered into agreement with PT Titan Sarana Niaga in connection with the procurement of 2,250 (two thousand two hundred and fifty) ATM units for a period of 3 (three) years with a contract value of Rp188,073.

On June 1, 2016, BRI entered into agreement with PT Asaba Computer Center in connection with the procurement of 1,500 (one thousand five hundred) ATM units for a period of 3 (three) years with a contract value of Rp125,382.

b. Contingent Liabilities

In conducting its business, BRI faces various legal cases and lawsuit, in which BRI is the defendant, mainly regarding the compliance with contracts. Although there is no clear certainty, BRI believes that based on existing information and the ultimate resolution of these cases, these legal cases and lawsuits will not likely have a material effect on the operations, financial position or liquidity level of BRI.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

b. Contingent Liabilities (continued)

As of December 31, 2018 2017 and 2016, BRI has provided an allowance (presented in "Other Liabilities" account) for several pending lawsuits filed against BRI amounting to Rp1,060,301, Rp971,354 and Rp613,720, respectively (Note 29). Management believes that the allowance formed is adequate to cover possible losses arising from pending lawsuits currently in progress.

46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on the Presidential Decree No. 26 Year 1998 as implemented through the Minister of Finance Decree dated January 28, 1998 and the Joint Decrees No. 30/270/KEP/DIR and No. 1/BPPN/1998 dated March 6, 1998, of the Board of Directors of Bank Indonesia and Chairman of Indonesian Bank Restructuring Agency (IBRA), the Government provided a guarantee on certain obligations for all commercial banks incorporated in Indonesia. Based on the latest amendment under the Decree of the Minister of Finance No. 179/KMK.017/2000 dated May 26, 2000, this guarantee is valid from January 26, 1998 up to January 31, 2001 and can be renewed automatically every 6 (six) months continuously, unless if within 6 (six) months before the maturity of the Guarantee Program period or its extension period, the Minister of Finance announces the termination and/or amendment of the Guarantee Program to the public. For this guarantee, the Government charges premium which is calculated based on a certain percentage in accordance with the prevailing regulations.

In accordance with Minister of Finance Regulation No. 17/PMK.05/2005 dated March 3, 2005, starting from April 18, 2005, the types of commercial bank obligations guaranteed under the Government Guarantee Program include demand deposits, saving deposits, time deposits and borrowings from other banks in the form of inter-bank money market transactions.

The Government Guarantee Program through UP3 ended on September 22, 2005 as stated in the Minister of Finance Regulation No. 68/PMK.05/2005 dated August 10, 2005 regarding the "Calculation and Payment of Premium on Government Guarantee Program on the Payment of Obligations of Commercial Banks" for the period from July 1 to September 21, 2005. As the substitute for UP3, The Government established an independent institution, the Deposit Insurance Corporation (LPS), based on Law No. 24 Year 2004 dated September 22, 2004 regarding "Deposit Insurance Corporation", in order to provide guarantees on public funds including funds from other banks in the form of demand deposits, time deposits, deposit certificates, saving deposits and/or other similar forms.

Based on Government Regulation No. 66 Year 2008, dated October 13, 2008 regarding "The Amount of Deposit Value Guaranteed by the Deposit Insurance Corporation" amended through LPS Regulation No. 2/PLPS/2010 dated November 25, 2010 regarding the Deposit Insurance Program, Article 29 which stated the guaranteed balance for each customer in each bank is at most Rp2,000,000,000 (full Rupiah).

LPS guarantee interest rate as of December 31, 2018, 2017 and 2016 were 6.75%, 5.75% and 6.25%, respectively, for deposits in Rupiah, while for deposits in foreign currencies as of December 31, 2018, 2017 and 2016 were 2.00%, 0.75%, and 0.75%, respectively.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS)

The following summarizes the SFAS and IFAS which were issued by the Financial Accounting Standards Board (FASB) and Sharia Accounting Standards Board (SASB) and are relevant to BRI and Subsidiaries, but not yet effective for the consolidated financial statements as of December 31, 2018:

Effective on or after January 1, 2019:

- a. IFAS No. 33, "Foreign Currency Transactions and Advance Consideration", clarifies the use of transaction date to determine the exchange rate used in the initial recognition of assets, expenses or corresponding revenues when the entity has received or paid advance considerations in foreign currencies.
- b. IFAS No. 34, "Uncertainty over the Income Tax Treatments", clarifies and provides guidance in reflecting the uncertainty over income tax treatments in financial statements.
- c. SFAS No. 24 (2018 Amendment), "Employee Benefits on Plan Amendments, Curtailments or Settlements", provides clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after Plan amendments, curtailments or settlements caused by changes to the latest actuarial assumptions (previously using actuarial assumptions at the beginning of annual reporting period). In addition, the Amendment to SFAS No. 24 also clarifies how the accounting requirements for program amendments, curtailments or settlements can affect the involved assets' ceiling limit requirements in reducing surpluses which causes the impact on the assets to change.

Effective on or after January 1, 2020:

- a. SFAS No. 62 (2017 Amendment), "Insurance Contract", this amendment allows insurer which meets certain criterias to apply a temporary exemption from SFAS No. 71 (deferral approach) or choose to apply the overlay approach.
- b. SFAS No. 71, "Financial Instrument", stipulates the classifications and measurements of financial instruments based on the characteristics of the contractual cash flow and the entity's business model; expected credit loss method for impairment resulting in more timely, relevant and understandable information for users of financial statements; accounting for hedges that reflects better entity risk management by introducing more general requirements based on management considerations.
- c. SFAS No. 72, "Revenue from contracts with customers", adopted from IFRS 15, is the single standard for the revenue recognition resulting from a successful joint project between International Accounting Standards Board and Financial Accounting Standards Board, and stipulates revenue recognition model from contracts with customers, therefore entities are expected to conduct an analysis before recognizing revenue.
- d. SFAS No. 73, "Leases", determines the principles of recognizing, measuring, presenting and disclosing leases by introducing a single accounting model that requires the recognition of right-of-use assets and lease liabilities. There are 2 optional exceptions in the recognition of lease assets and liabilities, which are for: (1) short-term leases and (2) leases where the underlying assets have low values.
- e. SFAS No. 15 (2017 Amendment), "Investments in Associated Entities and Joint Ventures", stipulates that the entity also applies SFAS No. 71 on financial instruments of associated entities and joint ventures where the equity method is not applied. This includes long-term interests that substantially form part of the net investments in the associated entities or joint ventures as referred in SFAS No. 15 paragraph 38.

Currently, BRI and Subsidiaries are evaluating and have not yet determined the impact of the revised SFAS on the consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES

a. Capital Adequacy Ratio (CAR)

BRI actively manages its capital in accordance with the applicable regulations. The primary objective is to ensure that BRI, at any time, can maintain adequate its capital adequacy to cover inherent risks to its banking activities without reducing the optimization of shareholder's value.

CAR as of December 31, 2018, 2017 and 2016 was calculated based on the Financial Services Authority Regulation (POJK) No. 34/POJK.03/2016 regarding the amendment to POJK No. 11/POJK.03/2016 regarding the Minimum Capital Requirement for Commercial Banks.

Based on POJK No. 34/POJK.03/2016, PBI No. 17/22/PBI/2015 regarding the Mandatory Formation of Countercyclical Buffer and POJK No. 46/POJK.03/2015 regarding the Determination of Systemically Important Banks and Capital Surcharges, in addition to the minimum capital requirement in accordance with the risk profile, BRI is required to form additional capital (buffer), in the form of Capital Conservation Buffer, Countercyclical Buffer, and Capital Surcharge, which must be formed gradually since January 1, 2016.

As of December 31, 2018, the formation of buffer capital in the form of Capital Conservation Buffer, Countercyclical Buffer and Capital Surcharge, which shall be established based on a certain percentage of RWA of 1.875%, 0.000% and 1.875%, respectively.

Based on the BRI's risk profile as of June 30, 2018, 2017 and 2016, which are satisfactory, the minimum CAR as of December 31, 2018, 2017 and 2016 is set at 9% up to less than 10%.

The determination of BRI's compliance applicable regulations and ratios is based on the practical accounting regulations that differ from the Indonesian Financial Accounting Standards in several respects. As of December 31, 2018, 2017 and 2016, BRI has fulfilled the ratio as required by Bank Indonesia (BI) and Financial Service Authority for the capital adequacy ratio.

CAR of BRI (Parent Entity) as of December 31, 2018, 2017 and 2016 are calculated as follows:

	December 31,		
	2018	2017	2016
Core Capital (Tier 1)			
Common Equity (CET 1)	164,924,546	154,668,699	136,670,139
Supplementary Capital (Tier 2)	8,693,875	7,083,240	6,240,293
Total Capital	173,618,421	161,751,939	142,910,432
Risk Weighted Asset (RWA)			
RWA for Credit Risk ^{*)}	659,319,661	566,659,194	502,423,401
RWA for Market Risk ^{**)}	11,078,731	6,889,063	9,535,428
RWA for Operational Risk ^{***)}	148,209,848	130,967,728	111,898,899
Total RWA	818,608,240	704,515,985	623,857,728
CAR			
CET 1 Ratio	20.15%	21.95%	21.91%
Tier 1 Ratio	20.15	21.95	21.91
Tier 2 Ratio	1.06	1.01	1.00
Total Ratio	21.21	22.96	22.91
Tier 1 Minimum Ratio	6.00%	6.00%	6.00%
CET 1 Minimum Ratio	4.50	4.50	4.50
Minimum CAR Based on Risk Profile	9.00	9.00	9.00

^{*)} Credit risk is calculated based on SE OJK No. 42/SEOJK.03/2016 dated September 28, 2016.

^{**)} Market risk is calculated based on SE OJK No. 38/SEOJK.03/2016 dated September 8, 2016.

^{***)} Operational risk is calculated based on SE OJK No. 24/SEOJK.03/2016 dated July 14, 2016.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

b. Non-Performing Loans (NPL) Ratio

As of December 31, 2018, 2017 and 2016, the NPL ratio of BRI are as follows:

(i) Consolidated (including Sharia receivables and financing)

	December 31,		
	2018	2017	2016
NPL ratio - gross	2.27%	2.22%	2.11%
NPL ratio - net	1.04	0.98	1.15

(ii) BRI (Parent Entity)

	December 31,		
	2018	2017	2016
NPL ratio - gross	2.14%	2.10%	2.03%
NPL ratio - net	0.92	0.88	1.09

NPL ratio - net is calculated based on NPL less the minimum allowance for impairment losses in accordance with Bank Indonesia Regulations divided by the total loans.

c. Custodian Service Activities

BRI conducted custodian services (custodian bank) since 1996 based on its operating license through Bapepam's Chairman Decree No. 91/PM/1996 dated April 11, 1996 and was appointed as the Sub-Registry in conducting Government bonds transactions and administration of Scriptless Bank Indonesia Certificates by Bank Indonesia.

These custodian services are part of the Investment Services Division Activities, which include the following services:

- Safekeeping services and portfolio valuation;
- Settlement handling services;
- Income collection services, including the related tax payments;
- Corporate actions and proxy services;
- Information and reporting services;
- Custody Unit Link and DPLK services;
- Custodian services for asset securitization; and
- Global custodian services for securities issued abroad.

BRI has 287 (two hundred and eighty seven), 258 (two hundred and fifty eight) and 210 (two hundred and ten) customers (unaudited) as of December 31, 2018, 2017 and 2016, respectively, which mainly consist of pension funds, financial institutions, insurance institutions and companies, securities companies, mutual funds and other institutions.

The customers' assets deposited in BRI's Custodian (unaudited) amounted to Rp363,679,331, Rp298,786,806 and Rp320,285,896 as of December 31, 2018, 2017 and 2016, respectively.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

d. Trustee Activities

BRI conducted trustee service activities since 1996. BRI's operating license as trustee was granted by the Minister of Finance based on its Decree No. 1554/KMK.013/1990 dated December 6, 1990 and registered in OJK in accordance with its Registered Certificate as Trustee No. 08/STTD-WA/PM/1996 dated June 11, 1996.

This trustee services are part of the Investment Services Division activities, which include the following services:

- Trustee
- Guarantee agent
- Monitoring agent

BRI has 35 (thirty five), 31 (thirty one) and 26 (twenty six) customers (unaudited) as of December 31, 2018, 2017 and 2016. The total value of bonds and trusted by BRI (unaudited) amounted to Rp78,155,596, Rp69,044,870 and Rp66,099,135 as of December 31, 2018, 2017 and 2016, respectively.

e. Trust Services

BRI's Trust Service is a deposit services for customers' assets in the form of financial assets for and on behalf of customers. BRI is the first bank in Indonesia to obtain a license from Bank Indonesia to perform Trust Services in Indonesia through Bank Indonesia letter No. 15/19/DPB1/PB1-3 dated February 12, 2013 and Bank Indonesia confirmation letter No. 15/30/DPB1/PB1-3 dated March 19, 2013.

The scope of BRI's Trust Services includes:

- Paying agent services
- Lending agent services
- Investment agent services
- Other agency services, such as Reception Agent and Guarantees Agent

Currently, BRI has been provided Trust Services for financial transactions involving oil and gas projects, carried out by members of the Cooperation Contract Contractors (K3S) under the auspices of SKK Migas and non K3S projects.

In addition to providing Trust Services, BRI also provides services for Paying Agent and Reception Agent (non-Trust) for other sectors, such as infrastructure, energy, trading and chemical industries. Beside service to direct customers, BRI's Trust Services also participate in supporting BRI's financing business unit in the financing transaction of infrastructure, energy and syndicated financing transactions activities.

The project value under the management of BRI's Trust Services (unaudited) amounted to Rp89,623,809, Rp67,285,809 and Rp37,515,581 for the years ended December 31, 2018, 2017 and 2016, respectively.

f. Syndicated Agent

BRI currently provides Syndicated Agent Services for syndicated loan from several sectors/industries including agribusiness sector, infrastructure such as toll roads, ports, airports, power plants, oil and gas, textiles, property and manufacturing involving government projects (BUMN) and private projects.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

f. Syndication Agent (continued)

This syndicated agent services is part of the Trust and Corporate Service activities, which include the following services:

- Arranger
- Facility agent
- Guarantee agent
- Reception agent

BRI's Syndicated Agent Services has managed various syndication projects with total project value (unaudited) amounted to Rp235,100,303, Rp142,304,126 and Rp141,670,733, for the years ended December 31, 2018, 2017 and 2016, respectively.

49. EARNINGS PER SHARE

The calculation of basic earnings per share (EPS) for the year are as follows:

December 31, 2018			
	Income for the Year	Weighted average outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share attributable to equity holders of the parent entity	32,351,133	122,237,220,000	264.66
December 31, 2017			
	Income for the Year	Weighted average outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share attributable to equity holders of the parent entity	28,997,141	122,386,510,666	236.93
December 31, 2016			
	Income for the Year	Weighted average outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share attributable to equity holders of the parent entity	26,234,256	122,387,068,383	214.07

The amount of outstanding common shares before stock split and issuance of bonus shares, where the common shares issued to the existing shareholders without any additional compensation are adjusted to the changes as if the event occurred at the beginning of the earliest serving period.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

50. CONSOLIDATED FINANCIAL STATEMENT RESTATEMENT

Based on the Deed Sale and Purchase of Shares No. 70 dated December 20, 2018, of Ashoya Ratam, S.H., M.Kn, PT Bahana Artha Ventura transferred 15,874 shares of BRI Ventura to BRI (Note 1f). Based on the Deed of Shares Takeover No. 53 dated December 21, 2018, of Notary M. Nova Faisal, S.H., M.Kn, PT Danareksa (Persero) sold 335,000,000 shares of Danareksa Sekuritas to BRI (Note 1f).

These sale and purchase transactions constitute a business combination of entities under common control where the ultimate shareholder of BRI, PT Danareksa (Persero) and PT Bahana Artha Ventura is the Government of the Republic of Indonesia. Therefore, the transactions are treated based on the pooling of interests method in accordance with the SFAS No. 38 (Revised 2012), "Business Combination of Entities Under Common Control". For the presentation of business combination of entities under common control transactions based on the pooling of interests method, the financial statements as of December 31, 2017 and for the year then ended and the financial statements as of December 31, 2016 and for the year then ended are presented as if the business combination occurs from the beginning of the period the entity is under common control.

The difference between the amount of the considerations transferred and the carrying amount of the investment obtained from this transaction is recorded in the "additional paid-in capital" account in equity. The equities of Danareksa Sekuritas and BRI Ventura before the combination date are presented as "merging entities' equity" in equity. The details of the amount of considerations transferred and the carrying amount obtained are as follows:

	Considerations transferred	Investment carrying amount	Additional paid-in capital
Danareksa Sekuritas	446,888	366,359	80,529
BRI Ventura	3,090	2,424	666
Total	449,978	368,783	81,195

The impact of restatement in the financial statements as of December 31, 2017 and 2016 and for the years then ended are as follows:

December 31, 2017			
	Before Restatement	Restatement	After Restatement
<u>Consolidated Statement of Financial Position</u>			
Assets			
Cash	24,797,782	255	24,798,037
Current Accounts with Other Banks	5,925,684	206,828	6,132,512
Placements with Bank Indonesia and Other Banks	55,105,687	51,075	55,156,762
Securities	186,919,436	20,160	186,939,596
Derivatives Receivable	145,928	16,984	162,912
Investment in Associated Entities	73,821	9,329	83,150
Allowance for impairment losses	-	(50)	(50)
Premises and Equipments			
Cost	33,972,363	18,444	33,990,807
Accumulated depreciation	(9,226,057)	(12,715)	(9,238,772)
Deferred Tax Assets - net	3,270,231	16,501	3,286,732
Other Assets - net	20,199,819	872,236	21,072,055
Liabilities			
Taxes Payable	564,798	4,218	569,016
Fund Borrowings	29,403,009	5,685	29,408,694
Other Liabilities	13,285,656	508,857	13,794,513
Liabilities for Employee Benefits	12,174,258	20,003	12,194,261

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

50. CONSOLIDATED FINANCIAL STATEMENT RESTATEMENT (continued)

The impact of restatement in the financial statements as of December 31, 2017 and 2016 and for the years then ended are as follows (continued):

	December 31, 2017		
	Before Restatement	Restatement	After Restatement
<u>Consolidated Statement of Financial Position (continued)</u>			
Equities			
Merging Entities' Equity	-	443,016	443,016
Non-controlling Interests	598,677	217,268	815,945
<u>Consolidated Statement of Profit or Loss and Other Comprehensive Income</u>			
Interest Income	100,080,250	13,083	100,093,333
Interest Expense	(28,652,214)	(477)	(28,652,691)
Other Operating Income			
Other fees and commissions	10,442,240	171	10,442,411
Recovery of assets written-off	5,050,713	4	5,050,717
Gain on sale of securities and Government Recapitalization Bonds - net	784,667	(166)	784,501
Gain on foreign exchange - net	183,974	103	184,077
Others	2,578,558	175,468	2,754,026
Provision for allowance for impairment losses on non-financial assets - net	(239,132)	(19,392)	(258,524)
Other Operating Expenses			
Salaries and employee benefits	(20,352,004)	(88,954)	(20,440,958)
General and administrative	(13,146,944)	(52,487)	(13,199,431)
Others	(4,942,700)	(30,987)	(4,973,687)
Non Operating Income - net	216,323	72	216,395
Tax Expense	(7,977,823)	(364)	(7,978,187)
Other comprehensive income			
Remeasurement of defined benefit plans	53,985	7,670	61,655
Income tax related to item not to be reclassified to profit or loss	(13,496)	(1,918)	(15,414)
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds	2,289,836	(3,586)	2,286,250
Income tax related to items to be reclassified to profit or loss	(528,353)	894	(527,459)
<u>Consolidated Statement of Cash Flows</u>			
Cash Flows from Operation Activities			
Other operating income	13,745,727	(25,064)	13,720,663
Other operating expenses	(32,263,843)	(45,201)	(32,309,044)
Changes in operating assets and liabilities			
Placements with Bank Indonesia and other banks	(339,187)	(51,075)	(390,262)
Securities and Government Recapitalization Bonds at fair value through profit or loss	(720,255)	17,494	(702,761)
Other assets	(8,932,144)	(222,722)	(9,154,866)
Other liabilities	2,418,063	112,811	2,530,874
Cash Flows from Financing Activities			
Proceeds from (payments of) fund borrowings	(5,663,258)	175	(5,663,083)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

50. CONSOLIDATED FINANCIAL STATEMENT RESTATEMENT (continued)

The impact of restatement in the financial statements as of December 31, 2017 and 2016 and for the years then ended are as follows (continued):

	December 31, 2016		
	Before Restatement	Restatement	After Restatement
<u>Consolidated Statement of Financial Position</u>			
Assets			
Cash	25,212,024	202	25,212,226
Current Accounts with Other Banks	11,022,715	258,080	11,280,795
Placements with Bank Indonesia and Other Banks	78,142,754	106,079	78,248,833
Securities	132,064,102	22,656	132,086,758
Derivatives Receivable	91,657	12,250	103,907
Investment in Associated Entities	2,439	9,329	11,768
Allowance for impairment losses	-	(50)	(50)
Premises and Equipments			
Cost	32,262,349	18,444	32,280,793
Accumulated depreciation	(7,747,290)	(9,370)	(7,756,660)
Deferred Tax Assets - net	2,520,930	18,783	2,539,713
Other Assets - net	11,675,230	720,844	12,396,074
Liabilities			
Taxes Payable	942,401	14,152	956,553
Fund Borrowings	35,008,170	5,510	35,013,680
Other Liabilities	10,111,453	387,351	10,498,804
Liabilities for Employee Benefits	9,451,203	28,747	9,479,930
Equities			
Merging Entities' Equity	-	483,908	483,908
Non-controlling Interests	391,248	237,599	628,847
<u>Consolidated Statement of Profit or Loss and Other Comprehensive Income</u>			
Interest Income	91,358,338	20,979	91,379,317
Interest Expense	(27,541,214)	(88)	(27,541,302)
Other Operating Income			
Other fees and commissions	9,222,558	3,518	9,226,076
Recovery of assets written-off	4,496,825	13	4,496,838
Gain on sale of securities and Government Recapitalization			
Bonds - net	447,580	3,315	450,895
Others	2,800,801	278,645	3,079,446
Provision for allowance for impairment losses on non-financial assets - net	(90,757)	(12,948)	(103,705)
Other Operating Expenses			
Salaries and employee benefits	(18,485,014)	(108,962)	(18,593,976)
General and administrative	(11,975,745)	(68,162)	(12,043,907)
Others	(4,206,014)	(38,831)	(4,244,845)
Non Operating Income - net	9,228	(7,514)	1,714
Tax Expense	(7,745,779)	(16,005)	(7,761,784)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

50. CONSOLIDATED FINANCIAL STATEMENT RESTATEMENT (continued)

The impact of restatement in the financial statements as of December 31, 2017 and 2016 and for the years then ended are as follows (continued):

	December 31, 2016		
	Before Restatement	Restatement	After Restatement
<u>Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)</u>			
Other comprehensive income			
Remeasurement of defined benefit plans	165,615	(6,046)	159,569
Income tax related to item not to be reclassified to profit or loss	(532,239)	1,512	(530,727)
Unrealized gain on available-for-sale securities and Government Recapitalization Bonds	1,641,313	17,383	1,658,696
Income tax related to items to be reclassified to profit or loss	(412,621)	(4,345)	(416,966)
<u>Consolidated Statement of Cash Flows</u>			
Cash Flows from Operation Activities			
Other operating income	9,333,633	455,900	9,789,533
Other operating expenses	(35,311,295)	279,424	(35,031,871)
Changes in operating assets and liabilities			
Securities and Government Recapitalization Bonds at fair value through profit or loss	254,367	(22,656)	231,711
Other assets	986,421	(720,841)	265,580
Other liabilities	3,216,527	416,078	3,632,605
Cash Flows from Investing Activities			
Acquisition of premises and equipments	(3,653,072)	(1,268)	(3,654,340)
Cash Flows from Financing Activities			
Proceeds from (payments of) fund borrowings	(647,350)	(5,510)	(652,860)

51. CHANGES IN FINANCING ACTIVITIES

	December 31, 2017	Cash Flows		Non-cash changes	December 31, 2018
		Receipts	Disbursements		
Fund borrowings	29,408,694	11,251,381	(421,988)	219,342	40,457,429
Subordinated loans and marketable securities	986,450	497,377	(10,312)	-	1,473,515
Marketable securities issued	30,619,658	9,600,185	(8,939,750)	(89,877)	31,190,216
Total	61,014,802	21,348,943	(9,372,050)	129,465	73,121,160

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2018 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

51. CHANGES IN FINANCING ACTIVITIES (continued)

	December 31, 2016	Cash Flows		Non-cash changes	December 31, 2017
		Receipts	Disbursements		
Fund borrowings	35,013,680	1,801,080	(187,889)	(7,218,177)	29,408,694
Subordinated loans and marketable securities	1,008,510	141	(22,399)	198	986,450
Marketable securities issued	24,800,781	10,242,963	(4,921,000)	496,914	30,619,658
Total	60,822,971	12,044,184	(5,131,288)	(6,721,065)	61,014,802

	December 31, 2015	Cash Flows		Non-cash changes	December 31, 2016
		Receipts	Disbursements		
Fund borrowings	35,480,358	7,718,818	(5,680,867)	(2,504,629)	35,013,680
Subordinated loans and marketable securities	56,468	973,038	(35,843)	14,847	1,008,510
Marketable securities issued	10,521,103	15,510,825	(980,000)	(251,147)	24,800,781
Total	46,057,929	24,202,681	(6,696,710)	(2,740,929)	60,822,971

52. EVENTS AFTER THE REPORTING PERIOD DATE

Changes in BRI Management

Based on the Extraordinary General Meeting of Shareholders of BRI (parent entity) on January 3, 2019, the shareholders approved the changes in management, as follows:

- a. Authorized the honorable dismissal of Jeffry J. Wurangian as Commissioner, starting from September 20, 2018.
- b. Honorably dismissed Kuswiyoto as Director of Corporate Banking, starting from the closing of the Extraordinary General Meeting of Shareholders.
- c. Appointed Sunarso as Vice President Director.

53. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of BRI is fully responsible for the preparation of the accompanying consolidated financial statements which were completed and approved to be issued on January 30, 2019.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31,		
	2018	2017	2016
ASSETS			
Cash	27,170,584	24,437,571	24,865,133
Current Accounts with Bank Indonesia	68,617,459	55,598,024	53,398,240
Current Accounts with Other Banks	11,277,405	5,803,057	10,792,581
Placements with Bank Indonesia and Other Banks	82,681,600	53,384,610	77,574,246
Securities	164,490,940	171,079,651	120,083,644
Export Bills and Notes Receivable	27,442,690	10,654,353	11,580,175
Government Recapitalization Bonds	1,505,273	3,317,840	3,318,434
Securities Purchased Under Agreement to Resell	9,396,553	16,496,292	1,557,370
Derivatives Receivable	469,342	145,928	93,649
Loans	804,338,432	708,001,045	635,291,221
Allowance for impairment losses	(34,569,880)	(29,062,262)	(21,944,371)
	769,768,552	678,938,783	613,346,850
Acceptances Receivable	11,583,506	5,637,833	5,602,843
Investment in Associated Entities	9,721,187	6,727,814	5,783,220
Premises and Equipments			
Cost	36,448,565	32,692,513	31,232,047
Accumulated depreciation	(10,383,777)	(8,674,305)	(7,255,098)
Book value - net	26,064,788	24,018,208	23,976,949
Deferred Tax Assets - net	4,772,859	2,989,066	2,328,530
Other Assets - net	19,237,301	17,209,036	9,698,826
TOTAL ASSETS	1,234,200,039	1,076,438,066	964,000,690

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31,		
	2018	2017	2016
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities Due Immediately	8,332,783	6,472,759	5,328,446
Deposits from Customers			
Demand Deposits	176,404,505	144,432,274	140,764,079
Saving Deposits	378,908,837	342,759,191	297,649,283
Time Deposits	342,719,222	316,135,105	285,432,096
Total Deposits from Customers	898,032,564	803,326,570	723,845,458
Deposits From Other Banks and Financial Institutions	9,104,374	5,752,420	1,784,932
Securities Sold Under Agreement to Repurchase	37,379,394	12,136,684	7,302,398
Derivatives Payable	327,892	197,633	344,865
Acceptances Payable	11,583,506	5,637,833	5,602,843
Taxes Payable	3,499	470,272	881,207
Marketable Securities Issued	31,074,676	30,323,802	24,936,730
Fund Borrowings	39,372,910	29,267,409	34,599,638
Liabilities for Employee Benefits	11,492,362	11,888,794	9,181,163
Other Liabilities	5,977,701	5,902,298	4,699,821
Subordinated Loans and Marketable Securities	499,798	14,385	35,471
TOTAL LIABILITIES	1,053,181,459	911,390,859	818,542,972

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)
As of December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31,		
	2018	2017	2016
LIABILITIES AND EQUITY (continued)			
EQUITY			
Capital Stock - par value Rp50 (full Rupiah) per share as of December 31, 2018 and 2017, Rp250 (full Rupiah) per share as of December 31, 2016 Authorized capital - 300,000,000,000 share shares (consisting of 1 Series A Dwiwarna shares and 299,999,999,999 Series B shares) as of December 31, 2018 and 2017 and 60,000,000,000 shares (consisting of 1 Series A Dwiwarna and 59,999,999,999 Series B shares) as of December 31, 2016 Issued and fully paid capital - 123,345,810,000 shares (consisting of 1 Series A Dwiwarna shares and 123,345,809,999 Series B shares) as of December 31, 2018 and 2017 and 24,669,162,000 shares (consisting of 1 Series A Dwiwarna and 24,669,161,999 Series B shares) as of December 31, 2016	6,167,291 2,773,858	6,167,291 2,773,858	6,167,291 2,773,858
Additional paid-in capital			
Revaluation surplus arising from premises and equipments - net of tax	13,824,692	13,824,692	13,824,692
Differences arising from the translation of foreign currency financial statements	49,220	54,199	23,490
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds - net of deferred tax	(1,919,488)	1,621,265	103,891
Gain on remeasurement of defined benefit plans - net of deferred tax	1,143,354	705,117	654,637
Treasury Stock	(2,418,948)	(2,418,948)	(2,418,948)
Provision for Bonus Shares Compensation	425,334	-	-
Retained Earnings			
Appropriated	3,022,685	3,022,685	3,022,685
Unappropriated	157,950,582	139,297,048	121,306,122
Total Retained Earnings	160,973,267	142,319,733	124,328,807
TOTAL EQUITY	181,018,580	165,047,207	145,457,718
TOTAL LIABILITIES AND EQUITY	1,234,200,039	1,076,438,066	964,000,690

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - PARENT ENTITY
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,		
	2018	2017	2016
INCOME AND EXPENSES FROM OPERATIONS			
Interest Income	106,336,827	98,253,779	90,015,450
Interest Expense	(31,428,467)	(27,825,233)	(26,920,380)
Interest Income - net	74,908,360	70,428,546	63,095,070
Other Operating Income			
Other fees and commissions	11,900,466	10,303,072	9,209,654
Recovery of assets written-off	6,200,141	5,044,147	4,461,473
Gain on foreign exchange - net	932,449	175,531	-
Gain on sale of securities and Government Recapitalization Bonds - net	575,500	705,361	373,720
Unrealized gain on changes in fair value of securities	1,554	3,217	-
Others	3,166,696	2,461,508	2,634,363
Total Other Operating Income	22,776,806	18,692,836	16,679,210
Provision for allowance for impairment losses on financial assets - net	(17,441,749)	(16,659,697)	(13,319,763)
Other Operating Expenses			
Salaries and employee benefits	(21,356,381)	(19,436,502)	(17,648,351)
General and administrative	(13,602,246)	(12,468,540)	(11,324,949)
Loss on foreign exchange - net	-	-	(271,661)
Others	(4,507,403)	(4,407,557)	(3,783,112)
Total Other Operating Expenses	(39,466,030)	(36,312,599)	(33,028,073)
OPERATING INCOME	40,777,387	36,149,086	33,426,444
NON OPERATING INCOME - NET	20,677	201,644	15,199
INCOME BEFORE TAX EXPENSE	40,798,064	36,350,730	33,441,643
TAX EXPENSE	(9,096,089)	(7,881,495)	(7,688,187)
INCOME FOR THE YEAR	31,701,975	28,469,235	25,753,456

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - PARENT ENTITY (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,		
	2018	2017	2016
Other comprehensive income:			
Items not to be reclassified to profit or loss			
Remeasurement of defined benefit plans	584,314	67,307	162,970
Income tax related to item not to be reclassified to profit or loss	(146,078)	(16,827)	(531,578)
Revaluation surplus arising from premises and equipments	-	-	14,315,527
Items to be reclassified to profit or loss			
Differences arising from the translation of foreign currency financial statements	(4,979)	30,709	(25,579)
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds	(4,721,004)	2,023,166	1,524,025
Income tax related to items to be reclassified to profit or loss	1,180,251	(505,792)	(381,006)
Other Comprehensive Income For the Year - After Tax	(3,107,496)	1,598,563	15,064,359
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	28,594,479	30,067,798	40,817,815
BASIC EARNINGS PER SHARE FOR THE YEAR (full Rupiah)	259,35	232,62	210,45

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss) Gain on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity - Parent Entity
								Appropriated	Unappropriated	
Balance as of December 31, 2015	6,167,291	2,773,858	49,069	(1,039,128)	532,410	(2,286,375)	-	18,115,741	88,078,932	112,391,798
Income for the year	-	-	-	-	-	-	-	-	25,753,456	25,753,456
Other comprehensive income	-	-	(25,579)	1,143,019	122,227	-	13,824,692	-	-	15,064,359
Total comprehensive income for the year	-	-	(25,579)	1,143,019	122,227	-	13,824,692	-	25,753,456	40,817,815
Distribution of income	-	-	-	-	-	-	-	-	(7,619,322)	(7,619,322)
Dividends	-	-	-	-	-	-	-	-	-	-
Reclassification of appropriated Retained earnings	-	-	-	-	-	-	-	(15,093,056)	15,093,056	-
Treasury stock	-	-	-	-	-	(132,573)	-	-	-	(132,573)
Balance as of December 31, 2016	6,167,291	2,773,858	23,490	103,891	654,637	(2,418,948)	13,824,692	3,022,685	121,306,122	145,457,718

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss) Gain on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Remeasurement Gain on Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity - Parent Entity
								Appropriated	Unappropriated	
Balance as of December 31, 2016	6,167,291	2,773,858	23,490	103,891	654,637	(2,418,948)	13,824,692	3,022,685	121,306,122	145,457,718
Income for the year	-	-	-	-	-	-	-	-	28,469,235	28,469,235
Other comprehensive income	-	-	30,709	1,517,374	50,480	-	-	-	-	1,598,563
Total comprehensive income for the year	-	-	30,709	1,517,374	50,480	-	-	-	28,469,235	30,067,798
Distribution of income Dividends	-	-	-	-	-	-	-	-	(10,478,309)	(10,478,309)
Balance as of December 31, 2017	6,167,291	2,773,858	54,199	1,621,265	705,117	(2,418,948)	13,824,692	3,022,685	139,297,048	165,047,207

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss) Gain on Available-for-Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Provision for Bonus Shares Compensation	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity - Parent Entity
									Appropriated	Unappropriated	
Balance as of December 31, 2017	6,167,291	2,773,858	54,199	1,621,265	705,117	(2,418,948)	-	13,824,692	3,022,685	139,297,048	165,047,207
Income for the year	-	-	-	-	-	-	-	-	-	31,701,975	31,701,975
Other comprehensive income	-	-	(4,979)	(3,540,753)	438,237	-	-	-	-	-	(3,107,495)
Total comprehensive income for the year	-	-	(4,979)	(3,540,753)	438,237	-	-	-	-	31,701,975	28,594,480
Distribution of income Dividend	-	-	-	-	-	-	-	-	-	(13,048,441)	(13,048,441)
Bonus Shares	-	-	-	-	-	-	425,334	-	-	-	425,334
Balance as of December 31, 2018	6,167,291	2,773,858	49,220	(1,919,488)	1,143,354	(2,418,948)	425,334	13,824,692	3,022,685	157,950,582	181,018,580

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS - PARENT ENTITY
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received	100,072,121	98,344,933	90,236,423
Interest paid	(31,074,638)	(27,509,119)	(25,499,702)
Recoveries of assets written-off	6,200,141	5,044,147	4,461,473
Other operating income	14,790,574	13,096,801	8,545,173
Other operating expenses	(39,094,811)	(31,549,214)	(33,435,736)
Non operating income - net	20,676	201,646	6,450
Payment of corporate income tax	(10,734,001)	(8,897,996)	(6,012,928)
Cash flows before changes in operating assets and liabilities	40,180,062	48,731,198	38,301,153
Changes in operating assets and liabilities:			
Decrease (increase) in operating assets:			
Placements with Bank Indonesia and other banks	641,463	(1,205,159)	100,000
Securities and Government Recapitalization Bonds at fair value through profit or loss	(1,194,222)	(116,427)	273,714
Export bills and notes receivable	(16,788,337)	925,824	(3,713,520)
Securities purchased under agreement to resell	7,099,739	(14,938,922)	(712,245)
Loans	(108,516,793)	(82,238,513)	(85,301,450)
Other assets	4,259,649	(7,850,128)	1,629,757
Increase (decrease) in operating liabilities:			
Liabilities due immediately	1,860,024	1,123,584	320,350
Deposits:			
Demand deposits	31,972,231	3,668,195	27,775,358
Saving deposits	36,149,646	45,109,908	30,042,245
Time deposits	26,584,117	30,703,009	23,253,851
Deposits from other banks and financial institutions	3,351,954	3,967,488	(8,580,300)
Securities sold under agreement to repurchase	25,242,710	4,834,286	(4,075,560)
Other liabilities	1,222,209	457,053	1,850,135
Net Cash Provided by Operating Activities	52,064,452	33,171,396	21,163,488
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from dividend	207,412	41,903	27,290
Investment in Associated Entities	(2,169,955)	(944,539)	(814,668)
Acquisition of premises and equipments	(1,475,229)	(1,460,466)	(3,339,807)
Increase in available-for-sale and held-to-maturity securities and Government Recapitalization Bonds	(19,619,963)	(25,583,756)	3,750,731
Net Cash Used in Investing Activities	(23,057,735)	(27,946,858)	(376,454)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS - PARENT ENTITY (continued)
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments of)			
fund borrowings	9,886,159	(5,390,326)	(955,882)
Repurchase of treasury stock	-	-	(132,573)
Dividends paid	(13,048,441)	(10,478,309)	(7,619,322)
Payments of subordinated loans			
and marketable securities	485,413	(21,086)	(20,997)
Proceeds from marketable			
securities issued	9,600,184	10,242,963	15,510,825
Payments of marketable securities due	(8,939,750)	(4,921,000)	(980,000)
Net Cash (Used in) Provided by			
 Financing Activities	(2,016,435)	(10,567,758)	5,802,051
INCREASE (DECREASE) IN CASH			
 AND CASH EQUIVALENTS	26,990,282	(5,343,220)	26,589,085
EFFECT OF EXCHANGE RATE CHANGES			
 ON FOREIGN CURRENCIES	(57,870)	3,195	5,012
CASH AND CASH EQUIVALENTS			
 AT THE BEGINNING OF YEAR	179,931,615	185,271,640	158,677,543
CASH AND CASH EQUIVALENTS			
 AT THE END OF YEAR	206,864,027	179,931,615	185,271,640
Cash and cash equivalents at the end of year			
consist of:			
Cash	27,170,584	24,437,571	24,865,133
Current accounts with Bank Indonesia	68,617,459	55,598,024	53,398,240
Current accounts with other banks	11,277,405	5,803,057	10,792,581
Placements with Bank Indonesia and			
other banks - maturing within			
three months or less			
since the acquisition date	82,117,904	52,179,451	77,574,246
Bank Indonesia Certificates and			
Bank Indonesia Deposit Certificates -			
maturing within three months or			
less since the acquisition date	17,680,675	41,913,512	18,641,440
Total Cash and Cash Equivalents	206,864,027	179,931,615	185,271,640

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS - PARENT ENTITY
For the Year Ended December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis for preparing separate financial statements of the parent entity

The separate financial statements of the parent entity was prepared in accordance with the Statement of Financial Accounting Standards ("SFAS") No. 4 (Revised 2013), "Separate Financial Statements".

SFAS No. 4 (Revised 2013) stipulates, in the even the entity presents separate financial statements, the report can only be presented as additional information in the consolidated financial statements. The separate financial statements are the financial statements presented by the parent entity which recorded investments in subsidiaries, associated and joint controlled entities using the acquisition cost method.

The accounting policies applied in the preparation of separate financial statements of the parent entity are the same with the accounting policies applied in the preparation of the consolidated financial statements as disclosed in Note 2 to the consolidated financial statements, except for investments in subsidiaries.

2. INVESTMENTS IN SUBSIDIARIES

Information related to subsidiaries owned by BRI is disclosed in Note 1f to the consolidated financial statements.

As of December 31, 2018, 2017 and 2016, the parent entity has investment in subsidiaries as follows:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership
PT Bank BRI Syariah Tbk	3,004,375	73.00%	2,004,375	99.99%	2,004,375	99.99
PT Bank Rakyat Indonesia Agroniga Tbk	3,467,706	87.10	2,397,751	86.82	1,524,538	87.23
BRI Remittance Co. Limited	2,289	100.00	2,289	100.00	2,289	100.00
PT Asuransi BRI life	1,626,643	91.00	1,626,643	91.00	1,626,643	91.00
PT BRI Multifinance Indonesia	760,003	99.00	660,003	99.00	660,003	99.00
PT Danareksa Sekuritas	446,888	67.00	-	-	-	-
PT BRI Ventura Investama	3,090	97.61	-	-	-	-

**Program Kemitraan dan Bina Lingkungan/
Partnership and Community Development Program
PT Bank Rakyat Indonesia (Persero) Tbk**

Laporan keuangan Tanggal 31 Desember 2018 dan
untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
*Financial statements as of December 31, 2018 and
for the year then ended with independent auditors' report*



PT. BANK RAKYAT INDONESIA (PERSERO), Tbk.

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44-46 Tremol Pos 1004 / 1000 Jakarta 10210

Telpon : 5751502, 5751504, 5751506, 5751507, 5751508, 5751510

Faksimile : 2500126, Kawat : KAMPUSBR

Website : www.bri.co.id

**SURAT PERNYATAAN DIRIKU
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk.
TANGGAL 31 DESEMBER 2018 DAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT**

**BOARD OF DIRECTORY STATEMENT
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL
STATEMENTS OF THE PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AS OF DECEMBER 31, 2018 AND
FOR THE YEAR THEN ENDED**

Nomor: B. 054-039/007/06/2008

Nomor: B. 053-039/006/06/2009

Kami yang bertanda tangan di bawah ini :

I/we, the undersigned :

Nama	Supari	Name
Jabatan	Direktur Ritel dan Menengah / Director of Retail and Intermediate	Title
	PT Bank Rakyat Indonesia (Persero) Tbk	
Alamat Kantor	Cendang BR I Lantai 19 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Office Address
Nama	Bambang Tribebrata	Name
Jabatan	Kepala Divisi Sekretariat Perusahaan / Head of Corporate Secretary Division	Title
	PT Bank Rakyat Indonesia (Persero) Tbk	
Alamat Kantor	Cendang BR II Lantai 8 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Office Address
Nama	Harli Purnomo	Name
Jabatan	Kepala Divisi Bisnis Kait dan Kemitraan / Head of Small Business and Partnership Division	Title
	PT Bank Rakyat Indonesia (Persero) Tbk	
Alamat Kantor	Cendang BR II Lantai 26 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Office Address

Mengatakan bahwa:

- Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk;
- Laporan Keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan tertata Turun Akuntabilitas Publik di Indonesia dan berdasarkan Surat Edaran Kementerian Keuangan No. SE-02/MBU/PP/2012 tanggal 23 Februari 2012 perihal Penerapan Pedoman Akuntansi Program Kemitraan dan Bina Lingkungan;
- a. Semua informasi dalam laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk telah diungkapkan secara lengkap dan benar;
- b. Laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
- Kami bertanggung jawab atas sistem pengendalian internal Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk.

Declaring that:

- We are responsible for the preparation and the presentation of the Financial Statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk;
- The Financial Statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk have been prepared and presented in accordance with Indonesian Financial Accounting Standards for Entities Without Public Accountability and based on the Circular Letter of Ministry of State Owned Enterprises No. SE-02/MBU/PP/2012 dated February 23, 2012 Concerning Guidance of Accounting Standards for Partnership and Community Development Program;
- a. All information in the financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk has been disclosed in a complete and truthful manner;
- b. The financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk do not contain any incorrect material information or facts, nor do they omit any material information or facts;
- We are responsible for the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk's internal control system.

Dengan pernyataan ini dibuat dengan sebenarnya.

This statement has been made truthfully.

Jakarta, 6 Maret 2019 / March 6, 2019



Supari
Direktur
Director



Bambang Tribebrata
Kepala Divisi/
Head of Division



Harli Purnomo
Kepala Divisi/
Head of Division

Integrity, Professional

Integrity, Customer Centric

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2018 DAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

Table of Contents

	Halaman/ Pages	
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan	1236	<i>Statement of Financial Position</i>
Laporan Aktivitas	1237	<i>Statement of Activities</i>
Laporan Arus Kas	1238	<i>Statement of Cash Flows</i>
Catatan Atas Laporan Keuangan	1239-1270	<i>Notes to the Financial Statements</i>
Lampiran 1 - Laporan penyaluran dana program bina lingkungan	1271-1272	<i>Appendix 1 - Statement of community development program funds distribution</i>
Lampiran 2 - Laporan kualitas piutang pinjaman menurut wilayah dan sektor usaha program kemitraan	1273-1292	<i>Appendix 2 - Statement of loan receivables partnership program's collectibility classified by regional and economic sector</i>

The original report included herein is in Indonesian language

Laporan Auditor Independen

Laporan No. 00452/2.1032/AU.2/10/1008-2/1/II/2019

Pengelola Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk

Kami telah mengaudit laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk (terlampir, yang terdiri atas laporan posisi keuangan pada tanggal 31 Desember 2018, serta laporan aktivitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. 00452/2.1032/AU.2/10/1008-2/1/II/2019

Management of Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk

We have audited the accompanying financial statements of Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk, which comprise the statement of financial position as of December 31, 2018, and the statements of activities and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards for Entities Without Public Accountability, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The original report included herein is in Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. 00452/2.1032/AU.2/10/1008-2/1/III/2019 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk tanggal 31 Desember 2018, serta aktivitas dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik di Indonesia.

