



The Biggest National Payment Bank

Harnessing Technology to Reach Across the Archipelago

Making the Vision of a People's Economy a Reality



Our Journey

1895



1960

1895

On 16 December 1895, Raden AriaWiriarmaja founded De PoerwokertoscheHulp en Spaarbank der Inlandsche Hoofdenin 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).





Our Journey

1968



1968

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

1969

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

1984

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

BRI 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





Our Journey

2015

2014

BRI's ATM network continues to increase, reaching 20,972 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.

To expand and strengthen its network in Asia, BRI opened an **overseas unit in Singapore**.

This year, BRI **acquired PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life)** to strengthen the Bank's micro business consolidation.

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About This Report





About This Report

The Biggest National Payment Bank

**Harnessing Technology to Reach Across the Archipelago,
Making the Vision of a People's Economy a Reality.**

In 2015, BRI focused on the Bank's development and identified a number of key leveraging factors for the Bank's performance, namely technology, innovation and network. We realized that rapid technology development, demographic shifts in terms of age and the migration from rural to urban areas, as well as globalization, have all contributed to changing lifestyles and preferences. In addition, massive, rapid and disruptive changes have also changed the landscape of business competition.

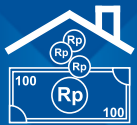
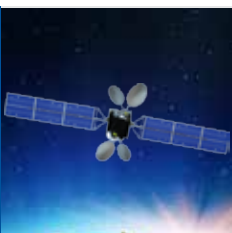
BRI carried out technology transformation, innovation drive, network expansion, human capital enhancement, operational quality improvement and technology development, all with a strategic objective – each complemented the end goal of becoming the most valuable bank. BRI also strived for agility, to be adaptive and proactive in responding to the

evolution of demands. As a result, the Bank was able to sustainably maintain its excellence.

BRI's transformation strategy was delivered through the expansion of its high-quality network, with emphasizing on e-channels, BRILink, mobile services, digital banking innovation, chip-equipped debit cards for financial products and services and infrastructure projects in communications networks, namely BRI Satellite and Optic Fiber. Meanwhile, to expand its conventional network, the Bank added automobile offices: Teras BRI Kapal, Mobile Teras, E-Buzz and Priority Banking Offices, as well as overseas network. In terms of human capital innovation, the BRI Corporate University, Digital Learning Infrastructure and Digital Learning System – BRISmart have transformed the learning process in BRI. With the support of competent human capital, BRI has established itself as the most

reliable business partner, ready to serve all customers across the archipelago.

The journey, endeavors and spirit that BRI undertook and demonstrated throughout 2015 were embodied in this year's Annual Report themed **"The Biggest National Payment Bank"**, Harnessing Technology to Reach Across the Archipelago, Making the Vision of a People's Economy a Reality.