Independent Auditors' Report (continued)

Report No. 00452/2.1032/AU.2/10/1008-2/1/III/2019 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Partnership and Community Development Program of PT Bank Rakyat Indonesia (Persero) Tbk as of December 31, 2018, and its activities and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards for Entities Without Public Accountability.

Purwantono, Sunghoro & Surja



Dani Setiadi Handaja, CPA

Registrasi Akuntan Publik No. AP.1008/Public Accountant Registration No. AP.1008

5 Maret 2019 / March 5, 2019

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2018
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION
As of December 31, 2018
(Expressed in Rupiah)**

	31 Desember/ December 31, 2018	Catatan/ Notes	31 Desember/ December 31, 2017	
ASET				ASSETS
Kas pada Bank	501.031.012.832	2b,4,19	848.287.476.264	Cash in Bank
Piutang kepada Badan Usaha Milik Negara ("BUMN") pembina lain/ lembaga penyalur (setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp34.399.323.366 dan Rp16.362.150.268 masing-masing pada tanggal 31 Desember 2018 dan 2017)	32.100.676.634	2c,2d,5,19	51.137.854.732	Receivables from other fostering State-Owned Enterprises ("SOE")/distributing partners (net of allowance for impairment losses amounting to Rp34,399,323,366 and Rp16,362,150,268 as of December 31, 2018 and 2017, respectively)
Piutang pinjaman mitra binaan (setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp39.811.872.234 dan Rp36.174.341.728 masing-masing pada tanggal 31 Desember 2018 dan 2017)	415.600.739.266	2c,2d,6	227.527.762.828	Loan receivables from foster partners (net of allowance for impairment losses amounting to Rp39,811,872,234 and Rp36,174,341,728 as of December 31, 2018 and 2017, respectively)
Pendapatan jasa administrasi pinjaman yang masih akan diterima	2.524.736.588	2j,7	1.026.296.072	Accrued loan administration services income
Piutang lain-lain	15.814.348.189	2c,8	24.974.479.409	Other receivables
Aset tetap (setelah dikurangi akumulasi penyusutan sebesar Rp71.089.105 dan Rp71.057.855 masing-masing pada tanggal 31 Desember 2018 dan 2017)	-	2e,9	31.250	Fixed assets (net of accumulated depreciation amounting to Rp71,089,105 and Rp71,057,855 as of December 31, 2018 and 2017, respectively)
JUMLAH ASET	967.071.513.509		1.152.953.900.555	TOTAL ASSETS
LIABILITAS DAN ASET NETO				LIABILITIES AND NET ASSETS
LIABILITAS				LIABILITIES
Beban yang masih harus dibayar	41.160.843.365	2f,10,19	54.054.085.143	Accrued expenses
ASET NETO				NET ASSETS
Aset neto tidak terikat	925.910.670.144	2g,11	1.098.899.815.412	Unrestricted net assets
JUMLAH LIABILITAS DAN ASET NETO	967.071.513.509		1.152.953.900.555	TOTAL LIABILITIES AND NET ASSETS

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN AKTIVITAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2018
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018
(Expressed in Rupiah)**

Tahun yang Berakhir pada Tanggal 31 Desember/
Year Ended December 31,

	2018	Catatan/ Notes	2017	
PERUBAHAN ASET NETO TIDAK TERIKAT				CHANGES IN UNRESTRICTED NET ASSETS
PENDAPATAN				REVENUE
Pendapatan bunga	11.030.925.817	2i,13,19	16.379.026.105	Interest income
Pendapatan jasa administrasi pinjaman	13.807.717.720	2j,14	7.029.970.301	Loan administration services income
Pembalikan cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain	-	2n,5	543.724.213	Reversal for impairment losses on receivables from other fostering SOE expenses
Pendapatan lain-lain	203.489.840	2l,15,19	3.457.515.961	Other income
JUMLAH PENDAPATAN	25.042.133.377		27.410.236.580	TOTAL REVENUE
BEBAN				EXPENSES
Dana pembinaan kemitraan	323.438.491	2m,16	197.510.500	Fostering partnership funds
Penyaluran dana program bina lingkungan	163.634.557.695	17	150.348.697.502	Community development program funds distribution
Beban penyusutan aset tetap	31.250	9	863.125	Fixed assets depreciation expenses
Beban cadangan kerugian penurunan nilai piutang pinjaman	3.637.530.506	2n,6d	1.576.025.351	Allowance for impairment losses of loan receivables expenses
Beban cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain	18.037.173.098	2n,5	-	Allowance for impairment losses on receivable from other fostering SOE expenses
Beban pembalikan piutang dari BUMN pembina	-	12,19	253.977.420.000	Reversal of receivables from Fostering SOE expenses
Beban atas pembalikan piutang lain-lain	12.398.547.605	18,19	-	Reversal of other receivable expenses
JUMLAH BEBAN	198.031.278.645		406.100.516.478	TOTAL EXPENSES
PENURUNAN ASET NETO TIDAK TERIKAT	(172.989.145.268)		(378.690.279.898)	DECREASE IN UNRESTRICTED NET ASSETS
ASET NETO TIDAK TERIKAT PADA AWAL TAHUN	1.098.899.815.412		1.477.590.095.310	UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR
ASET NETO TIDAK TERIKAT PADA AKHIR TAHUN	925.910.670.144		1.098.899.815.412	UNRESTRICTED NET ASSETS AT END OF YEAR

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2018
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018
(Expressed in Rupiah)**

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2018	Catatan/ Notes	2017
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Pengembalian piutang pinjaman mitra binaan	154.203.750.655	20	59.051.365.649
Pendapatan jasa administrasi pinjaman	12.143.732.370	14	6.690.750.577
Pendapatan bunga	11.030.925.817	13	16.379.026.105
Pendapatan lain-lain	-	15	3.457.515.961
Pengembalian dari BUMN pembina lain	1.000.005.000	5	3.499.995.000
Penyaluran piutang pinjaman mitra binaan	(344.151.895.500)		(209.359.335.950)
Penyaluran dana pembinaan kemitraan	(323.438.491)	16	(197.510.500)
Penyaluran dana program bina lingkungan	(180.572.883.470)	17	(117.435.482.710)
Beban lain-lain	(586.659.813)		-
Kas Neto yang Digunakan untuk Aktivitas Operasi	(347.256.463.432)		(237.913.675.868)
PENURUNAN NETO DALAM KAS DAN SETARA KAS	(347.256.463.432)		(237.913.675.868)
KAS DAN SETARA KAS PADA AWAL TAHUN	848.287.476.264		1.086.201.152.132
KAS DAN SETARA KAS AKHIR TAHUN	501.031.012.832		848.287.476.264

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM

a. Pendirian dan Informasi Umum

Program Kemitraan dan Bina Lingkungan (PKBL) PT Bank Rakyat Indonesia (Persero), Tbk (BRI), selanjutnya disebut "PKBL BRI" berdiri dan beroperasi sejak tahun 1990 dengan nama Pembinaan Pengusaha Ekonomi Lemah dan Koperasi (PPELK) sesuai dengan Keputusan Menteri Keuangan Republik Indonesia (RI) No. 1232/KMK.013/1989 tanggal 11 Nopember 1989, jo No. 306/KMK.013/1991 tanggal 20 Maret 1991, jo No. 368/KMK.013/1991 tanggal 19 April 1991 yang ditinjau kembali dengan Keputusan Menteri Keuangan Republik Indonesia No. 316/KMK.016/1994 tanggal 27 Juni 1994 tentang Pedoman Pembinaan Usaha Kecil dan Koperasi melalui pemanfaatan dana dari bagian laba Badan Usaha Milik Negara (BUMN). Kegiatan ini merupakan kebijakan Pemerintah yang dilaksanakan oleh seluruh BUMN dengan maksud agar BUMN disamping menjalankan operasional bisnisnya, juga melaksanakan tugas sosial sebagai pembina usaha kecil koperasi berupa akses permodalan dan pendampingan, sehingga pada akhirnya bisa mandiri atau akses pembebanan komersial/perbankan.

Peraturan tersebut selanjutnya diperbaharui dengan Surat Keputusan Menteri BUMN No. KEP-236/MBU/2003 tanggal 17 Juni 2003 tentang Program Kemitraan Badan Usaha Milik Negara dengan Usaha Kecil dan Program Bina Lingkungan dan Surat Edaran Menteri BUMN No. SE-433/MBU/2003 tanggal 16 September 2003 tentang Petunjuk Pelaksanaan Program Kemitraan BUMN dengan Usaha Kecil dan Program Bina Lingkungan. Peraturan ini kemudian disempurnakan melalui Peraturan Menteri Badan Usaha Milik Negara (BUMN) No. PER-05/MBU/2007 tanggal 27 April 2007, kemudian di amandemen berturut-turut oleh PER-20/MBU/2012 tanggal 27 Desember 2012 tentang perubahan atas Peraturan Menteri Negara BUMN No. PER-05/MBU/2007 yang berlaku untuk tahun buku 2013. Peraturan selanjutnya yang dikeluarkan yaitu Peraturan Menteri Negara BUMN No. PER-05/MBU/2013 tanggal 1 Mei 2013 yang mengatur penghentian pelaksanaan kegiatan BUMN peduli mulai tahun 2013.

1. GENERAL DESCRIPTION

a. Establishment and General Information

Partnership and Community Development Program (PKBL) PT Bank Rakyat Indonesia (Persero) Tbk (BRI), hereinafter referred to as "PKBL BRI" was established and started its operations in 1990 with the name Entrepreneur Small Economy and Cooperative Coaching (PPELK) according to the Decree of Minister of Finance of the Republic of Indonesia No. 1232/KMK.013/1989 dated November 11, 1989, in conjunction with No. 306/KMK.013/1991 dated March 20, 1991, in conjunction with No. 368/KMK.013/1991 dated April 19, 1991 which was revisited with the Decree of Minister of Finance of the Republic of Indonesia No. 316/KMK.016/1994 dated June 27, 1994 regarding the Fostering Guidelines for Small Businesses and Cooperatives through the utilization of funds from the profit of the State-Owned Enterprises (SOEs). This activity is a government policy that is implemented by all SOEs with the intention that in addition to conducting its business operations, SOEs, also carry out social duties as a foster for small business cooperatives in the form of access to capital and mentoring, so that they in the end can be independent or commercial loading access/banking.

The regulation was subsequently amended by Decree of Minister of State-Owned Enterprises No. KEP-236/MBU/2003 dated June 17, 2003 regarding the Partnership Program for State-Owned Enterprises with Small Business and Community Development Program and the Circular Letter of Minister of State-Owned Enterprises No. SE-433/MBU/2003 dated September 16, 2003 regarding the Implementation Guidelines of Partnership Program for SOEs with Small Business and Community Development Program. The regulation was later amended by the Minister of State-Owned Enterprises' Regulation No. PER-05/MBU/2007 dated April 27, 2007, subsequently amended successively by PER-20/MBU/2012 dated December 27, 2012 regarding amendments to the Minister of SOEs' Regulation No. PER-05/MBU/2007, which applies to the fiscal year 2013. The subsequent regulations issued is the Minister of SOEs' Regulation No. PER-05/MBU/2013 dated May 1, 2013 governing the termination of the SOEs care activities begin in 2013.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

Peraturan Kementerian diatas, terakhir kembali diubah dengan Peraturan Menteri BUMN No. PER-08/MBU/2013 tanggal 10 September 2013 antara lain, mengatur tentang sumber dana Program Kemitraan dan Bina Lingkungan yang berasal dari anggaran perusahaan yang diperhitungkan sebagai biaya, maksimal (masing-masing) 2% dari laba bersih tahun sebelumnya.

Berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-07/MBU/05/2015 tanggal 22 Mei 2015 tentang Program Kemitraan Badan Usaha Milik Negara dengan usaha kecil dan program bina lingkungan, menyatakan bahwa peraturan sebelumnya yaitu Peraturan Menteri BUMN No. PER-05/MBU/2007 tanggal 27 April 2007, No. PER-20/MBU/2012 tanggal 27 Desember 2012, No. PER-05/MBU/2013 tanggal 1 Mei 2013, No. PER-07/MBU/2013 tanggal 27 Juni 2013, No. PER-08/MBU/2013 tanggal 10 September 2013 dan Surat Deputy Bidang Restrukturisasi dan Perencanaan Strategis BUMN No. S-92/DS.MBU/2013 tanggal 3 April 2013 dicabut dan dinyatakan tidak berlaku.

Pada tanggal 3 Juli 2015 Kementerian BUMN mengeluarkan Peraturan Menteri No. PER-09/MBU/07/2015 yang menggantikan PER-07/MBU/05/2015.

Pada tanggal 19 Desember 2016 Kementerian BUMN mengeluarkan peraturan Menteri No. PER-03/MBU/12/2016 yang merupakan perubahan atas peraturan No. PER-09/MBU/07/2015.

Terakhir, pada tanggal 5 Juli 2017 Kementerian BUMN mengeluarkan peraturan Menteri No. PER-02/MBU/7/2017 yang merupakan perubahan kedua atas peraturan No. PER-09/MBU/07/2015.

Program Kemitraan BUMN dengan Usaha Kecil, yang selanjutnya disebut Program Kemitraan (PK) adalah program untuk meningkatkan kemampuan Usaha Kecil agar menjadi tangguh dan mandiri melalui pemanfaatan dana dari bagian laba BUMN Pembina.

1. GENERAL DESCRIPTION (continued)

a. Establishment and General Information (continued)

The Ministry Regulation above, last amended by the Minister of SOEs' Regulation No. PER-08/MBU/2013 dated September 10, 2013 among others, regulates the funding sources of the Partnership and Community Development Program derived from the company's budget that is calculated as expense, maximum (each) of 2% from the previous year's net income.

Based on Minister of State-Owned Enterprises' Regulation No. PER-07/MBU/05/2015 dated May 22, 2015 regarding the Partnership Program for State-Owned Enterprises with small business and community development program, it is stated that the previous regulation, which is the Minister of State-Owned Enterprises' Regulation No. PER-05/MBU/2007 dated April 27, 2007, No. PER-20/MBU/2012 dated December 27, 2012, No. PER-05/MBU/2013 dated May 1, 2013, No. PER-07/MBU/2013 dated June 27, 2013, No. PER-08/MBU/2013 dated September 10, 2013 and the Letter of Deputy for Restructuring and SOEs Strategic Planning No. S-92/DS.MBU/2013 dated April 3, 2013 are revoked and declared invalid.

On July 3, 2015 the Ministry of State-Owned Enterprises issued the Ministerial Regulation No. PER-09/MBU/07/2015 which replaced PER-07/MBU/05/2015.

On December 19, 2016 the Ministry of State-Owned Enterprises issued another Ministerial Regulation No. PER-03/MBU/12/2016 which is an amendment of No. PER-09/MBU/07/2015.

Latest, on July 5, 2017 the Ministry of State-Owned Enterprises issued another Ministerial Regulation No. PER-02/MBU/7/2017 which is a second amendment of No. PER-09/MBU/07/2015.

Partnership Program for SOEs' and with small business, hereinafter called Partnership Program (PK) is a program to improve the ability of Small Business to be resilient and independent through the utilization of funds that are part of the profits of Fostering SOEs.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

Program Bina Lingkungan (BL) adalah program pemberdayaan kondisi sosial masyarakat oleh BUMN.

b. Kegiatan Utama

Kegiatan utama yang dilakukan PKBL BRI meliputi kegiatan sebagai berikut:

1. Program Kemitraan (PK) meliputi kegiatan penyaluran dana berupa:
 - a) Pinjaman untuk membiayai modal kerja dan/atau pembelian aset tetap dalam rangka meningkatkan produksi dan penjualan;
 - b) Pinjaman tambahan untuk membiayai kebutuhan yang bersifat jangka pendek dalam rangka memenuhi pesanan dari rekanan usaha Mitra Binaan.
2. Program Bina Lingkungan (BL) meliputi kegiatan penyaluran dana berupa:
 - a) Bantuan korban bencana alam;
 - b) Bantuan pendidikan dan/atau pelatihan;
 - c) Bantuan peningkatan kesehatan;
 - d) Bantuan pengembangan sarana dan prasarana umum;
 - e) Bantuan sarana ibadah;
 - f) Pelestarian alam;
 - g) Bantuan sosial kemasyarakatan dalam rangka pengentasan kemiskinan, termasuk untuk:
 - 1) Elektrifikasi di daerah yang belum teraliri listrik;
 - 2) Penyediaan sarana air bersih;
 - 3) Penyediaan sarana Mandi Cuci Kakus;
 - 4) Bantuan pendidikan, pelatihan, pemagangan, promosi dan bentuk bantuan lain yang terkait dengan upaya peningkatan kemandirian ekonomi usaha kecil selain Mitra Binaan Program Kemitraan;
 - 5) Perbaikan rumah untuk masyarakat tidak mampu;
 - 6) Bantuan pembibitan untuk pertanian, peternakan dan perikanan; atau
 - 7) Bantuan peralatan usaha

1. GENERAL DESCRIPTION (continued)

a. Establishment and General Information (continued)

Community Development Program (BL) is SOE's community program whose objective is to empower the social condition of the community's business.

b. Primary Activities

The primary activities of PKBL BRI include the following:

1. Partnership Program (PK) includes the distribution of funds in the form of:
 - a) Loans to finance working capital and/or purchasing of fixed asset in order to increase production and sales;
 - b) Additional loan distribution to finance the short-term funding, to fulfill orders from business partner of the Foster Partners.
2. Community Development Program (BL) includes the distribution of funds in the form of:
 - a) Aid for victims of natural disaster;
 - b) Aid for education and/or training;
 - c) Aid for health improvement;
 - d) Development of public facilities and infrastructure;
 - e) Improvement of worship facilities;
 - f) Nature preservation;
 - g) Social assistance in order to alleviate poverty, including:
 - 1) Electrification in areas that have not been electrified;
 - 2) Providing facilities for clean water;
 - 3) Providing facilities for toilet washing;
 - 4) Educational assistance, training, internship, promotion and other assistance related to improving the economic independence of small businesses other than Partnership Program Foster Partners;
 - 5) Housing reparation for people living in poverty;
 - 6) Assistance for agriculture, animal husbandry and fisheries; or
 - 7) Assistance in the form of business equipments

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

b. Kegiatan Utama (lanjutan)

3. Melakukan pengawasan atas kegiatan penyaluran dana PKBL di unit kerja BRI dan pengawasan kegiatan usaha Mitra Binaan;
4. Melakukan pelaporan kegiatan PKBL.

c. Sumber Dana

Sumber dana PKBL BRI berasal dari:

1. Penyisihan sebagian laba bersih PT Bank Rakyat Indonesia (Persero) Tbk dan/atau anggaran yang diperhitungkan sebagai biaya pada PT Bank Rakyat Indonesia (Persero) Tbk;
2. Saldo dana PKBL BRI yang berasal dari penyisihan sebagian laba PT Bank Rakyat Indonesia (Persero) Tbk yang teralokasi sampai dengan akhir tahun 2012;
3. Jasa administrasi pinjaman/margin/bagi hasil Program Kemitraan, bunga deposito dan/atau jasa giro dari dana PKBL;
4. Pelimpahan dana Program Kemitraan dari BUMN lain, jika ada.

d. Susunan Pengelola

Sebelum tanggal 27 April 2011, PKBL BRI adalah unit kerja bernama Bagian PKBL dan Pengawasan Lembaga Keuangan Mikro (LKM) yang secara struktural berada dibawah Divisi Bisnis Program dan Kemitraan, Direktorat Bisnis UMKM BRI yang bertugas mengelola dana PKBL BRI.

Berdasarkan Surat Keputusan Direksi PT Bank Rakyat Indonesia (Persero) Tbk NOKEP. S.16-DIR/REN/04/2011 tanggal 27 April 2011 tentang Organisasi Divisi Sekretariat Perusahaan PT Bank Rakyat Indonesia (Persero) Tbk, menyatakan tentang penambahan fungsi Bagian *Corporate Social Responsibility* (CSR) di bawah Divisi Sekretariat Perusahaan yang bertugas untuk mengelola dana Bina Lingkungan.

1. GENERAL DESCRIPTION (continued)

b. Primary Activities (continued)

3. Monitoring of PKBL funds distribution in BRI working unit activities and the monitoring of Foster Partners' business activities;
4. Reporting PKBL activities.

c. Funding Resources

Source of PKBL BRI's funding is derived from:

1. Provision of net income of PT Bank Rakyat Indonesia (Persero) Tbk and/or budget which was calculated as expense in PT Bank Rakyat Indonesia (Persero) Tbk;
2. The PKBL funds balance that is derived from provision of the profits of PT Bank Rakyat Indonesia (Persero) Tbk allocated until the end of 2012;
3. Administrative services from Partnership Program loan/margin/profit-sharing, time deposits interest and/or current account services from PKBL funds;
4. Partnership Program funds handed over from other SOEs, if any.

d. Management Structure

Before April 27, 2011, PKBL BRI was a working unit called PKBL and Supervision of Microfinance Institution (MFI) Department that was structurally under the Partnership and Business Program Division, Directorate of MSME Business in charge of managing the PKBL BRI funds.

Based on PT Bank Rakyat Indonesia (Persero) Tbk Board of Directors' Decree NOKEP. S.16-DIR/REN/04/2011 dated April 27, 2011 regarding the Organization of Corporate Secretary Division of PT Bank Rakyat Indonesia (Persero) Tbk, it was stated that functionality of Corporate Social Responsibility (CSR) was added under the Corporate Secretary Division that is in charge of managing the Community Development funds.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

d. Susunan Pengelola (lanjutan)

Pembentukan Bagian CSR Divisi Sekretariat Perusahaan telah ada sejak tanggal 27 April 2011, akan tetapi Pengelolaan Dana Program Bina Lingkungan yang dulunya dikelola oleh Bagian PKBL dan Pengawasan LKM Divisi Bisnis Program dan Kemitraan dilimpahkan kepada Bagian *Corporate Social Responsibility* (CSR) Divisi Sekretariat Perusahaan efektif pada tanggal 30 Maret 2012 sesuai dengan Nota Dinas No. B.64.SKP/CSR/03/2012 dan No. B.148.PRG/KBL/03/2012 tanggal 30 Maret 2012.

Sejak bulan Agustus 2018 telah terbentuk *Desk Corporate Social Responsibility* & Bina Lingkungan yang terdiri atas Bagian Perencanaan CSR & Bina Lingkungan dan bagian Operasional CSR & Bina Lingkungan melalui NOKEP: 603-DIR/CDS/08/2018 tanggal 3 Agustus 2018. Namun, pemenuhan formasi Kepala Desk dan Kepala Bagian Operasional CSR & Bina Lingkungan baru dipenuhi pada 1 Februari 2019.

Susunan Pengelola PKBL BRI untuk tahun berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/December 31,	
	2018	2017
Direktur Mikro dan Kecil	Priyastomo	Priyastomo
Kepala Divisi Bisnis Kecil dan Kemitraan	Sony Harsono	Supardi Santoso
Wakil Kepala Divisi Bisnis Kecil dan Kemitraan	Agus Sunaryo	Agus Sunaryo
Kepala Bagian PK dan Pengawasan LKM	M. Abdi Rahman	Gafyunedi
- Staf	Fitri Septianingsih	Renatasia Sari
- Staf	Juni Agung Sukoco	Fitri Septianingsih
- Supervisor PK dan Pengawasan LKM	Mulyatno	Mulyatno
Kepala Divisi Sekretariat Perusahaan	Bambang Tribaroto	Hari Siaga Amijarso
Kepala Bagian <i>Corporate Social Responsibility</i>	Zainuddin Thalib Burutu	Zainuddin Thalib Burutu
Wakil Kepala Bagian <i>Corporate Social Responsibility</i>	Endra Tri Subehi	Endra Tri Subehi
- Staf	Adi Rifqi Husada	Abas Wahyudi
	Agusman Muhammad	Agusman Muhammad
- Staf	Latif	Latif
- Staf	Adnan Dianda Prima	Adnan Dianda Prima
- Staf	Nugroho Pamungkas	Salvandi Qito Pratama
- Staf	Dito Adi Pratama	-
- Supervisor Operasional CSR	Nurhidayati	Nurhidayati

1. GENERAL DESCRIPTION (continued)

d. Management Structure (continued)

CSR Department has been established as a part of Corporate Secretary Division since April 27, 2011, but the Community Development Programs Funds Management that was once managed by PKBL and Supervision of MFI Department of Partnership and Business Program Division was effectively transferred to the Corporate Social Responsibility (CSR) Department of Corporate Secretary Division effective on March 30, 2012 in accordance with the Official Memo No. B.64.SKP/CSR/03/2012 and No. B.148.PRG/KBL/03/2012 dated March 30, 2012.

Desk Corporate Social Responsibility & Community Development was founded which consists of CSR & Community Development Planning department and CSR & Community Development Operational department through NOKEP: 603-DIR/CDS/08/2018, dated August 3, 2018. Nevertheless, the occupancy of Desk Head and CSR & Community Development Operational Department Head positions can only be fulfilled on February 1, 2019.

Management structure of PKBL BRI for the years ended December 31, 2018 and 2017 is as follows:

Director of Micro and Small Division Head of Small Business and Partnership
Vice Division Head of Small Business and Partnership
Department Head of PK and MFI Supervision
Staff -
Staff -
PK and MFI -
Supervision Supervisor
Division Head of Corporate Secretary
Department Head of Corporate Social Responsibility
Deputy Department Head of Corporate Social Responsibility
Staff -
Staff -
Staff -
Staff -
Staff -
Operational Supervisor CSR -

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

d. Susunan Pengelola (lanjutan)

Seluruh pegawai adalah pegawai yang memperoleh gaji dan manfaat lainnya dari BRI sehingga masalah penetapan Imbalan Kerja (PSAK No. 24) dilaksanakan oleh dan menjadi beban BRI.

Pemotongan dan penyetoran atas PPh Pasal 21 atas pegawai BRI yang ditempatkan di PKBL BRI dilakukan oleh BRI.

e. Unit Kerja Penyalur PKBL BRI

Unit PKBL BRI terdiri atas 2 (dua) bagian yaitu:

1. Bagian PK dan Pengawasan LKM, Divisi Bisnis Kecil dan Kemitraan berlokasi di Gedung BRI II Lantai 28 Jalan Jenderal Sudirman Kav. 44-46, Jakarta Pusat sebagai penyalur dana pinjaman kemitraan.
2. Bagian Corporate Social Responsibility (CSR), Divisi Sekretariat Perusahaan berlokasi di Gedung BRI II Lantai 8 Jalan Jenderal Sudirman Kav. 44-46, Jakarta Pusat sebagai penyalur dana Bina Lingkungan.

Pada tanggal 31 Desember 2018 dan 2017 penyaluran dana PKBL BRI dilakukan di unit kerja BRI dengan rincian sebagai berikut (tidak diaudit):

No.	Unit Kerja	Jumlah Kantor Cabang/ Total Branches	Jumlah Kantor Cabang Pembantu/ Total Sub Branches
1.	Kantor Wilayah Aceh	11	15
2.	Kantor Wilayah Medan	24	34
3.	Kantor Wilayah Padang	14	8
4.	Kantor Wilayah Pekanbaru	22	20
5.	Kantor Wilayah Palembang	21	29
6.	Kantor Wilayah DKI Jakarta 1	26	54
7.	Kantor Wilayah DKI Jakarta 2	32	69
8.	Kantor Wilayah DKI Jakarta 3	36	55
9.	Kantor Wilayah Bandung	30	45
10.	Kantor Wilayah Semarang	22	38
11.	Kantor Wilayah Yogyakarta	33	34
12.	Kantor Wilayah Surabaya	25	39
13.	Kantor Wilayah Malang	24	36
14.	Kantor Wilayah Denpasar	31	27
15.	Kantor Wilayah Banjarmasin	31	31
16.	Kantor Wilayah Makassar	36	28
17.	Kantor Wilayah Manado	17	18
18.	Kantor Wilayah Jayapura	13	13
19.	Kantor Wilayah Bandar Lampung	14	16
Jumlah		462	609

1. GENERAL DESCRIPTION (continued)

d. Management Structure (continued)

All employees are employees who earn salaries and other benefits from BRI so that the application of Employee Benefits (SFAS No. 24) is implemented by and charged to BRI.

Withholding and deposit of Income Tax Article 21 of BRI employees placed in PKBL BRI is conducted by BRI.

e. Distributor Working Units PKBL BRI

PKBL BRI units consists of 2 (two) departments:

1. The PK and Supervision of MFI Department, Small Business and Partnership Division located in BRI II Building 28th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as the distributor of partnerships receivables funds.
2. Corporate Social Responsibility (CSR) Department, Corporate Secretariat Division located at BRI II Building 8th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as the distributor of Community Development funds.

As of December 31, 2018 and 2017 the distribution of funds of PKBL BRI conducted by BRI working unit are detailed as follows (unaudited):

No.	Working Units	No.
1.	Aceh Regional Office	1.
2.	Medan Regional Office	2.
3.	Padang Regional Office	3.
4.	Pekanbaru Regional Office	4.
5.	Palembang Regional Office	5.
6.	DKI Jakarta 1 Regional Office	6.
7.	DKI Jakarta 2 Regional Office	7.
8.	DKI Jakarta 3 Regional Office	8.
9.	Bandung Regional Office	9.
10.	Semarang Regional Office	10.
11.	Yogyakarta Regional Office	11.
12.	Surabaya Regional Office	12.
13.	Malang Regional Office	13.
14.	Denpasar Regional Office	14.
15.	Banjarmasin Regional Office	15.
16.	Makassar Regional Office	16.
17.	Manado Regional Office	17.
18.	Jayapura Regional Office	18.
19.	Bandar Lampung Regional Office	19.
Total		

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

e. Unit Kerja Penyalur PKBL BRI (lanjutan)

Unit Kerja penyalur meliputi Kantor Cabang dan Kantor Cabang Pembantu di bawah kelolaan masing-masing Kantor Wilayah BRI.

f. Otorisasi Penerbitan Laporan Keuangan

Laporan keuangan telah diselesaikan dan disahkan untuk diterbitkan oleh Pengelola PKBL BRI pada tanggal 6 Maret 2019.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

Kebijakan akuntansi signifikan dan diterapkan dalam menyusun laporan keuangan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

a. Dasar Penyusunan Laporan Keuangan

Laporan keuangan disusun berdasarkan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik (SAK ETAP) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan - Ikatan Akuntan Indonesia, dan mempertimbangkan Surat Edaran Kementerian BUMN No. SE-02/MBU/Wk/2012 yang dikeluarkan tanggal 23 Februari 2012 perihal Penetapan Pedoman Akuntansi Program Kemitraan dan Bina Lingkungan.

Laporan keuangan disusun dengan dasar akrual, kecuali untuk beberapa akun tertentu yang disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi terkait.

Laporan arus kas menyajikan informasi mengenai penerimaan dan pengeluaran kas dan setara kas dalam satu periode yang diklasifikasikan dalam aktivitas operasi, investasi, dan pendanaan, yang disusun dengan metode langsung.

Mata uang penyajian yang digunakan pada laporan keuangan adalah Rupiah.

1. GENERAL DESCRIPTION (continued)

e. Distributor Working Units PKBL BRI (continued)

Distributor Working Units includes Branches and Sub-Branches each managed by BRI Regional Office.

f. Authorization of the Issuance of Financial Statements

The financial statements were completed and authorized for issuance by PKBL BRI management on March 6, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial statements for the years ended December 31, 2018 and 2017 are as follows:

a. Basis of Preparation of Financial Statements

The financial statements were prepared in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) as issued by The Financial Accounting Standards Board - Indonesian Institute of Accountants, and considered Ministry of State-Owned Enterprises ("SOE") Circular No. SE-02/MBU/Wk/2012 dated February 23, 2012 Concerning Guidance of Accounting Standards for Partnership Program and Community Development.

The financial statements have been prepared on the accrual basis, except for certain accounts prepared based on other measurement as explained in related accounting policy.

The statement of cash flows presents information on receipts and payments of cash and cash equivalents during the year classified by operating, investing and financing activities, which is prepared using the direct method.

The currency used in the presentation of the financial statements is the Indonesian rupiah.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Kas dan Setara Kas

Kas dan setara kas terdiri atas kas, bank dan semua investasi jangka pendek yang jatuh tempo dalam kurun waktu 3 (tiga) bulan atau kurang dari tanggal perolehannya, setelah dikurangi cerukan, dan tidak dijaminan serta tidak dibatasi penggunaannya.

c. Piutang

Piutang pinjaman Mitra Binaan merupakan pinjaman yang disalurkan oleh PKBL lewat unit kerja penyalur PKBL kepada Mitra Binaan sesuai ketentuan yang berlaku. Piutang pinjaman mitra binaan diakui pada saat pinjaman tersebut disalurkan kepada mitra binaan dan diukur serta dicatat sebesar jumlah neto setelah dikurangi dengan cadangan kerugian penurunan nilai.

Piutang kepada Badan Usaha Milik Negara (BUMN) Pembina Lain/Lembaga Penyalur Lain merupakan pinjaman yang diberikan kepada unit Program Kemitraan dan Bina Lingkungan (PKBL)/Lembaga Penyalur lain sebagai bentuk sinergi antar unit Program Kemitraan dan Bina Lingkungan.

Piutang kepada BUMN Pembina merupakan alokasi dana dari BUMN Pembina untuk Program Bina Lingkungan yang telah ditetapkan dalam Rapat Umum Pemegang Saham ("RUPS").

Piutang selain dijelaskan di atas disajikan dalam Laporan Posisi Keuangan pada akun Piutang Lain-lain.

Penggolongan kualitas piutang kemitraan ditetapkan sebagai berikut:

1. Lancar, apabila pembayaran angsuran pokok dan jasa administrasi pinjaman tepat waktu atau terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman selambat-lambatnya 30 (tiga puluh) hari dari tanggal jatuh tempo pembayaran angsuran;
2. Kurang lancar, apabila terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman yang telah melampaui 30 (tiga puluh) hari dan belum melampaui 180 (seratus delapan puluh) hari dari tanggal jatuh tempo pembayaran angsuran;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, bank and all short-term investment with maturities in 3 (three) months or less from the acquisition date, after netted for overdraft, not pledged as collateral, and also not restricted in use.

c. Receivables

Foster Partners loan receivables are loans distributed by PKBL through PKBL working units to Foster Partners according to applicable regulations. Foster partners loan receivables are recognized when the loans are disbursed to foster partners, and are measured and recorded at the net amount after deducting allowance for impairment losses.

Receivables from other Fostering SOEs Distribution Partners represent loans given to Partnership and Community Development Program (PKBL) units/other distributing Partners as a form of synergy among Partnership and Community Development Program units.

Receivables from Fostering SOE are funds allocation for Community Development Program which are decided in the General Meeting of Shareholders ("GMS").

Loans other than those described above are presented in the Other Receivables account in the Statement of Financial Position.

The classifications of partnership receivables based on collectibility are as follows:

1. Current, if the principal installment and administration service income payment are paid on time or those whose late payments of principal and/or administration service are paid at the latest 30 (thirty) days from the agreed payment date.
2. Substandard, if the late payment of principal and/or administration service income payment are between 30 (thirty) days and 180 (one hundred eighty) days from the agreed payment date.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

c. Piutang (lanjutan)

Penggolongan kualitas piutang kemitraan ditetapkan sebagai berikut: (lanjutan)

3. Diragukan, apabila terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman yang telah melampaui 180 (seratus delapan puluh) hari dan belum melampaui 270 (dua ratus tujuh puluh) hari dari tanggal jatuh tempo pembayaran angsuran;
4. Macet, apabila terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman yang telah melampaui 270 (dua ratus tujuh puluh) hari dari tanggal jatuh tempo pembayaran angsuran.

d. Cadangan Kerugian Penurunan Nilai Piutang

Cadangan kerugian penurunan nilai piutang adalah cadangan atas estimasi kerugian terhadap piutang yang mungkin tidak tertagih di masa yang akan datang.

Cadangan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung secara kolektif berdasarkan prosentase tertentu tingkat ketertagihan (*collection*) data historis yang ada (minimal 2 tahun) sedangkan cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain dihitung secara individual.

e. Aset Tetap

Aset tetap adalah aset berwujud yang diperoleh dalam bentuk siap pakai atau dibangun terlebih dahulu dan digunakan dalam operasi PKBL BRI serta mempunyai masa manfaat lebih dari satu tahun.

Aset tetap diakui berdasarkan harga perolehan dikurangi akumulasi penyusutan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Receivables (continued)

The classifications of partnership receivables based on collectibility are as follows: (continued)

3. *Doubtful, if the late payment of principal and/or administration service income payment are between 180 (one hundred and eighty) days and 270 (two hundred and seventy) days from the agreed payment date.*
4. *Loss, if the late payment of principal and/or administration service income payment are over 270 (two hundred and seventy) days from the agreed payment date.*

d. Allowance for Impairment Losses on Receivables

Allowance for impairment losses on receivables is the provision for estimated losses that may become uncollectible receivables in the future.

Allowance for impairment losses on loan receivables from foster partners is calculated collectively based on specific percentage of available historical collectibility rate (minimum 2 years of historical data) while allowance for impairment losses on receivables to other Fostering SOEs Distribution Partners is calculated individually.

e. Fixed Assets

Fixed assets are tangible assets acquired off-the-shelf or are built for use in PKBL operations and have a useful life of more than one year.

Fixed assets are recognized at their historical costs less accumulated depreciation.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

e. Aset Tetap (lanjutan)

Aset tetap kecuali tanah, disusutkan berdasarkan taksiran masa manfaat ekonomis aset tetap dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat sebagai berikut:

Jenis Aset Tetap	Tarif Penyusutan/tahun/ Depreciation Rate/year
Inventaris dan Peralatan	25%

Beban pemeliharaan dan perbaikan dibebankan pada saat terjadinya pemugaran dan penambahan dalam jumlah signifikan, dikapitalisasi ke akun aset tetap yang bersangkutan. Jika aset tetap dihentikan pengakuannya, PKBL BRI harus menentukan keuntungan atau kerugian yang timbul dari penghentian pengakuan aset tetap dengan menghitung perbedaan, antara hasil penjualan neto (jika ada) dan jumlah tercatatnya.

f. Beban yang Masih Harus Dibayar

Beban yang masih harus dibayar adalah biaya-biaya yang masih harus dibayar PKBL BRI karena telah diterimanya jasa atau prestasi selama tahun berjalan tetapi belum dibayar sampai dengan akhir periode akuntansi karena pembayarannya akan jatuh tempo pada tahun berikutnya.

g. Aset Neto

Aset neto adalah aset dikurangi dengan liabilitas. Aset neto diklasifikasikan menjadi Aset Neto Terikat (ANT) dan Aset Neto Tidak Terikat (ANTT).

ANT adalah sumber daya yang penggunaannya dibatasi untuk tujuan tertentu atau tidak dapat digunakan untuk kegiatan operasi normal. ANT diklasifikasikan menjadi Aset Neto Terikat Temporer (ANTT) dan Aset Neto Terikat Permanen (ANPT).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Fixed Assets (continued)

Fixed assets except for land are depreciated using straight-line method based on the estimated useful life as follows:

Masa Manfaat/ Useful Life	Fixed Asset Type
4	Premises and Equipment

Repairs and maintenance expense are charged as incurred while, significant amount of renewal and addition is capitalized to relevant fixed assets account. If the fixed asset is derecognized, PKBL BRI should determine the gain or loss arising from the derecognition of fixed assets by calculating the difference between the net sale proceeds (if any) and the carrying amount.

f. Accrued Expenses

Accrued expenses are expenses that have to be paid by PKBL BRI as service that have been received in the current period have not been paid for at the end of current accounting period because payment will due in the next year.

g. Net Assets

Net assets are assets less liabilities. Net assets are classified as Restricted Net Assets (ANT) and Unrestricted Net Assets (ANTT).

ANT are resources which are restricted for a specific purpose or cannot be used for normal operating activities. ANT is classified into Temporary-Restricted Net Assets (ANTT) and Permanent-Restricted Net Assets (ANPT).

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

g. Aset Neto (lanjutan)

Termasuk dalam pembatasan temporer adalah penyisihan dana BUMN Peduli yaitu dana program bina lingkungan yang disisihkan PKBL BRI untuk program Bina Lingkungan BUMN Peduli yang berasal dari saldo awal kas dana program bina lingkungan, pengembalian dana bina lingkungan yang gagal terealisasi dan alokasi laba BRI untuk program bina lingkungan.

ANTT adalah sumber daya yang penggunaannya tidak dibatasi untuk tujuan tertentu.

h. Aset Neto Terikat Temporer (ANTT) - Berakhir Pemenuhan Program

ANTT - berakhir pemenuhan program adalah dana aset neto terikat - alokasi BUMN peduli yang menurut ketentuan telah digunakan dalam rangka pelaksanaan program bina lingkungan BUMN Peduli (telah dipenuhi pembatasan programnya). Akun ini merupakan kontra akun ANTT - terbebaskan.

i. Pendapatan Bunga

Pendapatan bunga adalah pendapatan yang diperoleh dari hasil penempatan dana program kemitraan pada rekening giro bank. Pendapatan bunga disajikan setelah dikurangi pajak yang bersifat final dan biaya administrasi rekening.

j. Pendapatan Jasa Administrasi Pinjaman

Pendapatan jasa administrasi pinjaman adalah pendapatan jasa yang dipungut atas pinjaman dana program kemitraan yang disalurkan kepada Mitra Binaan. Pendapatan Jasa Administrasi Pinjaman diukur dan dicatat berdasarkan nilai yang telah jatuh tempo sesuai dengan kontrak. Pendapatan jasa administrasi pinjaman diakui secara akrual hanya pada piutang dengan status lancar dan kurang lancar.

k. Pendapatan dari BUMN Pembina

Pendapatan dari BUMN pembina adalah pendapatan yang berasal dari alokasi dana yang ditetapkan oleh RUPS untuk dana PKBL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Net Assets (continued)

Temporary restriction consists of provision for SOEs Care fund which is community development fund that is set aside by PKBL BRI for Community Development program of SOEs Care that is derived from the beginning balance of the cash funds of Community Development program, the refund from community development which fails to realize and allocation of BRI profit for community development program.

ANTT are resources whose usage are unrestricted for a specific purpose.

h. Temporary Restricted Net Assets - Ending Realization Program

ANTT - ending realization program is restricted net assets fund - allocation of SOE Care according to the provisions which have been used in the implementation of community development program of SOEs Care (program restrictions have been met). This account is the contra of ANTT account - released.

i. Interest Income

Interest income is the income generated from fund placement partnership program on current account. Interest income presented after being deducted with final tax and administrative cost.

j. Loan Administration Services Income

Loan administration services income is service income from partnership program funds which is distributed to Foster Partner. Loan administration services income is measured and recognized based on the values that have matured according to the contract. Loan administration services income is only recognised using accrual basis for loan with current and substandard collectibility.

k. Revenue from Fostering SOE

Revenue from fostering SOE is an income from allocation of fund which is set by GMS for PKBL funds.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

k. Pendapatan dari BUMN Pembina (lanjutan)

Alokasi dana dari BUMN pembina diakui pada saat ditetapkan oleh RUPS dan diukur serta dicatat sebesar jumlah dana yang dialokasikan untuk PKBL sesuai dengan keputusan RUPS.

l. Pendapatan Lain-lain

Pendapatan lain-lain adalah pendapatan yang tidak dapat digolongkan menurut klasifikasi dari pendapatan di atas. Pendapatan ini diakui menggunakan basis akrual.

m. Dana pembinaan kemitraan (Hibah)

Dana pembinaan kemitraan (Hibah) adalah penyaluran dana PKBL BRI sebagai salah satu bentuk pelaksanaan Program Kemitraan, yang disalurkan melalui beberapa program yang disusun untuk membantu Mitra Binaan dalam rangka mengembangkan usahanya dengan besaran maksimal 20% dari dana Program Kemitraan tahun berjalan dan hanya diberikan kepada Mitra Binaan. Beban diakui pada saat dana disalurkan.

n. Cadangan Kerugian Penurunan Nilai Piutang Pinjaman

Beban cadangan kerugian penurunan nilai piutang pinjaman adalah beban yang timbul akibat pembentukan cadangan kerugian penurunan nilai atas piutang pinjaman yang mungkin tidak tertagih.

3. PENGGUNAAN PERTIMBANGAN, ESTIMASI DAN ASUMSI

a. Pertimbangan

Dalam proses penerapan kebijakan akuntansi PKBL BRI, Pengelola telah membuat pertimbangan-pertimbangan berikut ini yang telah terpisah dari estimasi dan asumsi, yang memiliki pengaruh paling signifikan terhadap jumlah yang tercatat dalam laporan keuangan:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Revenue from Fostering SOE (continued)

Allocation of fund from fostering SOEs is recognized when decided by GMS and it was measured and recorded at the amount of funds allocated in accordance with the GMS's decision.

l. Other Income

Other income is an income that cannot be classified according to the classification of income stated above. The income is recognized on an accrual basis.

m. Fostering Partnership Funds (Grant)

Fostering partnership funds (Grant) is a form through which Partnership Program is implemented. The grant, which is PKBL distribution fund is distributed through several programs designed to help the Foster Partner to expand its business with the maximum amount of 20% of current year partnership program funds and is only given to Foster Partners. The expenses are recognized when the funds are distributed.

n. Allowance for Impairment Losses on Loan Receivables

Allowance for impairment losses on loan receivables expenses is an expense that arises from the allowance for impairment losses on loan receivables which may become uncollectible.

3. ACCOUNTING JUDGMENTS, ESTIMATION AND ASSUMPTION

a. Judgment

In the implementation process of PKBL BRI's accounting policies, Management has prepared these judgments, apart from estimation and assumption, which have significant impact to the amounts recognized in the financial statements:

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI
DAN ASUMSI (lanjutan)**

a. Pertimbangan (lanjutan)

Implementasi PER-09/MBU/07/2015

Sehubungan dengan penerapan PER-09/MBU/07/2015 yang telah diungkapkan dalam Catatan 1a, disyaratkan bahwa beban operasional Program Kemitraan dan Program Bina Lingkungan menjadi beban PT Bank Rakyat Indonesia (Persero) Tbk selaku BUMN Pembina.

Dengan demikian, beban tersebut tidak dicatat oleh PKBL BRI dalam Laporan Aktivitas.

Sesuai dengan RUPS Luar Biasa yang dilakukan pada tanggal 14 Desember 2015, yang telah diungkapkan dalam Catatan 12, dinyatakan bahwa PER-09/MBU/07/2015 diberlakukan pada tahun 2016.

**Cadangan kerugian penurunan nilai
piutang pinjaman**

Apabila terdapat bukti objektif bahwa rugi penurunan nilai telah terjadi atas piutang pinjaman mitra binaan, PKBL BRI mengestimasi cadangan untuk kerugian penurunan nilai atas piutang yang secara khusus diidentifikasi sebagai piutang yang kemungkinan tidak dapat ditagih. Tingkat cadangan ditelaah oleh Pengelola dengan dasar faktor-faktor yang mempengaruhi tingkat tertagihnya piutang tersebut.