BANCASSURANCE



LENDING



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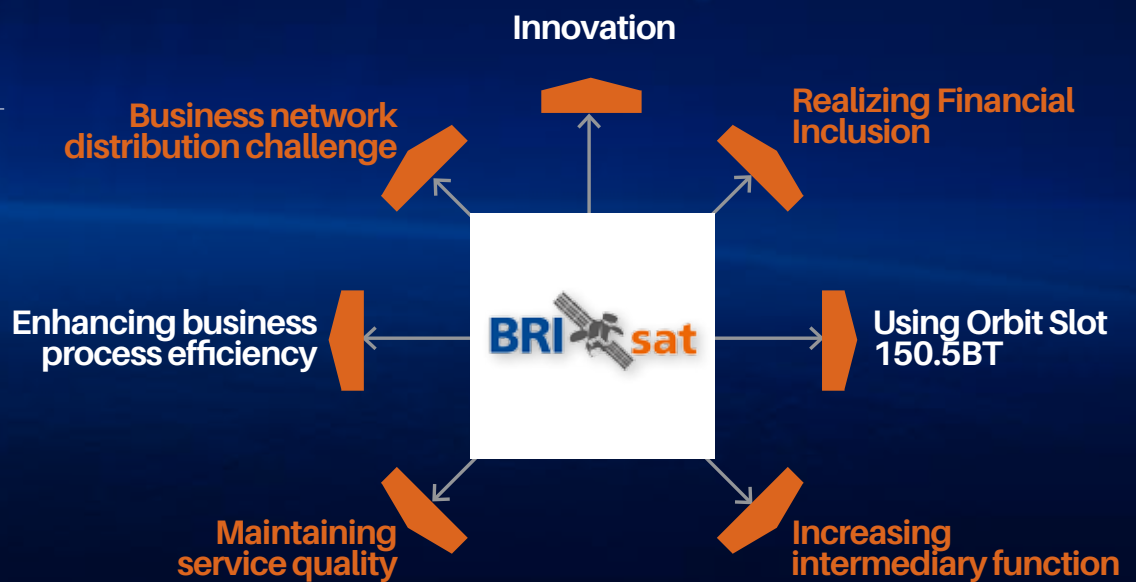
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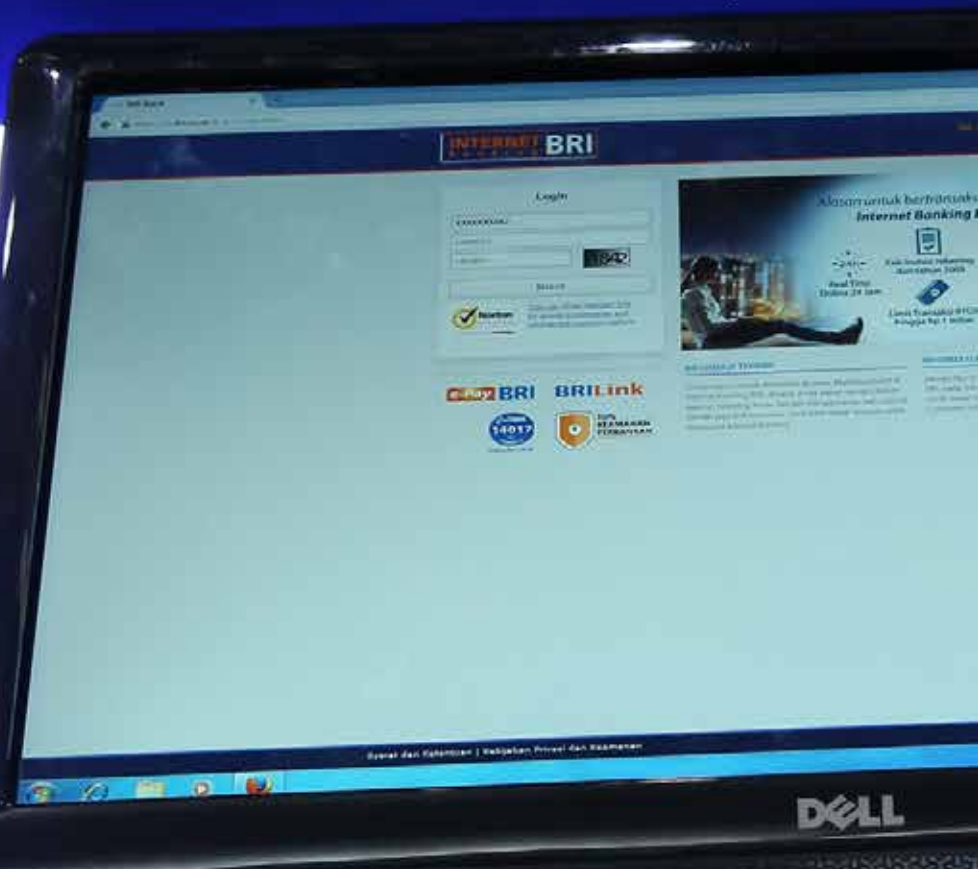
BRIsat

- ▶ BRIsat service coverage
Indonesia & North Asia
- ▶ BRIsat has a capacity (transponder) of:
36 C-Band & 9 Ku-Band Transponder
- ▶ Using
Deployment Remote Terminal (VSAT),
services in remote areas can be economically realized

BRIsat has now entered the final stage of preparation before it is launched. The satellite will enable banking operations at 10,612 offices, 22,792 ATMs and over 187 thousand BRI electronic data capture (EDC) machines. BRIsat will provide BRI with an extensive communications network and expansive service coverage (Indonesia and North Asia), yet at an economical cost.