Apabila terdapat bukti objektif bahwa rugi penurunan nilai telah terjadi atas piutang kepada BUMN Pembina lain, tingkat cadangan ditelaah oleh Pengelola dengan dasar peristiwa yang merugikan telah terjadi setelah pengakuan awal dan berdampak pada arus kas masa datang yang dapat diestimasi secara handal.

PKBL BRI menggunakan pertimbangan berdasarkan fakta dan situasi yang tersedia, termasuk tetapi tidak terbatas pada, jangka waktu hubungan PKBL BRI dengan Mitra Binaan dan status kredit berdasarkan kualitas pinjaman kemitraan.

**3. ACCOUNTING JUDGMENTS, ESTIMATION AND
ASSUMPTION (continued)**

a. Judgment (continued)

The implementation of PER-09/MBU/07/2015

In relation to the implementation of PER-09/MBU/07/2015 as disclosed in Note 1a, required that the operational expenses of Partnership and Community Development Program to be recognized by PT Bank Rakyat Indonesia (Persero) Tbk as Fostering SOE.

Therefore, such expense was not recorded by PKBL BRI in the Statement of Activities.

In accordance with Extraordinary General Meeting of Shareholders ("GMS") that was held at December 14, 2015 as disclosed in Note 12, it was stated that PER-09/MBU/07/2015 was enacted in 2016.

**Allowance for impairment losses on loan
receivables**

If there is an objective evidence that impairment losses has incurred on loan to foster partners, PKBL BRI estimates an allowance for impairment losses of those loans specifically identified as possibly uncollectible. The level of allowance is examined by Management based on several factors influencing the receivables collectibility.

If there is an objective evidence that impairment losses has been incurred on Loan to other Fostering SOEs, the level of allowance for impairment losses of those loans is evaluated by the Management on the basis of an adverse event has occurred after the initial recognition and impact on the future cash flows that can be reliably estimated.

PKBL BRI uses judgments based on available facts and circumstances, including but not limited to, PKBL BRI's period of relationship with Foster Partners and fostering partnership's loan status based on collectibility of loans.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI
DAN ASUMSI (lanjutan)**

b. Estimasi dan asumsi

PKBL BRI berkesinambungan mengevaluasi adanya bukti objektif bahwa piutang mengalami penurunan nilai pada tiap akhir periode pelaporan. Tingkat cadangan ditelaah oleh manajemen dengan dasar faktor yang mempengaruhi tingkat tertagihnya piutang tersebut.

Dalam kasus ini, PKBL BRI menggunakan pertimbangan berdasarkan fakta-fakta terbaik yang tersedia untuk mengakui cadangan spesifik (individu) terhadap jumlah yang jatuh tempo untuk menurunkan piutang PKBL BRI ke jumlah yang diharapkan dapat ditagih.

Untuk cadangan kerugian penurunan nilai piutang pinjaman kepada BUMN Pembina lain dihitung berdasarkan estimasi kerugian yang tidak dapat ditagih yaitu secara individual berdasarkan estimasi arus kas masa yang akan datang.

PKBL BRI juga meneliti cadangan kerugian penurunan nilai secara kolektif terhadap risiko kredit Mitra Binaan yang dikelompokkan berdasarkan karakteristik kredit yang sama, yang meskipun tidak diidentifikasi secara spesifik memerlukan cadangan tertentu, memiliki risiko yang lebih besar tidak tertagih dibandingkan dengan piutang yang diberikan kepada Mitra Binaan. Cadangan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung berdasarkan kajian nilai terkini dan historis tingkat ketertagihan dari piutang. Cadangan piutang mitra binaan dihitung berdasarkan estimasi kerugian yang tidak dapat ditagih yaitu secara kolektif berdasarkan prosentase tertentu tingkat ketertagihan (*collection*) data historis yang ada (minimal dua tahun). Cadangan ini disesuaikan secara berkala untuk mencerminkan hasil aktual dan estimasi.

**3. ACCOUNTING JUDGMENTS, ESTIMATION AND
ASSUMPTION (continued)**

b. Estimations and Assumptions

PKBL BRI continually assesses the existence of objective evidence that the receivables are impaired at the end of each reporting period. The level of allowance is evaluated by management on the basis of factors that affect the collectibility of said receivables.

In this case, PKBL BRI uses judgment based on the best facts available to recognize a specific allowance (individual) against the due amount to lower PKBL BRI's receivables to the expected collectible amount.

Allowance for impairment losses on loans receivables from other Fostering SOE are calculated based on the estimated losses that cannot be collected individually based on the estimated future cash flows.

PKBL BRI also assesses the allowance for impairment losses collectively towards credit risks of Foster Partners which are grouped based on the same credit risk, regardless whether an allowance has not been specifically identified, have a higher risk of uncollectibility compared to loan given to Foster Partners. Allowance for impairment losses on loan is measured based on the evaluation of current value and historical rate of loan collectibility. Allowance for impairment losses on loan receivables is recognised based on the estimation of uncollectible amount which is done collectively based on a specific percentage (two years minimum) of historical rate of loan collectibility. This allowance is adjusted periodically to reflect actual result and estimation.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

4. KAS PADA BANK

Kas pada Bank merupakan penempatan dana PKBL pada rekening giro di PT Bank Rakyat Indonesia (Persero) Tbk adalah sebagai berikut:

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	53.321.894.440	52.745.332.034
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	44.574.812.750	32.018.180.704
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	34.069.114.985	159.937.757.887
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	13.074.526.684	78.525.929.102
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	4.958.426.365	4.904.811.576
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	4.018.775.121	3.975.320.651
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	326.505.586	328.188.552
	154.344.055.931	332.435.520.506
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	287.761.584.307	283.197.057.267
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	58.167.917.645	231.905.633.801
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	757.454.949	749.264.690
	346.686.956.901	515.851.955.758
Jumlah	501.031.012.832	848.287.476.264

Tingkat suku bunga giro pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebesar 2,00%.

4. CASH IN BANK

Cash in Bank is PKBL fund placement in the following current account of PT Bank Rakyat Indonesia (Persero) Tbk:

Partnership Program
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - Operational

Community Development
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI

Total

The current account's interest rate for December 31, 2018 and 2017 are 2.00%.

5. PIUTANG KEPADA BUMN PEMBINA LAIN/LEMBAGA PENYALUR

Piutang kepada BUMN Pembina Lain/Lembaga Penyalur pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017
PKBL PT Perkebunan Nusantara IX (Persero)	66.500.000.000	67.500.005.000
Dikurangi: cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur	(34.399.323.366)	(16.362.150.268)
Neto	32.100.676.634	51.137.854.732

5. RECEIVABLES FROM OTHER FOSTERING SOE/DISTRIBUTING PARTNERS

Receivables from other Fostering SOE/Distributing Partners as of December 31, 2018 and 2017 are as follows:

PKBL PT Perkebunan Nusantara IX (Persero)
Less: allowance for impairment losses on receivables from other fostering SOE/distributing partners

Net

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

Perubahan cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur adalah sebagai berikut:

	31 Desember/ December 31, 2018
Saldo awal tahun	16.362.150.268
Pembentukan/(pembalikan) cadangan selama tahun berjalan	18.037.173.098
Saldo akhir tahun	34.399.323.366

PT Perkebunan Nusantara IX (Persero)

Berdasarkan Persetujuan Kredit No. B.171-DIR/PRG/03/2013 dan No. PTPN IX-0/KOTR/009/2013 antara PT Bank Rakyat Indonesia (Persero) Tbk dan PT Perkebunan Nusantara IX (Persero) tanggal 11 Maret 2013, PKBL BRI menyalurkan pinjaman kemitraan sebesar Rp75.000.000.000 yang diperuntukkan kepada petani/kelompok petani untuk budidaya tanaman tebu untuk masa tanam 2013/2014 dengan tingkat bunga tetap sebesar 6% per tahun dan memiliki jangka waktu selama 24 (dua puluh empat) bulan dan akan jatuh tempo pada tanggal 11 Maret 2015.

Pada tanggal 10 November 2014, PT Perkebunan Nusantara IX (Persero) mengajukan permohonan perpanjangan pengembalian pinjaman kemitraan tersebut sampai dengan Desember 2015, yang disetujui oleh PKBL BRI pada tanggal 17 Februari 2015.

Pada tanggal 8 Januari 2016, PT Perkebunan Nusantara IX (Persero) mengajukan kembali permohonan perpanjangan pengembalian pinjaman kemitraan sampai dengan Desember 2019.

Pada tanggal 4 April 2017, dilakukan pembahasan antara PKBL BRI dengan PT Perkebunan Nusantara IX (Persero) yang menghasilkan kesepakatan untuk kembali memperpanjang jangka waktu pengembalian pinjaman kemitraan sampai dengan triwulan keempat 2020 dengan jumlah pembayaran cicilan setiap bulan yang sudah ditentukan diawal. Telah terdapat pembayaran pokok di bulan April dan Oktober 2017 sebesar Rp3.499.995.000.

**5. RECEIVABLES FROM OTHER FOSTERING
SOE/DISTRIBUTING PARTNERS (continued)**

Movements in allowance for impairment losses on receivables from other fostering SOE/distributing partners are as follows:

	31 Desember/ December 31, 2017	
	16.905.874.481	Beginning balance
	(543.724.213)	Allowance/(reversal) for impairment losses during the year
	16.362.150.268	Ending balance

PT Perkebunan Nusantara IX (Persero)

Based on Credit Agreement No. B.171-DIR/PRG/03/2013 and No. PTPN IX-0/KOTR/009/2013 between PT Bank Rakyat Indonesia (Persero) Tbk and PT Perkebunan Nusantara IX (Persero) dated March 11, 2013, PKBL BRI grants partnership loan amounting to Rp75,000,000,000 for farmers/farmers group for cultivation of sugar cane for 2013/2014 planting season with a fixed annual interest rate of 6% for 24 (twenty four) months that would mature on March 11, 2015.

On November 10, 2014, PT Perkebunan Nusantara IX (Persero) proposed extending the partnership of loan repayment until December 2015, which was approved by PKBL BRI dated February 17, 2015.

On January 8, 2016, PT Perkebunan Nusantara IX (Persero) repropoed extending the partnership of loan repayment until December 2019.

On April 4, 2017, a discussion was held between PKBL BRI and PT Perkebunan Nusantara IX (Persero) which resulted in an agreement to re-extend the term of repayment of the partnership loan up to the fourth quarter of 2020 with the amount of monthly installment payment determined at the earliest. There have been payments of principal in April and October 2017 amounting to Rp3,499,995,000.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

**PT Perkebunan Nusantara IX (Persero)
(lanjutan)**

Pada tahun 2018, dilakukan kembali restrukturisasi PTPN IX yang merupakan program strategis Holding PTPN (PTPN III). Kewajiban pembayaran pinjaman kemitraan PTPN IX telah masuk menjadi program restrukturisasi PTPN IX, dengan perpanjangan jangka waktu sampai dengan tahun 2027 dan jadwal pembayaran cicilan per tahun yang sudah ditentukan pada perjanjian. Telah terdapat pembayaran pokok di bulan Februari 2018 sebesar Rp1.000.005.000.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur cukup untuk menutup kerugian atas tidak tertagihnya piutang.

**5. RECEIVABLES FROM OTHER FOSTERING
SOE/DISTRIBUTING PARTNERS (continued)**

**PT Perkebunan Nusantara IX (Persero)
(continued)**

In 2018, a restructurization of PTPN IX was held as PTPN Holding's (PTPN III) strategic program. PTPN IX's partnership loans installment obligation was included in PTPN IX's restructuring program, with a period extension until 2027 and an annual payment schedule that was decided on the agreement. There have been payment of principal in February 2018 amounting to Rp1,000,005,000.

Management believes that the allowance for impairment losses on receivables from the other fostering SOE/distributing partners is adequate to cover losses from uncollectible receivables.

6. PIUTANG PINJAMAN MITRA BINAAN

a. Berdasarkan Kantor Wilayah

Kantor Wilayah	31 Desember/ December 31, 2018
Malang	68.195.425.925
Yogyakarta	49.442.875.287
Denpasar	39.305.214.095
Makassar	38.358.414.881
Semarang	27.189.102.405
Surabaya	26.312.641.466
Bandung	23.732.531.742
Manado	22.336.126.164
Banjarmasin	21.936.048.501
Palembang	21.669.834.308
Bandar Lampung	17.799.279.220
Medan	19.491.606.071
DKI Jakarta 2	15.859.764.935
Banda Aceh	12.567.637.420
Padang	12.318.522.212
DKI Jakarta 3	10.939.644.428
Pekanbaru	10.356.821.033
DKI Jakarta 1	8.909.074.106
Jayapura	8.692.047.301
Jumlah	455.412.611.500
Dikurangi: cadangan kerugian penurunan nilai piutang pinjaman mitra binaan	(39.811.872.234)
Neto	415.600.739.266

**6. LOAN RECEIVABLES FROM FOSTER
PARTNERS**

a. By Regional Offices

31 Desember/ December 31, 2017	Regional Offices
51.813.615.414	Malang
31.827.800.724	Yogyakarta
22.232.211.901	Denpasar
20.097.795.695	Makassar
16.782.724.252	Semarang
16.284.001.566	Surabaya
14.736.833.772	Bandung
7.779.257.383	Manado
13.166.650.545	Banjarmasin
9.325.182.479	Palembang
10.675.182.414	Bandar Lampung
7.995.134.780	Medan
9.684.413.313	DKI Jakarta 2
7.692.663.901	Banda Aceh
6.979.482.709	Padang
6.216.283.515	DKI Jakarta 3
4.603.904.551	Pekanbaru
2.050.022.075	DKI Jakarta 1
3.758.943.567	Jayapura
263.702.104.556	Total
(36.174.341.728)	Less: allowance for impairment losses on loan receivables from foster partners
227.527.762.828	Net

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

b. Berdasarkan Sektor Ekonomi

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017
Perdagangan, Hotel dan Restoran	264.186.808.092	138.036.980.180
Pertanian	133.155.391.421	98.086.350.346
Jasa Lainnya	28.183.358.155	13.128.802.141
Industri Pengolahan	19.707.613.794	10.107.208.031
Sosial Masyarakat	6.392.165.156	2.845.106.677
Pengangkutan, Pergudangan dan Komunikasi	2.831.748.965	1.141.410.201
Listrik, Gas dan Air	598.044.617	234.024.380
Konstruksi	231.786.400	122.222.600
Pertambangan	125.694.900	-
Jumlah	455.412.611.500	263.702.104.556
Dikurangi: cadangan kerugian penurunan nilai piutang pinjaman mitra binaan	(39.811.872.234)	(36.174.341.728)
Neto	415.600.739.266	227.527.762.828

6. LOAN RECEIVABLES FROM FOSTER PARTNERS (continued)

b. By Economic Sector

	31 Desember/ December 31, 2017	
Trading, Restaurants and Hotels	138.036.980.180	
Agriculture	98.086.350.346	
Services Industry	13.128.802.141	
Processing Industries	10.107.208.031	
Community Services	2.845.106.677	
Transportation, Warehousing and Communications	1.141.410.201	
Electricity, Gas and Water	234.024.380	
Construction	122.222.600	
Mining	-	
Total	263.702.104.556	
Less: allowance for impairment losses on loan receivables from foster partners	(36.174.341.728)	
Net	227.527.762.828	

c. Berdasarkan Kualitas Piutang Pinjaman

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017
Piutang Pinjaman Mitra Binaan		
Lancar	407.436.297.761	223.730.374.569
Kurang Lancar	8.055.209.157	3.559.145.897
Diragukan	1.885.132.936	1.633.098.360
Macet	38.035.971.646	34.779.485.730
Jumlah	455.412.611.500	263.702.104.556
Dikurangi: cadangan kerugian penurunan nilai piutang pinjaman mitra binaan	(39.811.872.234)	(36.174.341.728)
Neto	415.600.739.266	227.527.762.828

c. Loan Receivables By Collectibility

	31 Desember/ December 31, 2017	
Loan Receivables from Foster Partners		
Current	223.730.374.569	
Substandard	3.559.145.897	
Doubtful	1.633.098.360	
Loss	34.779.485.730	
Total	263.702.104.556	
Less: allowance for impairment losses on loan receivables from foster partners	(36.174.341.728)	
Net	227.527.762.828	

d. Cadangan Kerugian Penurunan Nilai Piutang Pinjaman Kepada Mitra Binaan

Perubahan cadangan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017
Saldo awal tahun	36.174.341.728	34.598.316.377
Pembentukan cadangan selama tahun berjalan	3.637.530.506	1.576.025.351
Saldo akhir tahun	39.811.872.234	36.174.341.728

d. Allowance for Impairment Losses on Loan Receivables from Foster Partners

Movements in allowance for impairment losses on loan receivables from foster partners are as follows:

Beginning balance	34.598.316.377
Allowance for impairment during the year	1.576.025.351
Ending balance	36.174.341.728

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

**d. Cadangan Kerugian Penurunan Nilai
Piutang Pinjaman Kepada Mitra Binaan
(lanjutan)**

Alokasi cadangan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

31 Desember 2018/December 31, 2018

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi cadangan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net
Lancar	407.436.297.761	(934.082.925)	406.502.214.836
Kurang lancar	8.055.209.157	(451.085.884)	7.604.123.273
Diragukan	1.885.132.936	(390.731.779)	1.494.401.157
Macet	38.035.971.646	(38.035.971.646)	-
Jumlah	455.412.611.500	(39.811.872.234)	415.600.739.266

Current
Substandard
Doubtful
Loss
Total

31 Desember 2017/December 31, 2017

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi cadangan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net
Lancar	223.730.374.569	(835.015.598)	222.895.358.971
Kurang lancar	3.559.145.897	(208.207.628)	3.350.938.269
Diragukan	1.633.098.360	(351.632.772)	1.281.465.588
Macet	34.779.485.730	(34.779.485.730)	-
Jumlah	263.702.104.556	(36.174.341.728)	227.527.762.828

Current
Substandard
Doubtful
Loss
Total

Manajemen berpendapat bahwa saldo cadangan kerugian penurunan nilai piutang pinjaman kepada mitra binaan cukup untuk menutup kerugian atas tidak tertagihnya piutang.

Management believes that the balance of allowance for impairment losses on loan receivables from foster partners is adequate to cover losses from uncollectible loan.

**7. PENDAPATAN JASA ADMINISTRASI PINJAMAN
YANG MASIH AKAN DITERIMA**

Pendapatan jasa administrasi pinjaman yang masih akan diterima berdasarkan kantor wilayah adalah sebagai berikut:

Kantor Wilayah	31 Desember/ December 31, 2018
Malang	1.327.311.228
Yogyakarta	223.694.716
Semarang	111.855.322

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME**

Accrued loan administration services income by regional offices are as follows:

Regional Offices	31 Desember/ December 31, 2017
Malang	193.822.689
Yogyakarta	131.924.981
Semarang	93.696.143

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**7. PENDAPATAN JASA ADMINISTRASI PINJAMAN
YANG MASIH AKAN DITERIMA (lanjutan)**

Pendapatan jasa administrasi pinjaman yang masih akan diterima berdasarkan kantor wilayah adalah sebagai berikut: (lanjutan)

Kantor Wilayah	31 Desember/ December 31, 2018
Denpasar	105.023.023
Bandung	98.558.036
Makassar	95.312.219
Surabaya	93.435.716
Banjarmasin	80.681.373
Bandar Lampung	74.596.557
Manado	71.871.854
Medan	40.816.279
Palembang	39.073.178
DKI Jakarta 2	36.273.336
Banda Aceh	33.095.962
Padang	25.128.496
Pekanbaru	20.308.611
DKI Jakarta 3	18.519.916
Jayapura	18.039.291
DKI Jakarta 1	11.141.475
Jumlah	2.524.736.588

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME (continued)**

Accrued loan administration services income by regional offices are as follows: (continued)

31 Desember/ December 31, 2017	Regional Offices
46.419.512	Denpasar
81.888.270	Bandung
57.295.875	Makassar
72.809.646	Surabaya
81.317.727	Banjarmasin
64.012.684	Bandar Lampung
56.438.854	Manado
14.177.420	Medan
22.642.852	Palembang
31.509.327	DKI Jakarta 2
21.235.815	Banda Aceh
17.513.795	Padang
14.583.775	Pekanbaru
10.949.496	DKI Jakarta 3
9.063.163	Jayapura
4.994.048	DKI Jakarta 1
1.026.296.072	Total

8. PIUTANG LAIN-LAIN

Piutang lain-lain pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp15.814.348.189 dan Rp24.974.479.409 terdiri atas alokasi dana pinjaman kemitraan dari PKBL BRI kepada Unit Kerja (cabang) Penyalur PKBL BRI tetapi belum disalurkan kepada Mitra Binaan sampai dengan masing-masing akhir periode pelaporan.

8. OTHER RECEIVABLES

Other receivables as of December 31, 2018 and 2017 amounting to Rp15,814,348,189 and Rp24,974,479,409, respectively, consist of allocated funds of partnership loan from PKBL BRI to PKBL BRI distributor working unit (branches) but not yet distributed to foster partner until the end of the reporting period, respectively.

9. ASET TETAP

Aset tetap adalah sebagai berikut:

9. FIXED ASSETS

Fixed assets are as follows:

31 Desember/December 31, 2018				
Saldo 1 Januari 2018/ Balance January 1, 2018	Mutasi/Movement		Saldo 31 Desember 2018/ Balance December 31, 2018	
	Penambahan/ Addition	Pengurangan/ Disposal		
<u>Harga Perolehan</u>				<u>Acquisition Cost</u>
Inventaris dan peralatan	71.089.105	-	71.089.105	Premises and equipment
<u>Akumulasi Penyusutan</u>				<u>Accumulated Depreciation</u>
Inventaris dan peralatan	(71.057.855)	31.250	(71.089.105)	Premises and equipment
Nilai Buku Neto	31.250		-	Net Book Value

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

9. ASET TETAP (lanjutan)

Aset tetap adalah sebagai berikut: (lanjutan)

9. FIXED ASSETS (continued)

Fixed assets are as follows: (continued)

		31 Desember/December 31,		2017	
	Saldo 1 Januari 2017/ Balance January 1, 2017	Mutasi/Movement		Saldo 31 Desember 2017/ Balance December 31, 2017	
		Penambahan/ Addition	Pengurangan/ Disposal		
<u>Harga Perolehan</u>					<u>Acquisition Cost</u>
Inventaris dan peralatan	71.089.105	-	-	71.089.105	Premises and equipment
<u>Akumulasi Penyusutan</u>					<u>Accumulated Depreciation</u>
Inventaris dan peralatan	(70.194.730)	863.125	-	(71.057.855)	Premises and equipment
Nilai Buku Neto	894.375			31.250	Net Book Value

10. BEBAN YANG MASIH HARUS DIBAYAR

Beban yang masih harus dibayar pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp41.160.843.365 dan Rp54.054.085.143, yang terdiri atas bina lingkungan yang telah atau sedang dilaksanakan oleh Unit Kerja (cabang) BRI namun belum diganti atau dibayar kembali oleh Unit PKBL BRI.

10. ACCRUED EXPENSES

Accrued expenses as of December 31, 2018 and 2017 amounted to Rp41,160,843,365 and Rp54,054,085,143 respectively, which consist of community development that have been or are being performed by the BRI working unit (branches) but not yet reimbursed by PKBL BRI Unit.