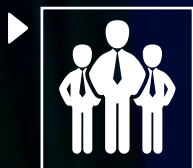


e-Banking



e-Banking

BRI e-Banking facilities and performance in 2015

**BRILink**

BRILink agents reached 50,250

**e-Pay**

e-Pay recorded a total of 58,829 transactions in 2015, representing a 505% surge from 11,814 transactions in 2014



ng BRI



BRIZZI

National Cashless Movement Festival 2015: "Cinta Non Tunai, Cinta Rupiah." BRI innovated in electronic transaction platforms for Government to Individual, Government to Business and vice versa



Mobile/Internet Banking

Mobile Banking users: 11,623,645 (YOY 31.8%),
Internet Banking users: 4,461,451 (YOY 114.3%).
Transactions: Mobile Banking 164,901,124 (YOY 25.6%),
Internet Banking 119,498,265 (YOY 108.2%)



e-Channel

To realize the vision of BRI as the Biggest National Payment Bank, BRI continually develops its e-channel network. In 2015, BRI launched new e-channel features:



Solar-Powered ATMs

Solar-powered ATMs aim to overcome electricity problems of BRI ATM servicing remote areas



ATMs for Disabled People

This feature fulfills the commitment from BRI to the Government of Indonesia, represented by the Social Affairs Ministry, to provide services to customers with visual impairment



Smart EDCs

EDCs that run on Android operating system (OS)



Cash Recycling Machine (CRM)

Combining the features of ATMs and CDMs, with CRMs customers are able to make a deposit or cash withdrawal using a single machine



Currency Exchange Machine

A machine to exchange foreign bank notes with bank notes in rupiah

BRI also expanded its ATM network with an additional 2,000 new ATMs. In total, by the end of 2015, BRI operated a total of 22,792 ATMs. Backed by this extensive network, BRI maintained its reputation as the bank with the largest ATM coverage in Indonesia, reaching all corners of Indonesia. BRI also widened its e-channel network by adding 500 CDMs, 56,554 EDCs and 10 Hybrid Machines. With the new facilities in place, as at December 2015 BRI had in total 892 CDMs, 187,758 EDCs, 100 SSB (Self-Service Banking) units and 10 Hybrid Machines

e-Learning

- ▶ **BRISmart Digital Learning System**
- ▶ Covered **305.490 participants**
- ▶ Developed the **BRI Corporate University**
- ▶ **ISO 9001:2008** obtained for learning operations at the BRI Corporate University



To enhance the BRI Corporate University – already equipped with professional instructors and a complete curriculum and syllabus – BRI created an up-to-date, comprehensive and integrated Digital Learning Infrastructure, as well as a digital learning system (BRISmart). BRISmart allows the BRI Corporate University to employ digital and blended learning methods as alternatives to conventional in-class learning. Implemented in

2015, the digital learning system now reaches 305,490 participants at a cost of 80.8% less than the conventional learning.

To enhance the quality of this educational program for employees, the BRI Corporate University has today acquired the ISO 9001:2008 certification for learning operations.

Innoday – Innovation Day

Through the Innovation Day (InnoDay) Program, BRI promotes a culture of innovation in line with the Bank's Work Culture

“



The Innovation Day (InnoDay) program is a program to promote the culture of innovation and is developed in line with the Bank's work culture. The purpose is to create an innovative work environment allowing goals to exceed expected target. InnoDay is also created as a platform to capture breakthroughs and implementable ideas from BRI employees that may drive business, accelerate target achievement, improve

employee engagement and increase BRI's value for stakeholders. Since its initial execution in 2014, InnoDay in 2015 has drawn ever more participation from employees, indicating that the culture of innovation is significantly growing.

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2015 Performance Highlights

20.59%

BRI's capital adequacy ratio (CAR) stood at 20.59%, or significantly above the minimum CAR of 8%.

Rp581.09

trillion

Loans Outstanding

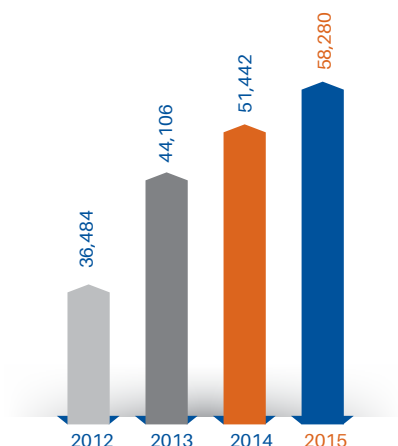
Rp878.43

trillion

Assets

2.02%

Gross NPL



Net Interest Income - Consolidated
(Rp Billion)

Rp669.00

trillion

Customer Deposits

KEY HIGHLIGHTS ◀

2015 Performance Highlights

Rose By **21.14%**
Fee-Based Income

CASA Ratio stable
at **57.82%**

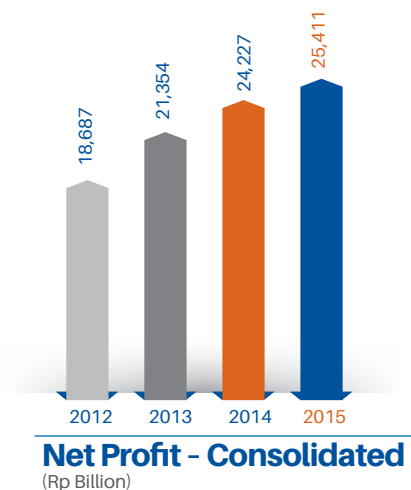


Interest Income	: 85,434,037
Other Operating Income	: 12,409,041
Non-Operating Income, net	: 1,981,111
Total Income	: 99,824,189

22,792
ATMs

187,758
EDCs

10,612
Operating Units



trillion
Rp 25.41
Net Profit

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2015 Business Strategy in Brief

Realizing the need for change management to navigate a course through technological changes and the Bank's key innovations in the banking industry, and in line with its strategic objective of becoming "The Biggest National Payment Bank", in 2015 BRI set up a Change Management unit tasked with:

- Preparing BRI to consistently be a leading player in the industry
- Guiding the management to take steps and to execute transformation, including business evolution decisions in terms of human capital, business process, products and services
- Coordinate the different directorates to work and realize strategic initiatives/programs as well as regulatory programs. The goal is to enable the Bank to demonstrate its finest performance.

In terms of its function, the Change Management unit focuses on two major areas:

1. Corporate Transformation
2. Project Management Office (PMO).

Corporate Transformation

In 2015, some of the strategic activities in corporate transformation were:

1. Providing insights for the management of all BRI products and services
2. Coordinating activities to improve BRI's electronic channel reliability
3. Coordinating efforts to form a regional commercial business for business development in Surabaya and Medan
4. Coordinating efforts to optimize the potential of existing customers through customer relationship management, trickle-down business and closed financial system approaches that make up a holistic banking service.
5. Coordinating 33 strategic initiatives from various operating units to achieve targets determined by the Bank.

KEY HIGHLIGHTS ◀

2015 Business Strategy in Brief

Going forward, Change Management will continue to initiate BRI's transformation to realize the Bank's vision as the most valuable bank by 2017. Moreover, Change Management needs to prepare BRI to be an adaptive organization that is able to follow market developments and demands, ensuring that BRI can sustainably maintain its excellence.