11. ASET NETO

Aset Neto Tidak Terikat

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017
Saldo awal tahun	1.098.899.815.412	1.477.590.095.310
Penurunan Aset Neto Tidak Terikat	(172.989.145.268)	(378.690.279.898)
Saldo akhir tahun	925.910.670.144	1.098.899.815.412

11. NET ASSETS

Unrestricted Net Assets

Beginning balance
Decrease in Unrestricted
Net Assets

Ending balance

12. ALOKASI DANA DARI BUMN PEMBINA

Berdasarkan Surat Keputusan Menteri Keuangan No. 316/KMK.016/1994 tentang Pedoman Pembinaan Usaha Kecil dan Koperasi melalui Pemanfaatan Dana dari Bagian Laba BUMN sebagaimana telah beberapa kali diubah dengan Salinan Peraturan Menteri Negara BUMN No. PER-05/MBU/2007 tanggal 27 April 2007 tentang Program Kemitraan BUMN dengan Usaha Kecil dan Program Bina Lingkungan serta perubahan terakhir pada PER-08/MBU/2013 tanggal 10 September 2013.

12. ALLOCATION OF FUND FROM FOSTERING SOE

Based on the Minister of Finance Decree Letter No. 316/KMK.016/1994 regarding Guidelines for Small Business Enterprise and Cooperation through the Utilization of fund from SOE's profit as amended several times with Minister of SOEs' Copy Regulation No. PER-05/MBU/2007 dated April 27, 2007 regarding SOEs Partnership Program with Small Business Enterprises and Community Development Program, as well as the latest amendment No. PER-08/MBU/2013 dated September 10, 2013.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**12. ALOKASI DANA DARI BUMN PEMBINA
(lanjutan)**

Dinyatakan bahwa Dana Program Kemitraan dan Program Bina Lingkungan sebelum tahun 2013 salah satunya bersumber dari penyisihan laba setelah pajak dan pada tahun 2013 berasal dari Anggaran Perusahaan yang diperhitungkan sebagai biaya, maksimal 2% dari laba bersih tahun sebelumnya.

Pada tahun 2015, dikeluarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-09/MBU/07/2015 tanggal 3 Juli 2015, yang menyatakan bahwa dana PKBL bersumber dari penyisihan laba bersih setelah pajak yang ditetapkan dalam RUPS/Menteri pengesahan Laporan Tahunan BUMN Pembina maksimum sebesar 4% (empat persen) dari laba setelah pajak tahun buku sebelumnya.

Pada tahun 2016, dikeluarkan Peraturan Menteri Badan Usaha Milik Negara yang terbaru No. PER-03/MBU/12/2016 tanggal 19 Desember 2016, yang menambahkan bahwa dana PKBL juga bersumber dari anggaran yang diperhitungkan sebagai biaya pada BUMN Pembina.

Alokasi dana pada tahun 2018 dan 2017 sebagai berikut:

Tahun 2018

Berdasarkan Berita Acara RUPS Tahunan No. 50 tanggal 22 Maret 2018 yang telah disahkan oleh Notaris dan Pejabat Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH, dinyatakan tidak ada pembentukan biaya untuk PKBL untuk tahun 2018.

Tahun 2017

Berdasarkan Berita Acara RUPS Tahunan No. 37 tanggal 15 Maret 2017 yang telah disahkan oleh Notaris dan Pejabat Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH, dinyatakan tidak ada pembentukan biaya untuk PKBL untuk tahun 2017.

Per tanggal 31 Desember 2017, telah dilakukan pembalikan atas piutang alokasi dana dari BUMN Pembina yang tidak direalisasikan ke rekening bank PKBL BRI sebesar Rp253.977.420.000 berdasarkan RUPS Tahunan tanggal 15 Maret 2017 yang menyatakan bahwa dalam Rapat Umum Pemegang Saham yang diselenggarakan pada tahun 2016 telah diputuskan alokasi dana untuk Program Bina Lingkungan tahun 2016 menjadi beban Perseroan, namun oleh karena masih terdapat sisa saldo dana bina lingkungan yang teralokasi pada tahun 2015 maka penggunaan anggaran program bina lingkungan tahun 2016 menggunakan sisa saldo dana bina lingkungan yang masih tersisa pada tahun 2016.

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**12. ALLOCATION OF FUND FROM FOSTERING
SOE (continued)**

It was stated that one of the fund sources of Partnership and Community Development Program before 2013 is from the provision from profit after tax and the source in 2013 is from the Company's budget calculated as expense, maximum of 2% from prior year's net profit.

In 2015, Ministry of SOEs' issued Regulation No. PER-09/MBU/07/2015 dated July 3, 2015 which stated that PKBL fund derived from the provision of net income after tax which is set by GMS/Ministry's Approval of Annual Report of Fostering SOEs is at maximum of 4% (four percent) from the prior year's net profit after tax.

Ministry of SOEs' recently developed Regulation No. PER-03/MBU/12/2016 on December 19, 2016. This new regulation further adds the source through which PKBL fund can be derived, that is from Fostering SOE's budget expenditure or expense.

Allocation of fund in 2018 and 2017 are as follows:

Year 2018

Based on the Minutes of General Meeting of Shareholders No. 50 dated March 22, 2018 that was legalised by Notary and Land Registrar Fathiah Helmi, SH, it was stated that there is no expense created for PKBL BRI for the fiscal year 2018.

Year 2017

Based on the Minutes of General Meeting of Shareholders No. 37 dated March 15, 2017 that was legalised by Notary and Land Registrar Fathiah Helmi, SH, it was stated that there is no expense created for PKBL BRI for the fiscal year 2017.

As of December 31, 2017, funds allocation receivable from fostering SOE which is not realized to PKBL's Bank account has been reversed as an expense amounting to Rp253,977,420,000 based on the Annual GMS dated March 15, 2017 stating that at the General Meeting of Shareholders held in 2016 it has been decided the allocation of funds for the Community Development Program 2016 becomes the expense of the Company, but because there is still remaining balance of Community Development Program funds allocated in 2015 then the use of Community Development Program budget in 2016 using the remaining balance of Community Development Program funds in 2016.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

13. PENDAPATAN BUNGA

Pendapatan bunga dari jasa giro untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	Tahun yang berakhir pada tanggal 31 Desember/ For the years ended December 31	
	2018	2017
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	2.497.543.180	6.972.197.441
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	460.887.693	316.494.246
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	720.703.006	786.060.907
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	746.656.053	558.883.469
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	67.018.488	73.096.149
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	54.318.087	59.243.995
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	4.427.540	7.268.359
	4.551.554.047	8.773.244.566
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	3.522.368.098	6.104.909.810
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	5.705.658.798	5.586.149.502
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	10.237.822	11.166.253
	9.238.264.718	11.702.225.565
Jumlah	13.789.818.765	20.475.470.131

Pendapatan bunga disajikan pada Laporan Aktivitas setelah dikurangi pajak yang bersifat final dan biaya administrasi rekening yaitu sebesar Rp2.758.892.948 dan Rp4.096.444.026 untuk tahun yang berakhir masing-masing pada tanggal-tanggal 31 Desember 2018 dan 2017.

14. PENDAPATAN JASA ADMINISTRASI PINJAMAN

Pendapatan Jasa Administrasi Pinjaman Program Kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	Tahun yang berakhir pada tanggal 31 Desember/ For the years ended December 31.	
Kantor Wilayah	2018	2017
Malang	2.448.230.062	452.775.237
Yogyakarta	1.587.299.565	807.293.323
Bandung	1.457.386.103	672.394.121
Surabaya	1.203.275.257	634.345.304

13. INTEREST INCOME

Interest income from current account for the years ended December 31, 2018 and 2017 are as follows:

Partnership Program
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - Operational

Community Development
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI

Total

Interest income presented in the Statement of Activities is after deducting final tax and administrative expense amounting to Rp2,758,892,948 and Rp4,096,444,026, for the years ended December 31, 2018 and 2017, respectively.

14. LOAN ADMINISTRATION SERVICES INCOME

Loan administration services income of Partnership Program for the years ended December 31, 2018 and 2017 are as follows:

Regional Offices
Malang
Yogyakarta
Bandung
Surabaya

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**14. PENDAPATAN JASA ADMINISTRASI PINJAMAN
(lanjutan)**

Pendapatan Jasa Administrasi Pinjaman Program Kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut (lanjutan):

Kantor Wilayah	Tahun yang berakhir pada tanggal 31 Desember/ For the years ended December 31.	
	2018	2017
DKI Jakarta 2	778.096.801	402.541.731
Semarang	775.062.518	499.595.601
Denpasar	745.554.850	319.831.357
DKI Jakarta 3	613.854.695	153.756.726
Makassar	603.995.727	597.896.550
Medan	596.566.146	156.392.967
Banjarmasin	592.408.666	461.987.991
Pekanbaru	472.742.900	254.071.712
Palembang	418.215.953	235.959.642
Padang	313.466.379	228.854.542
DKI Jakarta 1	298.623.843	53.012.227
Bandar Lampung	250.538.709	436.945.828
Jayapura	223.286.812	128.613.683
Banda Aceh	217.212.887	385.576.659
Manado	211.899.847	147.125.100
Kantor Cabang Khusus	-	1.000.000
Jumlah	13.807.717.720	7.029.970.301

**14. LOAN ADMINISTRATION SERVICES INCOME
(continued)**

Loan administration services income of Partnership Program for the years ended December 31, 2018 and 2017 are as follows (continued):

Regional Offices	
DKI Jakarta 2	
Semarang	
Denpasar	
DKI Jakarta 3	
Makassar	
Medan	
Banjarmasin	
Pekanbaru	
Palembang	
Padang	
DKI Jakarta 1	
Bandar Lampung	
Jayapura	
Banda Aceh	
Manado	
Kantor Cabang Khusus	
Total	

Berdasarkan Surat Edaran Menteri Negara BUMN No. SE-01/MBU/2007 tanggal 31 Agustus 2007 tentang Pemberlakuan Jasa Administrasi Pinjaman Kemitraan, PKBL BRI menerbitkan surat edaran Nota No. B.79-DIR/PRG/12/2007 tanggal 19 Desember 2007 perihal Bunga Pinjaman Kemitraan dan telah diperbaharui dengan Surat No. B.176-DIR/PRG/03/2013 tanggal 13 Maret 2013 tentang perubahan distribusi/komposisi bunga Pinjaman Kemitraan.

Berikutnya perubahan atas distribusi/komposisi bunga Pinjaman Kemitraan dilakukan berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-09/MBU/07/2015 tanggal 3 Juli 2015 dan perubahan terakhir dilakukan berdasarkan PER-02/MBU/07/2017 dimana PKBL BRI menerbitkan Surat No. B.136.e-PPK/KPL/08/2017 tanggal 18 Agustus 2017 dengan perubahan sebagai berikut:

	Setelah 18 Agustus/ After August 18, 2017	Setelah 31 Desember/ After December 31, 2015
Jasa Administrasi/Suku Bunga	3%	6%
Distribusi jasa administrasi/ suku bunga sebagai berikut:		
Pelimpahan ke Kantor Pusat	3%	6%

Based on Minister of SOEs' Circular Letter No. SE-01/MBU/2007 dated August 31, 2007 regarding the Application of Partnership Loan Administration Services, PKBL BRI issued Memorandum Circular No. B.79-DIR/PRG/12/2007 dated December 19, 2007 regarding Interest Partnership Loan and that has been updated with Letter No. B.176-DIR/PRG/03/2013 dated March 13, 2013 regarding changes in distribution/composition of Partnership Loan interest.

Subsequent changes to the distribution/composition of the Partnership Loan interest shall be made in accordance with the Minister of SOE Decree No. PER-09/MBU/07/2015 dated July 3, 2015 and the latest amendment was made pursuant to PER-02/MBU/07/2017 where PKBL BRI issued Letter No. B.136.e-PPK/KPL/08/2017 dated August 18, 2017 with the following changes:

Administration Services/Interest Rates
Distribution of administration services/
interest rates are as follows:
Transferred to Head Office

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

15. PENDAPATAN LAIN-LAIN

15. OTHER INCOME

Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,			
2018	2017		
Pengembalian dana dari koordinator sektor BUMN Peduli	-	2.711.795.876	Refund from BUMN Peduli coordinator
Pengembalian dana pinjaman kemitraan karena tidak jadi realisasi	50.000.000	-	Refund from unrealized foster partners Loan
Pengembalian kelebihan dana bina lingkungan	153.489.840	745.720.085	Return of excess fund from community development
Jumlah	203.489.840	3.457.515.961	Total

Pada tanggal 31 Desember 2018, pengembalian kelebihan dana bina lingkungan terdiri atas kegiatan Rehabilitasi Mushola Kodim dan denda kepada Vendor atas keterlambatan Pengadaan Sembako. Pada tanggal 31 Desember 2017, pengembalian dana dari koordinator sektor BUMN Peduli terutama berasal dari PT Pos Indonesia dan Perum Perumnas.

As of December 31, 2018, refund of excess fund from community development consist of Kodim Mosque Rehabilitation and penalty to Vendor for the delay in Procuring Sembako. As of December 31, 2017, refund from BUMN Peduli coordinator is mainly from PT Pos Indonesia and Perum Perumnas.

16. DANA PEMBINAAN KEMITRAAN

16. FOSTERING PARTNERSHIP FUNDS

Dana pembinaan kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp323.438.491 dan Rp197.510.500 digunakan masing-masing untuk kegiatan pelatihan mitra binaan dan penyelenggaraan pameran atas usaha Mitra Binaan.

Fostering partnership funds for the year ended December 31, 2018 and 2017 which amounted Rp323,438,491 and Rp197,510,500, respectively, were used for training the foster partners and the business exhibitions of foster partners.

Berdasarkan Peraturan Menteri BUMN No. PER-09/MBU/07/2015 tertanggal 3 Juli 2015, dana pembinaan kemitraan menjadi bagian dari program penyaluran dana bina lingkungan dengan nama "Bantuan pendidikan, pelatihan, pemagangan, pemasaran, promosi dan bentuk bantuan lain yang terkait dengan upaya peningkatan kapasitas mitra binaan".

Based on Minister of SOE Decree No. PER-09/MBU/07/2015, dated July 3, 2015, the fostering partnership fund is a part of funds distribution for community development under the name of "Funds for education, training, internship, marketing, promotion and other forms of assistance related to the efforts of increasing the capacity of foster entrepreneur of Partnership Program."

Sesuai dengan Berita Acara RUPS LB No. 13 tanggal 14 Desember 2015 dinyatakan bahwa Peraturan Menteri BUMN No. PER-09/MBU/2015 tanggal 3 Juli 2015 tentang Program Kemitraan diberlakukan pada tahun 2016 di PKBL BRI.

According to Minutes of Extraordinary General Meeting of Shareholders No. 13 dated December 14, 2015 it was stated that the Minister of SOE Decree No. PER-09/MBU/07/2015 dated July 3, 2015 regarding Partnership and Community Development Program will be enacted by PKBL BRI in 2016.

Perkembangan berikutnya, berdasarkan Peraturan Menteri BUMN No. PER-03/MBU/12/2016 tertanggal 19 Desember 2016, dana pembinaan kemitraan yang sebelumnya diklasifikasikan sebagai bagian dari program penyaluran dana bina lingkungan berubah menjadi program yang didanai dari dana program kemitraan.

The next development, based on Minister of SOE Decree No. PER-03/MBU/12/2016, dated December 19, 2016, the fostering partnership fund previously classified as part of funds distribution for community development turned into a program funded by a partnership program fund.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

16. DANA PEMBINAAN KEMITRAAN (lanjutan)

Sesuai dengan Berita Acara RUPS No. 37 tanggal 15 Maret 2017, dinyatakan bahwa Peraturan Menteri BUMN No. PER-03/MBU/12/2016 tanggal 19 Desember 2016 tentang Perubahan atas Peraturan Menteri BUMN No. PER-09/MBU/07/2015 tentang Program Kemitraan dan Program Bina Lingkungan diberlakukan pada tahun 2017 di PKBL BRI.

16. FOSTERING PARTNERSHIP FUNDS (continued)

According to Minutes of Extraordinary General Meeting of Shareholders No. 37 dated March 15, 2017, it was stated that the Minister of SOE Decree No. PER-03/MBU/12/2016 dated December 19, 2016 concerning amendment to Minister of SOE Decree No. PER-09/MBU/07/2015 regarding Partnership and Community Development Program will be enacted by PKBL BRI in 2017.

17. PENYALURAN DANA PROGRAM BINA LINGKUNGAN

Penyaluran dana program bina lingkungan adalah sebagai berikut:

17. COMMUNITY DEVELOPMENT PROGRAM FUNDS DISTRIBUTION

Community development program funds distribution are as follows:

	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31.		
	2018	2017	
Bantuan Pendidikan	53.087.712.848	32.990.028.609	Aid for Education Donation
Bantuan Sosial			Social Assistance for
Pengentasan Kemiskinan	30.294.264.189	32.094.333.268	Poverty Alleviation
Bantuan Sarana Ibadah	27.404.110.789	29.095.446.575	Improvement of Worship Facilities
Bantuan Peningkatan Kesehatan	22.384.597.948	21.596.164.343	Aid for Health Improvement
Bantuan Sarana Umum	22.895.422.555	31.455.378.146	Public Facility Donation
Bantuan Korban Bencana Alam	6.845.484.366	2.394.042.761	Aid for Victims of Natural Disaster
Pelestarian Alam	722.965.000	723.303.800	Nature Preservation
Jumlah	163.634.557.695	150.348.697.502	Total

18. BEBAN ATAS PEMBALIKAN PIUTANG LAIN-LAIN

Beban atas pembalikan piutang lain-lain untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp12.398.547.605 dan Rp Nihil.

Beban atas pembalikan piutang lain-lain adalah beban yang timbul akibat pembalikan atau penghapusan atas piutang lain-lain jangka panjang.

18. REVERSAL OF OTHER RECEIVABLE EXPENSES

Reversal of other receivable expenses for the years ended December 31, 2018 and 2017, amounting to Rp12,398,547,605 and Rp Nil respectively.

Reversal of other receivable expenses are expenses occurred due to reversal or write off from long outstanding other receivables.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

19. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

- a. Jenis hubungan dan unsur transaksi dengan pihak-pihak berelasi

Pihak berelasi/ Related parties	Jenis hubungan/ Type of relationship	Unsur transaksi pihak berelasi/ Transactions with related parties
PT Bank Rakyat Indonesia (Persero) Tbk	BUMN Pembina/Fostering SOE	Kas, pendapatan bunga dan beban yang masih harus dibayar kepada BUMN Pembina/Cash, interest income and accrued expenses to Fostering SOE
PT Perkebunan Nusantara IX	Pengendalian melalui Pemerintah Pusat Republik Indonesia Common control through central government	Piutang kepada BUMN Pembina lain dan beban lain-lain/Receivables from other fostering SOE and other expenses
PT Pos Indonesia Perum Perumnas	Pengendalian melalui Kementerian BUMN/Common control through Ministry of SOE	Pengembalian dana program BUMN Peduli/Refund from BUMN Peduli coordinator

- b. Rincian saldo transaksi dengan pihak-pihak berelasi

19. RELATED PARTIES TRANSACTIONS

- a. Type of relationships and transactions with related parties

- b. Details of transaction balances with related parties

	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017	
Aset			Asset
Kas pada Bank	501.031.012.832	848.287.476.264	Cash in Bank
Piutang kepada BUMN pembina lain - bersih	32.100.676.634	51.137.854.732	Receivables from other fostering SOE/distributing partners - net
Jumlah	533.131.689.466	899.425.330.996	Total
Jumlah aset	967.071.513.509	1.152.953.900.555	Total assets
Persentase jumlah aset kepada pihak berelasi terhadap jumlah aset	55,13%	78,01%	Percentage of total assets to related party of total assets
Liabilitas			Liability
Beban yang masih harus dibayar	41.160.843.365	54.054.085.143	Accrued Expenses
Persentase jumlah liabilitas kepada pihak berelasi terhadap jumlah liabilitas	100,00%	100,00%	Percentage of total liabilities to related party of total liabilities
Pendapatan			Revenue
Pendapatan bunga	11.030.925.817	16.379.026.105	Interest Income
Pendapatan lain-lain - pengembalian dana dari koordinator sektor BUMN Peduli	-	2.711.795.876	Other Income - refund from BUMN Peduli coordinator
Jumlah	11.030.925.817	19.090.821.981	Total
Jumlah pendapatan	25.042.133.377	27.410.236.580	Total revenue
Persentase jumlah pendapatan dari pihak berelasi terhadap jumlah pendapatan	44,05%	69,65%	Percentage total revenue from related party of total revenue

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**19. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI
(lanjutan)**

- b. Rincian saldo transaksi dengan pihak-pihak berelasi (lanjutan)

	31 Desember/ December 31, 2018
Beban lain-lain	12.398.547.605
Beban pembalikan piutang kepada BUMN Pembina	-
Jumlah	12.398.547.605
Jumlah beban	198.031.278.645

Persentase jumlah beban kepada
pihak berelasi terhadap jumlah beban 6,26%

**19. RELATED PARTIES TRANSACTIONS
(continued)**

- b. Details of transaction balances with related parties (continued)

	31 Desember/ December 31, 2017	
	-	Other expenses
	253.977.420.000	Reversal of receivables from Fostering SOE expenses
Jumlah	253.977.420.000	Total
Jumlah beban	406.100.516.478	Total expenses

Percentage total expense to related party
of total expense 62,54%

20. PEMBATAAN PENGGUNAAN DANA

Kep.100/MBU/2002

Program Kemitraan

a. Penilaian Efektivitas

Penilaian kinerja program kemitraan dan bina lingkungan berdasarkan Keputusan Menteri BUMN No. Kep.100/MBU/2002 tanggal 4 Juni 2002 mencakup Program Kemitraan dengan Indikator Tingkat Efektivitas penyaluran dan Tingkat Kolektabilitas Pengembalian Pinjaman.

Tingkat efektivitas penyaluran dana dihitung dengan cara membagi jumlah dana yang disalurkan dengan jumlah dana yang tersedia. Jumlah dana yang disalurkan adalah seluruh dana yang disalurkan kepada usaha kecil dan koperasi dalam tahun yang bersangkutan yang terdiri atas pinjaman modal kerja. Sedangkan jumlah dana yang tersedia terdiri atas saldo awal periode ditambah dengan pengembalian pinjaman (pokok ditambah bunga) dan pendapatan bunga dari program kemitraan.

Tabel skor tingkat penyerapan dana

Penyerapan %	>90	85 s.d 90	80 s.d 85	<80	% of absorption
Skor	3	2	1	0	Score

20. RESTRICTED FUND USAGE

Kep.100/MBU/2002

Partnership Program

a. Effectivity Performance

The performance evaluation of partnership and community development program is based on the Minister of SOE Decree No. Kep.100/MBU/2002 dated June 4, 2002 regarding The Effectiveness Indicator of Partnership Program Loan Distribution and the Collectability of the Loan Repayments.

The effectiveness of loan distribution is calculated by dividing the amount of distributed funds by the amount of the utilizable funds. Amount of distributed funds represents all current year funds distribution to small enterprise businesses and cooperation. The funds are distributed as working capital loans. Utilizable funds is calculated by adding the beginning balance with loan repayments (principal and the interest repayments) and with interest income from partnership program.

Score of funds absorption table

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

20. PEMBATASAN PENGGUNAAN DANA (lanjutan)

Kep.100/MBU/2002 (lanjutan)

Program Kemitraan (lanjutan)

	Tahun yang Berakhir pada Tanggal 31 Desember 2018/ Year ended December 31, 2018
Distribusi dana	
Jumlah dana yang disalurkan	344.151.895.500
Dana Pembinaan Kemitraan (Catatan 16)	323.438.491
	<u>344.475.333.991</u>
Dana yang tersedia	
Saldo awal kas	
Program Kemitraan (Catatan 4)	332.435.520.506
Pengembalian Pinjaman Mitra Binaan	154.203.750.655
Pendapatan Jasa Administrasi Pinjaman	12.143.732.370
Pengembalian dari BUMN pembina lain (Catatan 5)	1.000.005.000
	<u>499.783.008.531</u>
Tingkat efektivitas penyaluran (prosentase distribusi dana terhadap dana yang tersedia)	<u>68,92%</u>
Skor tingkat efektivitas penyaluran pinjaman	<u>0</u>

20. RESTRICTED FUND USAGE (continued)

Kep.100/MBU/2002 (continued)

Partnership Program (continued)

	Fund distribution
	Distribution of Funds
	Fostering Partnership Funds (Note 16)
	Fund available
	Cash of Partnership Program
	Beginning balance (Note 4)
	Repayments from Foster Partners
	Administration Service Income of
	Loan
	Repayments from other fostering SOE
	(Note 5)
	Level of the effectiveness of the loan distribution (percentage fund distribution to fund available)
	Score of level of the effectiveness of the loan distribution

b. Tingkat Kolektabilitas Penyaluran Pinjaman

Indikator lain dalam penilaian kinerja program kemitraan dan bina lingkungan yaitu tingkat kolektabilitas pengembalian pinjaman yang memberikan indikasi adanya kemungkinan tertagihnya suatu pinjaman. Tingkat kolektabilitas pengembalian pinjaman merupakan perbandingan antara rata-rata tertimbang kolektabilitas pinjaman terhadap jumlah pinjaman yang disalurkan (saldo pinjaman). Rata-rata tertimbang kolektabilitas pinjaman adalah perkalian antara bobot kolektabilitas dengan saldo pinjaman berdasarkan kualitas pinjaman (lancar, kurang lancar, diragukan dan macet). Bobot kolektabilitas dengan kualitas lancar (100%), kurang lancar (75%), diragukan (25%) dan macet (0%).

b. Collectability level of the Loan Distribution

Another performance indicator of partnership and community development program is the collectability of repayments which indicates the probability of a loan to be fully paid. The collectability level is calculated by comparing the weighted average collectability funds with distributed funds. Weighted average funds is the result of multiplying the collectability weightage with the balance of each quality of the loan (e.g: current: 100%, substandard: 75%, doubtful: 25% and loss: 0%)

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

20. PEMBATASAN PENGGUNAAN DANA (lanjutan)

Kep.100/MBU/2002 (lanjutan)

Program Kemitraan (lanjutan)

**b. Tingkat Kolektabilitas Penyaluran Pinjaman
(lanjutan)**

Tingkat Pengembalian (%)	>70	40 s.d 70	10 s.d 40	<10	% of Collectability Level
Skor	3	2	1	0	Score

Rata-rata tertimbang kolektabilitas pinjaman per 31 Desember 2018 adalah sebagai berikut:

20. RESTRICTED FUND USAGE (continued)

Kep.100/MBU/2002 (continued)

Partnership Program (continued)

**b. Collectability level of the Loan Distribution
(continued)**

Weighted average amount of the collectability of the loan as of December 31, 2018 is as follows:

Kualitas Pinjaman	Saldo pinjaman (Catatan 6)/ Loan balance (Note 6)	%	Jumlah rata-rata tertimbang/ Weighted Average Amount (Tidak diaudit/ Unaudited)	Loan Quality
Lancar	407.436.297.761	100%	407.436.297.761	Current
Kurang Lancar	8.055.209.157	75%	6.041.406.868	Substandard
Diragukan	1.885.132.936	25%	471.283.234	Doubtful
Macet	38.035.971.646	0%	-	Loss
Jumlah	455.412.611.500		413.948.987.863	Total
Tingkat kolektabilitas pengembalian pinjaman (prosentase jumlah rata-rata tertimbang kolektabilitas pinjaman terhadap saldo pinjaman yang disalurkan)		90,90%	Loan repayment collectability level (percentage of weighted average loan collectability to loan distribution)	
Nilai tingkat kolektabilitas pengembalian pinjaman		3	Score of repayments collectability level	

PER-03/MBU/12/2016

Program Kemitraan

**Prosentase dana pembinaan terhadap dana
program kemitraan yang disalurkan pada tahun
berjalan**

Berdasarkan PER-09/MBU/07/2015 pasal 9 ayat 4 menyatakan bahwa besarnya dana pembinaan kemitraan yang terdiri atas biaya pendidikan, pemasaran, promosi dan hal lain-lain besarnya maksimal sebesar 20% (dua puluh persen) dari dana program kemitraan yang disalurkan pada tahun berjalan. Dana pembinaan menjadi bagian dari program bina lingkungan.

Pada tanggal 19 Desember 2016, PER-09/MBU/07/2015 direvisi dengan PER-03/MBU/12/2016, dimana beban pembinaan kemitraan menjadi bagian dari realisasi program kemitraan sebagaimana dicantumkan dalam Pasal 9 ayat 1c, efektif 19 Desember 2016.

PER-03/MBU/12/2016

Partnership Program

**The percentage of fostering partnership funds
to current year funds distribution for
partnership program**

Based on PER-09/MBU/07/2015 art 9 paragraph 4 specified that the amount of fostering partnership funds which consists of education, marketing, promotion expense, etc is 20% (twenty percent) at maximum of the partnership program distribution during the year. Development funds is part of community development program.

As of December 19, 2016, PER-09/MBU/07/2015 revised with PER-03/MBU/12/2016, which stipulates that fostering partnership expense is a part of partnership program as stated in Art 9 paragraph 1c, effective December 19, 2016.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

20. PEMBATASAN PENGGUNAAN DANA (lanjutan)

PER-03/MBU/12/2016 (lanjutan)

Program Kemitraan (lanjutan)

Pada tahun yang berakhir pada tanggal 31 Desember 2018, presentase beban dana pembinaan terhadap penyaluran program kemitraan adalah sebagai berikut:

	Tahun yang Berakhir pada Tanggal 31 Desember 2018/ Year ended December 31, 2018
Dana pembinaan kemitraan (Catatan 16)	323.438.491
Penyaluran program kemitraan	344.151.895.500
	344.475.333.991
Prosentase dana pembinaan kemitraan terhadap dana program kemitraan yang disalurkan	0,09%

20. RESTRICTED FUND USAGE (continued)

PER-03/MBU/12/2016 (continued)

Partnership Program (continued)

For the year ended December 31, 2018, the percentage of fostering partnership funds to current year partnership program funds distribution is as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember 2018/ Year ended December 31, 2018	
Dana pembinaan kemitraan (Catatan 16)	323.438.491	Fostering partnership funds (Note 16)
Penyaluran program kemitraan	344.151.895.500	Partnership distribution
	344.475.333.991	
Percentage of fostering partnership funds to partnership funds distribution	0,09%	

21. PERISTIWA SETELAH TANGGAL PELAPORAN

Perubahan susunan Pengelola PKBL BRI

Pada tanggal 1 Februari 2019, terdapat perubahan posisi Kepala Divisi Bisnis Kecil dan Kemitraan dari Sony Harsono WS menjadi Hari Purnomo.

Penyaluran Dana Program Kemitraan melalui BUMN Khusus

Sesuai dengan Peraturan Menteri BUMN No: PER-02/MBU/7/2017 dinyatakan bahwa untuk mempercepat dan meningkatkan profesionalisme dalam pengembangan dan pemberdayaan ekonomi mikro dan kecil, BUMN Pembina dapat memberikan pinjaman tanpa bunga atau hibah dana Program Kemitraan kepada BUMN Khusus dalam hal ini adalah PT. Permodalan Nasional Madani (Persero) sebagaimana yang ditetapkan oleh Menteri BUMN pada Surat No: S-822/MBU/12/2018 tanggal 13 Desember 2018.

21. EVENT AFTER THE DATE OF REPORTING PERIOD

Changes in the composition of management of PKBL BRI

Dated February 1, 2019, there was a change in Division Head of Small Business and Partnership position from Sony Harsono WS to Hari Purnomo.

Distribution of Partnership Program Funds through Special SOE

In accordance with SOE Minister Regulation No: PER-02/MBU/7/2017 it was stated that to accelerate and increase professionalism in the development and empowerment of micro and small economies, Fostering SOE can provide non interest bearing loans or Partnership Program funding grants to Special SOEs in this matter is PT. Permodalan Nasional Madani (Persero) as determined by the Minister of SOE on Letter No: S-822/MBU/12/2018 dated December 13, 2018.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**21. PERISTIWA SETELAH TANGGAL PELAPORAN
(lanjutan)**

**Penyaluran Dana Program Kemitraan Tahun
melalui BUMN Khusus (lanjutan)**

Pada tanggal 26 Desember 2018, merujuk Surat Nomor: B-2127-DIR/BKC/12/2018, BUMN Pembina mengajukan permohonan persetujuan penyaluran dana program kemitraan kepada PT. PNM selaku BUMN khusus melalui mekanisme hibah sebesar Rp50 miliar kepada Dewan Komisaris.

Pada tanggal 12 Februari 2019, merujuk Surat Nomor: R.06-KOM/02/2019, Dewan Komisaris pada prinsipnya mendukung kebijakan Kementerian BUMN terkait dengan penyaluran dana PK melalui BUMN khusus sebesar Rp50 miliar dan meminta Direksi untuk mengajukan permohonan persetujuan kepada Menteri BUMN.

Pada tanggal 6 Maret 2019, merujuk Surat Nomor: B-354-DIR/BKC/03/2019, BUMN Pembina mengajukan permohonan persetujuan penyaluran dana program kemitraan melalui BUMN Khusus kepada Menteri Badan Usaha Milik Negara.

Sampai dengan tanggal pelaporan, BUMN Pembina masih menunggu persetujuan dari Menteri Badan Usaha Milik Negara.

**21. EVENT AFTER THE DATE OF REPORTING
PERIOD (continued)**

***Distribution of Partnership Program Funds
through Special SOE (continued)***

On December 26, 2018, referring to Letter Number: B-2127-DIR/BKC/12/2018, the Fostering SOE submitted an application for approval of the partnership program fund distribution to PT. PNM as a special SOE through a grant mechanism of Rp50 billion to the Board of Commissioners.

On February 12, 2019, referring to Letter Number: R.06-KOM/02/2019, the Board of Commissioners principally supported the policy of the Ministry of SOE related to the distribution of PK funds through a special SOE amounting to Rp50 billion and asked the Directors to submit an application for approval to the Minister of SOE.

On March 6, 2019, referring to Letter Number: B-354-DIR/BKC/03/2019, the Fostering SOE submitted an application for approval of the distribution of partnership program funds through Special SOEs to the Minister of State-Owned Enterprises.

As of the reporting date, the Fostering SOE is still awaiting approval from the Minister of State-Owned Enterprises.

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN PENYALURAN DANA
PROGRAM BINA LINGKUNGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF COMMUNITY
DEVELOPMENT PROGRAM FUNDS DISTRIBUTION
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2018**

**Statement of Community Development Program
Funds Distribution Year 2018**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Aid for Victims of Nature Disaster	Bantuan Pendidikan/ Aid for Education Donation	Bantuan Peningkatan Kesehatan/ Aid for Health Improvement	Bantuan Sarana Ibadah/ Improvement of Worship Facilities	Pelestarian Alam/ Nature Preservation	Bantuan Sosial Pengentasan Kemiskinan/ Social Assistance in order to Alleviate Poverty	Jumlah/ Total
1	Banda Aceh	1.121.166.784	23.650.000	991.308.750	186.000.000	1.386.778.000	80.000.000	309.090.295	4.097.993.829
2	Bandar Lampung	829.422.000	19.900.000	1.427.844.653	675.130.000	561.127.500	-	317.369.575	3.830.793.728
3	Bandung	4.307.688.700	226.421.298	3.842.806.038	3.839.167.940	2.512.092.700	267.840.000	3.734.959.500	18.730.976.176
4	Banjarmasin	324.048.460	-	692.531.500	1.823.044.570	1.237.430.000	-	1.255.478.250	5.332.532.780
5	Denpasar	1.513.063.193	3.958.152.925	2.253.749.850	50.000.000	1.652.522.999	86.000.000	1.098.811.278	10.612.300.245
6	DKI Jakarta 1	14.629.000	-	1.065.792.700	1.021.660.500	1.700.958.591	-	191.949.050	3.994.989.841
7	DKI Jakarta 2	1.705.907.000	-	2.491.710.000	694.107.500	4.349.131.500	-	1.268.742.500	10.509.598.500
8	DKI Jakarta 3	613.365.000	400.000.000	1.132.070.138	141.754.991	1.346.000.000	-	440.634.323	4.073.824.452
9	Jayapura	33.117.043	-	598.650.000	883.500.000	-	-	1.709.633.680	3.224.900.723
10	Kantor Pusat	804.700.000	324.699.402	17.401.685.844	1.354.083.597	4.008.850.000	3.900.000	9.431.905.800	33.329.824.643
11	Makassar	2.436.900.000	454.939.391	2.631.848.400	1.364.345.000	929.835.000	-	2.422.773.000	10.240.640.791
12	Malang	1.566.195.864	352.600.000	5.325.327.000	4.442.564.150	1.669.055.000	43.000.000	821.571.475	14.220.313.489
13	Manado	778.035.000	393.704.000	508.845.255	1.036.482.400	43.303.000	-	2.046.412.825	4.806.782.480
14	Medan	995.000.000	50.000.000	1.482.103.950	205.000.000	1.121.351.000	-	1.272.207.000	5.125.661.950
15	Padang	214.761.000	80.875.000	1.537.770.000	-	149.000.000	-	401.800.000	2.384.206.000
16	Palembang	320.213.403	-	1.219.065.925	153.995.000	2.744.364.700	-	317.709.319	4.755.348.347
17	Pekanbaru	1.062.861.350	-	619.000.000	115.000.000	853.163.000	45.375.000	1.223.732.000	3.919.131.350
18	Semarang	1.970.590.000	397.725.000	1.720.160.250	141.759.600	317.830.999	196.850.000	1.704.747.525	6.449.663.374
19	Surabaya	428.010.000	63.797.400	2.999.202.500	2.158.701.700	17.690.000	-	113.912.000	5.781.313.600
20	Yogyakarta	1.855.748.758	99.019.950	3.146.240.095	2.098.301.000	803.626.800	-	210.824.794	8.213.761.397
	Jumlah/ Total	22.895.422.555	6.845.484.366	53.087.712.848	22.384.597.948	27.404.110.789	722.965.000	30.294.264.189	163.634.557.695

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN PENYALURAN DANA
PROGRAM BINA LINGKUNGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF COMMUNITY
DEVELOPMENT PROGRAM FUNDS DISTRIBUTION
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2017**

**Statement of Community Development Program
Funds Distribution Year 2017**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Aid for Victims of Nature Disaster	Bantuan Pendidikan/ Aid for Education Donation	Bantuan Peningkatan Kesehatan/ Aid for Health Improvement	Bantuan Sarana Ibadah/ Improvement of Worship Facilities	Pelestarian Alam/ Nature Preservation	Bantuan Sosial Pengentasan Kemiskinan/ Social Assistance in order to Alleviate Poverty	Jumlah/ Total
1	Banda Aceh	941.650.816	224.976.000	739.903.116	365.000.000	412.520.000	-	552.312.000	3.236.361.932
2	Bandar Lampung	827.200.000	-	1.162.248.886	487.700.000	474.672.000	-	1.468.516.000	4.420.336.886
3	Bandung	1.625.414.289	50.450.925	736.363.000	1.917.900.000	205.836.200	-	1.063.238.900	5.599.203.314
4	Banjarmasin	1.015.993.950	44.410.000	841.985.850	886.550.000	383.295.550	-	266.434.700	3.438.670.050
5	Denpasar	4.261.789.620	769.535.000	1.521.782.800	1.956.038.245	1.146.501.000	-	1.523.658.500	11.179.305.165
6	DKI Jakarta 1	1.580.700.000	-	344.539.684	1.715.618.257	397.680.000	-	1.294.938.760	5.333.476.701
7	DKI Jakarta 2	290.215.444	-	1.854.059.900	1.580.014.500	2.867.350.000	-	529.126.560	7.120.766.404
8	DKI Jakarta 3	103.920.544	58.986.000	353.462.684	2.466.470.368	3.364.990.000	-	943.884.686	7.291.714.282
9	Jayapura	924.702.000	-	906.171.721	529.172.883	350.000.000	-	785.792.000	3.495.838.604
10	Kantor Pusat	1.330.620.279	107.116.286	9.240.293.161	909.292.500	8.025.330.475	-	12.981.872.216	32.594.524.917
11	Makassar	3.723.073.713	55.000.000	1.793.729.250	1.723.639.090	721.368.000	65.000.000	1.505.592.500	9.587.402.553
12	Malang	3.644.380.500	221.330.800	2.486.291.796	3.769.915.000	1.902.988.000	83.500.000	1.804.640.000	13.913.046.096
13	Manado	355.750.000	48.355.000	616.436.115	309.818.000	979.760.000	196.500.000	35.320.000	2.541.939.115
14	Medan	1.570.872.773	-	744.420.000	130.000.000	729.000.000	-	746.700.000	3.920.992.773
15	Padang	1.514.283.000	225.000.000	902.165.000	108.000.000	350.000.000	-	555.050.000	3.654.498.000
16	Palembang	2.360.748.017	30.175.000	248.959.500	375.250.000	265.693.600	-	671.425.000	3.952.251.117
17	Pekanbaru	227.504.000	-	263.415.000	417.000.000	-	-	612.592.775	1.520.511.775
18	Semarang	1.884.758.826	87.578.650	2.485.094.746	68.990.400	3.197.975.000	378.303.800	926.475.000	9.029.176.422
19	Surabaya	2.095.125.000	205.085.000	3.588.029.400	855.295.100	2.295.714.250	-	992.532.500	10.031.781.250
20	Yogyakarta	1.176.675.375	266.044.100	2.160.677.000	1.024.500.000	1.024.772.500	-	2.834.231.171	8.486.900.146
	Jumlah/ Total	31.455.378.146	2.394.042.761	32.990.028.609	21.596.164.343	29.095.446.575	723.303.800	32.094.333.268	150.348.697.502

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018

No.	Kantor-Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurant and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
1	Banda Aceh										
	Lancar/ Current	517.828.535	583.891.538	-	47.917.316	-	7.978.122.316	1.161.846.921	-	254.861.700	10.544.468.326
	Kurang Lancar/ Substandard	-	13.333.600	-	-	-	116.164.604	58.647.500	-	47.222.200	235.367.904
	Diragukan/ Doubtful	4.433.500	-	-	-	-	15.750.000	-	-	-	20.183.500
	Macet/ Loss	-	121.031.845	-	-	59.800.200	1.450.789.778	130.439.067	-	5.556.800	1.767.617.690
	Sub jumlah/ Sub total	522.262.035	718.256.983	-	47.917.316	59.800.200	9.560.826.698	1.350.933.488	-	307.640.700	12.567.637.420
2	Bandar Lampung										
	Lancar/ Current	696.193.828	1.037.931.380	-	58.320.833	-	9.300.203.818	5.253.916.914	-	162.500.600	16.509.067.373
	Kurang Lancar/ Substandard	-	-	-	-	-	156.937.900	133.748.256	-	-	290.686.156
	Diragukan/ Doubtful	32.982.200	-	-	-	-	16.666.400	47.235.293	-	-	96.883.893
	Macet/ Loss	-	14.609.667	-	-	-	404.170.829	449.821.302	-	34.040.000	902.641.798
	Sub jumlah/ Sub total	729.176.028	1.052.541.047	-	58.320.833	-	9.877.978.947	5.884.721.765	-	196.540.600	17.799.279.220

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, dan Pergudangan/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
3	Bandung										
	Lancar/ Current	1.024.169.600	1.071.752.419	-	12.501.000	-	13.089.095.296	3.625.931.610	-	106.944.300	18.930.294.225
	Kurang Lancar/ Substandard	12.380.000	81.541.905	-	-	-	216.277.991	173.743.300	-	-	483.943.196
	Diragukan/ Doubtful	63.361.100	-	-	-	-	69.900.919	-	-	-	133.262.019
	Macet/ Loss	197.004.087	217.759.468	-	-	-	1.454.536.048	2.186.565.134	-	129.167.565	4.185.032.302
	Sub jumlah/ Sub total	1.296.914.787	1.371.053.792	-	12.501.000	-	14.829.810.254	5.986.140.044	-	236.111.865	23.732.531.742
4	Banjarmasin										
	Lancar/ Current	655.318.967	1.196.529.382	44.722.800	-	170.834.200	12.971.502.056	3.468.362.181	-	569.584.400	19.076.853.986
	Kurang Lancar/ Substandard	-	19.444.200	-	-	-	180.296.200	147.326.546	-	-	347.066.946
	Diragukan/ Doubtful	-	-	-	-	-	115.972.200	154.635.000	-	-	270.607.200
	Macet/ Loss	75.341.800	222.237.269	-	-	-	1.487.549.106	410.259.994	-	46.132.200	2.241.520.369
	Sub jumlah/ Sub total	730.660.767	1.438.210.851	44.722.800	-	170.834.200	14.755.319.562	4.180.583.721	-	615.716.600	21.936.048.501

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, dan Pergudangan/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
5	Denpasar										
	Lancar/ Current	2.290.998.884	1.597.869.152	-	75.000.000	383.717.501	19.269.103.687	9.764.897.239	48.611.100	219.340.413	33.649.537.976
	Kurang Lancar/ Substandard	-	-	-	-	-	295.861.520	-	-	-	295.861.520
	Diragukan/ Doubtful	-	-	-	-	-	-	52.282.000	-	-	52.282.000
	Macet/ Loss	83.050.422	105.197.832	-	-	14.442.800	668.752.842	4.436.088.703	-	-	5.307.532.599
	Sub jumlah/ Sub total	2.374.049.306	1.703.066.984	-	75.000.000	398.160.301	20.233.718.049	14.253.267.942	48.611.100	219.340.413	39.305.214.095
6	DKI Jakarta 1										
	Lancar/ Current	38.888.900	1.139.791.217	-	-	-	7.007.953.156	73.750.300	-	116.666.800	8.377.050.373
	Kurang Lancar/ Substandard	-	-	-	-	-	120.966.100	-	-	-	120.966.100
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	1.257.201	23.719.233	-	-	-	295.027.299	91.053.900	-	-	411.057.633
	Sub jumlah/ Sub total	40.146.101	1.163.510.450	-	-	-	7.423.946.555	164.804.200	-	116.666.800	8.905.074.106

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Industries	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, dan Pergudangan/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
7	DKI Jakarta 2										
	Lancar/ Current	668.756.828	2.570.125.922	-	66.666.668	53.333.336	9.639.541.403	420.885.517	-	458.713.371	13.878.023.045
	Kurang Lancar/ Substandard	-	-	-	-	-	263.988.266	6.405.243	-	40.833.000	311.226.509
	Diragukan/ Doubtful	27.331.406	7.150.000	-	-	-	151.871.647	-	-	39.336.300	225.889.353
	Macet/ Loss	9.768.048	255.240.170	-	-	3.434.767	943.678.404	178.074.694	-	54.629.945	1.444.826.028
	Sub jumlah/ Sub total	705.856.282	2.832.516.092	-	66.666.668	56.768.103	10.999.079.720	605.365.454	-	593.512.616	15.859.764.935
8	DKI Jakarta 3										
	Lancar/ Current	316.780.758	899.430.402	-	45.833.300	47.917.316	6.373.540.610	804.421.769	-	272.340.359	8.760.264.514
	Kurang Lancar/ Substandard	-	-	-	-	-	90.164.985	67.950.000	-	-	158.114.985
	Diragukan/ Doubtful	-	-	-	-	-	29.166.500	-	-	-	29.166.500
	Macet/ Loss	87.105.680	688.898.459	-	-	-	1.001.098.052	214.996.238	-	-	1.992.098.429
	Sub jumlah/ Sub total	403.886.438	1.588.328.861	-	45.833.300	47.917.316	7.493.970.147	1.087.368.007	-	272.340.359	10.939.644.428

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
9	Jayapura										
	Lancar/ Current	87.750.600	550.748.667	-	-	60.416.900	4.815.632.388	1.366.691.089	-	148.541.900	7.029.781.544
	Kurang Lancar/ Substandard	-	-	-	-	-	53.257.929	-	-	-	53.257.929
	Diragukan/ Doubtful	-	-	-	-	-	48.691.065	20.100.000	-	-	68.791.065
	Macet/ Loss	76.505.433	354.657.634	-	-	49.414.034	956.050.492	89.845.167	-	13.744.003	1.540.216.763
	Sub jumlah/ Sub total	164.256.033	905.406.301	-	-	109.830.934	5.873.631.874	1.476.636.256	-	162.285.903	8.692.047.301
10	Makassar										
	Lancar/ Current	1.168.162.462	2.049.715.684	71.875.000	50.000.400	489.154.716	24.437.034.859	6.132.122.190	77.083.800	588.115.827	35.063.264.938
	Kurang Lancar/ Substandard	74.924.227	-	-	-	-	299.258.345	134.223.600	-	47.213.888	555.620.060
	Diragukan/ Doubtful	-	-	-	-	-	149.160.548	66.666.800	-	-	215.827.348
	Macet/ Loss	158.844.267	241.972.408	-	-	-	1.233.000.899	874.183.262	-	15.701.699	2.523.702.535
	Sub jumlah/ Sub total	1.401.930.956	2.291.688.092	71.875.000	50.000.400	489.154.716	26.118.454.651	7.207.195.852	77.083.800	651.031.414	38.358.414.881

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor/Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
11	Malang										
	Lancar/ Current	1.295.746.855	1.256.252.620	56.437.800	-	108.331.900	16.012.100.404	46.694.653.885	-	335.535.667	65.759.059.131
	Kurang Lancar/ Substandard	-	-	-	-	-	184.318.440	120.843.700	-	-	305.162.140
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	20.908.733	26.564.750	-	-	10.000.000	656.396.125	1.417.335.046	-	-	2.131.204.654
	Sub jumlah/ Sub total	1.316.655.588	1.282.817.370	56.437.800	-	118.331.900	16.852.814.969	48.232.832.631	-	335.535.667	68.195.425.925
12	Manado										
	Lancar/ Current	720.817.318	1.366.668.445	-	-	186.505.794	12.098.199.350	3.269.805.649	-	245.207.322	17.887.203.878
	Kurang Lancar/ Substandard	85.332.000	141.666.668	-	-	-	1.307.490.430	573.570.495	-	93.716.300	2.201.775.993
	Diragukan/ Doubtful	-	-	-	-	-	141.614.800	19.775.000	-	-	161.389.800
	Macet/ Loss	211.966.429	325.022.300	-	-	-	975.260.689	553.423.275	-	20.083.900	2.085.756.593
	Sub jumlah/ Sub total	1.018.115.747	1.833.357.413	-	-	186.505.794	14.522.565.269	4.416.574.419	-	359.007.522	22.336.126.164

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
13	Medan										
	Lancar/ Current	571.802.759	1.701.828.263	-	72.916.700	200.000.400	11.154.301.021	4.272.774.085	-	148.245.800	18.121.869.028
	Kurang Lancar/ Substandard	41.665.322	60.416.900	-	-	-	242.037.000	-	-	-	344.119.222
	Diragukan/ Doubtful	-	-	-	-	-	68.750.100	-	-	-	68.750.100
	Macet/ Loss	104.190.658	117.768.867	-	-	-	314.861.174	273.319.156	-	146.727.866	956.867.721
	Sub jumlah/ Sub total	717.658.739	1.880.014.030	-	72.916.700	200.000.400	11.779.949.295	4.546.093.241	-	294.973.666	19.491.606.071
14	Padang										
	Lancar/ Current	1.155.974.300	655.972.178	-	-	28.889.000	7.562.262.361	1.112.459.344	-	102.083.156	10.617.640.339
	Kurang Lancar/ Substandard	-	-	-	-	-	163.334.734	99.712.000	-	11.110.800	274.157.534
	Diragukan/ Doubtful	15.179.000	-	-	-	-	19.622.224	-	-	-	34.801.224
	Macet/ Loss	191.508.046	69.015.867	-	-	-	566.082.522	565.316.680	-	-	1.391.923.115
	Sub jumlah/ Sub total	1.362.661.346	724.988.045	-	-	28.889.000	8.311.301.841	1.777.488.024	-	113.193.956	12.318.522.212

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
15	Palembang										
	Lancar/ Current	1.036.711.206	1.432.721.460	-	91.944.300	109.166.700	13.212.609.468	3.269.903.718	-	337.164.920	19.490.221.772
	Kurang Lancar/ Substandard	-	11.110.800	-	-	-	305.930.098	20.583.000	-	-	337.623.898
	Diragukan/ Doubtful	-	-	-	-	-	64.583.500	41.773.200	-	-	106.356.700
	Macet/ Loss	480.101.866	109.951.166	-	-	-	766.239.490	375.363.898	-	3.975.518	1.735.631.938
	Sub jumlah/ Sub total	1.516.813.072	1.553.783.426	-	91.944.300	109.166.700	14.349.362.556	3.707.623.816	-	341.140.438	21.669.834.308
16	Pekanbaru										
	Lancar/ Current	245.141.400	580.348.200	-	-	68.750.000	6.149.589.289	2.469.450.891	-	217.482.655	9.730.762.435
	Kurang Lancar/ Substandard	3.334.160	-	-	-	-	-	-	-	-	3.334.160
	Diragukan/ Doubtful	-	-	-	-	-	51.875.643	31.178.490	-	-	83.054.133
	Macet/ Loss	1.766.200	57.962.133	-	-	-	435.907.572	44.034.400	-	-	539.670.305
	Sub jumlah/ Sub total	250.241.760	638.310.333	-	-	68.750.000	6.637.372.504	2.544.663.781	-	217.482.655	10.356.821.033

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
17	Semarang										
	Lancar/ Current	1.066.966.056	923.356.800	-	30.000.100	44.306.301	17.118.072.762	6.246.737.783	-	437.167.400	25.866.607.202
	Kurang Lancar/ Substandard	-	-	-	-	23.332.600	53.299.900	267.718.981	-	-	344.351.481
	Diragukan/ Doubtful	-	42.860.000	-	-	-	-	79.014.682	-	-	121.874.682
	Macet/ Loss	83.511.463	179.870.601	-	-	-	412.123.193	180.763.783	-	-	856.269.040
	Sub jumlah/ Sub total	1.150.477.519	1.146.087.401	-	30.000.100	67.638.901	17.583.495.855	6.774.235.229	-	437.167.400	27.189.102.405
18	Surabaya										
	Lancar/ Current	993.196.308	1.420.714.926	10.417.700	-	322.639.200	15.338.729.185	4.474.938.114	-	620.798.282	23.181.433.715
	Kurang Lancar/ Substandard	18.750.900	14.164.393	-	-	-	523.250.293	6.073.903	-	2.777.400	565.016.889
	Diragukan/ Doubtful	-	-	-	-	-	47.917.100	3.916.519	-	-	51.833.619
	Macet/ Loss	288.526.100	144.653.000	-	-	-	1.316.381.704	727.546.539	-	37.249.900	2.514.357.243
	Sub jumlah/ Sub total	1.300.473.308	1.579.532.319	10.417.700	-	322.639.200	17.226.278.282	5.212.475.075	-	660.825.582	26.312.641.466

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2018 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
19	Yogyakarta										
	Lancar/ Current	2.374.341.750	1.992.906.781	48.333.100	46.944.000	397.361.300	27.169.300.308	12.736.215.122	-	197.491.800	44.962.893.961
	Kurang Lancar/ Substandard	68.750.100	106.292.100	-	-	-	371.094.800	281.419.635	-	-	827.556.635
	Diragukan/ Doubtful	12.374.000	38.422.200	-	-	-	56.083.600	37.500.000	-	-	144.379.800
	Macet/ Loss	249.912.132	342.267.284	-	-	-	2.160.452.356	691.253.719	-	64.159.400	3.508.044.891
	Sub jumlah/ Sub total	2.705.377.982	2.479.888.365	48.333.100	46.944.000	397.361.300	29.756.931.064	13.746.388.476	-	261.651.000	49.442.875.287
	Jumlah/Total	19.707.613.794	28.183.358.155	231.786.400	598.044.617	2.831.748.965	264.186.808.092	133.155.391.421	125.694.900	6.392.165.156	455.412.611.500

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017

No.	Kantor-Wilayah/ Regional Office	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurant and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
1	Banda Aceh										
	Lancar/ Current	216.758.323	486.182.169	-	72.916.700	-	4.503.683.933	475.359.276	-	165.000.800	5.899.901.001
	Kurang Lancar/ Substandard	-	-	-	-	-	73.522.677	17.708.100	-	-	91.230.777
	Diragukan/ Doubtful	-	-	-	-	57.000.200	136.433.070	-	-	-	193.433.270
	Macet/ Loss	-	121.031.845	-	-	16.300.000	1.252.479.241	112.730.967	-	5.556.800	1.508.098.853
	Sub jumlah/ Sub total	216.758.323	587.214.014	-	72.916.700	73.300.200	5.966.118.921	605.798.343	-	170.557.400	7.692.663.901
2	Bandar Lampung										
	Lancar/ Current	326.402.565	470.907.334	-	-	-	4.221.773.510	4.665.764.607	-	5.207.700	9.690.055.716
	Kurang Lancar/ Substandard	-	-	-	-	-	87.666.329	39.904.000	-	34.040.000	161.610.329
	Diragukan/ Doubtful	-	-	-	-	-	66.767.000	-	-	-	66.767.000
	Macet/ Loss	-	14.609.667	-	-	-	299.431.800	442.707.902	-	-	756.749.369
	Sub jumlah/ Sub total	326.402.565	485.517.001	-	-	-	4.675.638.639	5.148.376.509	-	39.247.700	10.675.182.414

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing/ Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, dan Pergudangan/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
3	Bandung										
	Lancar/ Current	555.908.216	190.278.802	-	37.500.600	-	6.654.984.186	2.699.832.866	-	85.277.800	10.223.782.470
	Kurang Lancar/ Substandard	37.500.187	-	-	-	-	307.937.244	75.000.000	-	-	420.437.431
	Diragukan/ Doubtful	-	-	-	-	-	135.416.900	73.678.801	-	-	209.095.501
	Macet/ Loss	166.203.900	217.759.468	-	-	-	1.137.350.473	2.233.036.964	-	129.167.565	3.883.518.370
	Sub jumlah/ Sub total	759.612.303	408.038.270	-	37.500.600	-	8.235.688.803	5.081.548.431	-	214.445.365	14.736.833.772
4	Banjarmasin										
	Lancar/ Current	205.193.600	514.013.373	68.055.600	-	218.750.100	7.379.030.099	2.713.342.150	-	15.625.834	11.114.010.756
	Kurang Lancar/ Substandard	-	-	-	-	-	222.265.541	-	-	-	222.265.541
	Diragukan/ Doubtful	-	-	-	-	-	97.377.954	-	-	-	97.377.954
	Macet/ Loss	75.341.800	178.432.269	-	-	-	1.111.170.754	321.919.271	-	46.132.200	1.732.996.294
	Sub jumlah/ Sub total	280.535.400	692.445.642	68.055.600	-	218.750.100	8.809.844.348	3.035.261.421	-	61.758.034	13.166.650.545

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing/ Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
5	Denpasar										
	Lancar/ Current	1.140.688.053	683.876.303	-	-	48.611.100	10.501.537.310	4.348.427.673	-	72.916.667	16.796.057.106
	Kurang Lancar/ Substandard	46.650.400	-	-	-	-	142.918.059	109.098.484	-	-	298.666.943
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	9.983.322	107.197.832	-	-	14.442.800	559.828.218	4.446.035.680	-	-	5.137.487.852
	Sub jumlah/ Sub total	1.197.321.775	791.074.135	-	-	63.053.900	11.204.283.587	8.903.561.837	-	72.916.667	22.232.211.901
6	DKI Jakarta 1										
	Lancar/ Current	-	20.000.000	16.666.400	-	-	1.648.873.427	47.916.700	-	-	1.733.456.527
	Kurang Lancar/ Substandard	-	-	-	-	-	20.199.632	-	-	-	20.199.632
	Diragukan/ Doubtful	-	-	-	-	-	16.667.200	-	-	-	16.667.200
	Macet/ Loss	1.257.201	23.719.233	-	-	-	163.668.382	91.053.900	-	-	279.698.716
	Sub jumlah/ Sub total	1.257.201	43.719.233	16.666.400	-	-	1.849.408.641	138.970.600	-	-	2.050.022.075

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Industries	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
7	DKI Jakarta 2										
	Lancar/ Current	258.768.821	1.034.504.337	-	-	-	6.554.380.199	310.371.913	-	224.846.317	8.382.871.587
	Kurang Lancar/ Substandard	16.733.500	-	-	-	-	51.249.500	-	-	48.130.315	116.113.315
	Diragukan/ Doubtful	-	-	-	-	-	72.250.000	63.313.334	-	-	135.563.334
	Macet/ Loss	7.234.548	175.336.533	-	-	3.434.767	742.598.239	114.761.360	-	6.499.630	1.049.865.077
	Sub jumlah/ Sub total	282.736.869	1.209.840.870	-	-	3.434.767	7.420.477.938	488.446.607	-	279.476.262	9.684.413.313
8	DKI Jakarta 3										
	Lancar/ Current	195.676.476	450.543.491	-	-	72.916.700	3.092.072.818	346.528.203	-	23.958.300	4.181.695.988
	Kurang Lancar/ Substandard	-	-	-	-	-	72.225.063	-	-	-	72.225.063
	Diragukan/ Doubtful	-	-	-	-	-	56.249.400	18.958.337	-	-	75.207.737
	Macet/ Loss	87.105.680	688.898.459	-	-	-	913.479.354	197.671.234	-	-	1.887.154.727
	Sub jumlah/ Sub total	282.782.156	1.139.441.950	-	-	72.916.700	4.134.026.635	563.157.774	-	23.958.300	6.216.283.515

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
9	Jayapura										
	Lancar/ Current	39.833.500	145.276.900	-	-	-	1.590.717.741	430.229.635	-	-	2.206.057.776
	Kurang Lancar/ Substandard	7.080.728	-	-	-	-	4.167.300	11.667.400	-	-	22.915.428
	Diragukan/ Doubtful	-	-	-	-	-	19.444.200	-	-	-	19.444.200
	Macet/ Loss	76.505.433	354.657.634	-	-	49.414.034	936.606.292	79.598.767	-	13.744.003	1.510.526.163
	Sub jumlah/ Sub total	123.419.661	499.934.534	-	-	49.414.034	2.550.935.533	521.495.802	-	13.744.003	3.758.943.567
10	Makassar										
	Lancar/ Current	749.749.980	798.090.654	-	75.000.000	292.082.600	11.988.514.973	3.037.056.828	-	328.052.360	17.268.547.395
	Kurang Lancar/ Substandard	-	9.722.219	-	-	-	297.751.437	104.076.571	-	-	411.550.227
	Diragukan/ Doubtful	5.825.000	22.222.000	-	-	-	18.053.800	50.079.900	-	-	96.180.700
	Macet/ Loss	157.127.267	219.637.908	-	-	-	1.098.781.137	830.269.362	-	15.701.699	2.321.517.373
	Sub jumlah/ Sub total	912.702.247	1.049.672.781	-	75.000.000	292.082.600	13.403.101.347	4.021.482.661	-	343.754.059	20.097.795.695

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)**

No.	Kantor/Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
11	Malang										
	Lancar/ Current	133.333.600	371.527.000	-	-	86.361.000	6.400.386.082	42.502.603.877	-	61.320.000	49.555.531.559
	Kurang Lancar/ Substandard	-	-	-	-	-	137.589.259	299.487.667	-	-	437.076.926
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	5.753.233	26.564.750	-	-	10.000.000	613.936.366	1.164.752.580	-	-	1.821.006.929
	Sub jumlah/ Sub total	139.086.833	398.091.750	-	-	96.361.000	7.151.911.707	43.966.844.124	-	61.320.000	51.813.615.414
12	Manado										
	Lancar/ Current	406.615.988	235.125.800	-	-	180.000.000	3.421.100.958	999.126.800	-	261.874.569	5.503.844.115
	Kurang Lancar/ Substandard	-	-	-	-	-	14.784.228	236.263.600	-	-	251.047.828
	Diragukan/ Doubtful	17.382.224	-	-	-	-	4.253.975	66.343.000	-	-	87.979.199
	Macet/ Loss	194.584.205	325.022.300	-	-	-	985.756.164	410.939.672	-	20.083.900	1.936.386.241
	Sub jumlah/ Sub total	618.582.417	560.148.100	-	-	180.000.000	4.425.895.325	1.712.673.072	-	281.958.469	7.779.257.383

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
13	Medan										
	Lancar/ Current	443.795.921	362.727.508	-	-	-	4.426.137.979	1.481.311.911	-	224.883.400	6.938.856.719
	Kurang Lancar/ Substandard	-	-	-	-	-	-	-	-	-	-
	Diragukan/ Doubtful	-	-	-	-	-	10.900.628	7.770.000	-	-	18.670.628
	Macet/ Loss	104.190.658	117.768.867	-	-	-	348.370.886	270.549.156	-	196.727.866	1.037.607.433
	Sub jumlah/ Sub total	547.986.579	480.496.375	-	-	-	4.785.409.493	1.759.631.067	-	421.611.266	7.995.134.780
14	Padang										
	Lancar/ Current	286.668.100	164.402.600	-	-	-	4.432.011.798	643.879.284	-	58.333.000	5.585.294.782
	Kurang Lancar/ Substandard	-	-	-	-	-	50.433.565	-	-	27.777.600	78.211.165
	Diragukan/ Doubtful	9.849.514	13.334.000	-	-	-	50.456.000	-	-	-	73.639.514
	Macet/ Loss	133.308.132	55.681.867	-	-	-	489.285.685	564.061.564	-	-	1.242.337.248
	Sub jumlah/ Sub total	429.825.746	233.418.467	-	-	-	5.022.187.048	1.207.940.848	-	86.110.600	6.979.482.709

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
15	Palembang										
	Lancar/ Current	94.444.200	542.094.190	-	48.607.080	-	5.681.881.802	983.593.259	-	78.750.259	7.429.370.790
	Kurang Lancar/ Substandard	-	-	-	-	-	17.027.800	67.397.465	-	-	84.425.265
	Diragukan/ Doubtful	-	-	-	-	-	48.681.669	170.167.000	-	-	218.848.669
	Macet/ Loss	480.101.866	109.951.166	-	-	-	829.123.590	173.361.133	-	-	1.592.537.755
	Sub jumlah/ Sub total	574.546.066	652.045.356	-	48.607.080	-	6.576.714.861	1.394.518.857	-	78.750.259	9.325.182.479
16	Pekanbaru										
	Lancar/ Current	262.022.430	315.544.800	-	-	-	2.349.742.038	1.070.333.509	-	15.555.800	4.013.198.577
	Kurang Lancar/ Substandard	-	-	-	-	-	-	15.277.500	-	-	15.277.500
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	1.766.200	70.561.633	-	-	-	467.379.072	35.721.569	-	-	575.428.474
	Sub jumlah/ Sub total	263.788.630	386.106.433	-	-	-	2.817.121.110	1.121.332.578	-	15.555.800	4.603.904.551

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2018 and
For the Year then Ended
(Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri/ Processing/ Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
17	Semarang										
	Lancar/ Current	785.921.032	685.657.411	-	-	73.333.000	9.375.921.409	4.678.287.616	-	197.638.300	15.796.758.768
	Kurang Lancar/ Substandard	-	-	-	-	-	18.889.100	102.460.000	-	1.665.600	123.014.700
	Diragukan/ Doubtful	-	162.903	-	-	-	47.494.448	-	-	-	47.657.351
	Macet/ Loss	83.511.463	181.870.601	-	-	-	398.468.245	151.443.124	-	-	815.293.433
	Sub jumlah/ Sub total	869.432.495	867.690.915	-	-	73.333.000	9.840.773.202	4.932.190.740	-	199.303.900	16.782.724.252
18	Surabaya										
	Lancar/ Current	804.436.636	430.525.800	37.500.600	-	13.542.300	9.034.744.209	2.757.985.067	-	199.277.843	13.278.012.455
	Kurang Lancar/ Substandard	48.213.710	-	-	-	-	193.906.601	37.500.000	-	19.444.200	299.064.511
	Diragukan/ Doubtful	-	46.256.000	-	-	-	159.058.947	6.251.156	-	-	211.566.103
	Macet/ Loss	288.526.100	155.522.900	-	-	-	1.291.957.080	722.102.517	-	37.249.900	2.495.358.497
	Sub jumlah/ Sub total	1.141.176.446	632.304.700	37.500.600	-	13.542.300	10.679.666.837	3.523.838.740	-	255.971.943	16.284.001.566

The original financial statements included herein are in Indonesian language.

PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
 Tanggal 31 Desember 2018 dan
 Untuk Tahun yang Berakhir pada Tanggal Tersebut
 (Disajikan dalam Rupiah)

PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
 As of December 31, 2018 and
 For the Year then Ended
 (Expressed in Rupiah)

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2017 (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2017 (continued)

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
19	Yogyakarta										
	Lancar/ Current	854.695.187	1.604.063.548	-	-	-	16.324.409.311	9.162.402.386	-	187.500.050	28.133.070.482
	Kurang Lancar/ Substandard	29.167.000	59.951.100	-	-	-	196.321.700	111.206.916	-	37.166.800	433.813.316
	Diragukan/ Doubtful	-	-	-	-	-	-	65.000.000	-	-	65.000.000
	Macet/ Loss	255.392.132	347.586.967	-	-	5.221.600	1.967.045.194	620.671.033	-	-	3.195.916.926
	Sub jumlah/ Sub total	1.139.254.319	2.011.601.615	-	-	5.221.600	18.487.776.205	9.959.280.335	-	224.666.650	31.827.800.724
	Jumlah/Total	10.107.208.031	13.128.802.141	122.222.600	234.024.380	1.141.410.201	138.036.980.180	98.086.350.346	-	2.845.106.677	263.702.104.556

ACCELERATING MSME GROWTH **Through**
BANKING SERVICES DIGITALIZATION
To FOSTERING THE COMMUNITY
ECONOMIC EMPOWERMENT



PT Bank Rakyat Indonesia (Persero) Tbk.

Head Office
Gedung BRI I
Jl. Jend. Sudirman Kav 44-46
Jakarta 10210
Indonesia

Tel. : (62 21) 251 0244, 251 0254
Fax. : (62 21) 250 0065, 250 0077
Website : www.bri.co.id