Project Management Office (PMO)

The Project Management Office (PMO) has the role of coordinating the implementation of BRI's strategic projects. In 2015, there were 55 strategic projects under the PMO's coordination, both IT and non-IT projects, with a total budget of Rp 2.7 trillion.

The strategic projects include:

- Regulatory and non-regulatory IT projects:
 - a. Regulatory projects, among others, included the implementation of National Standard Indonesia Chip Card Specification (NSICCS and Bank Indonesia Real Time Gross Settlement system (BI-RTGS)/Bank Indonesia Generation II Scriptless Securities Settlement System (BI-SSSS)
 - b. Non-regulatory projects included communications network infrastructure project (BRIsat and Optic Fiber), e-channel network expansion and digital banking innovation projects
- Non-IT projects, including conventional network expansion, mobile offices set up (Teras BRI Kapal, Mobile Teras and E-Buzz), priority banking service center and overseas network openings.

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Financial Highlights

Financial Highlights (Rp billion)	Year					
	2010	2011	2012	2013***)	2014***)	2015
BALANCE SHEET						
Total Assets**	404,286	469,899	551,337	626,101	801,984	878,426
Total Earning Assets	379,696	432,647	499,042	568,546	728,094	781,931
Loan - Gross	252,489	294,515	362,007	448,345	510,697	581,095
Government Recap Bonds	13,626	8,996	4,316	4,511	4,304	3,816
Investments in Shares - Net	134	165	197	223	252	269
Total Liabilities	367,612	420,079	486,455	546,526	704,278	765,299
Third-Party Funds	333,652	384,264	450,166	504,281	622,322	668,995
- Demand Deposits	77,364	76,779	80,075	79,337	90,052	114,367
- Saving Deposits	125,990	154,133	184,365	212,997	236,395	272,471
- Time Deposits	130,298	153,353	185,726	211,948	295,875	282,157
Other Interest Bearing Liabilities	17,297	19,361	15,784	20,896	57,435	68,601
Capital/Equity **	36,673	49,820	64,882	79,574	97,706	113,127
PROFIT/LOSS						
INTEREST INCOME:						
- With Government Bonds Interest	44,615	48,164	49,610	59,461	75,122	85,434
- Without Government Bonds Interest	43,109	47,053	49,235	59,298	74,876	85,192
Net Interest Income:						
- With Government Bonds Interest	32,889	34,427	36,484	44,106	51,442	58,280
- Without Government Bonds Interest	31,382	33,316	36,109	43,943	51,197	58,035
Other Operating Income	5,545	5,776	8,390	8,348	9,299	12,409
Other Operating Expenses	(16,114)	(17,086)	(19,491)	(22,381)	(26,715)	(31,276)
Provision for impairment losses on financial assets	(7,917)	(5,533)	(2,700)	(3,946)	(5,719)	(8,900)
Income Before Tax	14,908	18,756	23,860	27,910	30,804	32,494
Net Income for the year	11,472	15,088	18,687	21,354	24,227	25,411
Income attributable to equity holders of parent entity	11,472	15,083	18,681	21,344	24,215	25,398
Income attributable to non-controlling interests	Nil	5.01	6.50	10.20	11.69	13.05
Comprehensive Income	11,559	15,297	18,661	19,917	24,482	24,872
Comprehensive income attributable to equity holders of parent entity	11,559	15,288	18,652	19,913	24,467	24,861

KEY HIGHLIGHTS ◀

Financial Highlights

Financial Highlights (Rp billion)	Year					
	2010	2011	2012	2013***)	2014***)	2015
Comprehensive income attributable to non-controlling interests	Nil	8.21	8.91	3.46	14.67	11.05
Earnings per share (Rp)	478.36	628.91	757.26	865.22	981.59	1.030.43
FINANCIAL RATIO (BANK ONLY)						
CAPITAL						
Capital Adequacy Ratio (CAR) *	13.76%	14.96%	16.95%	16.99%	18.31%	20.59%
EARNING ASSETS						
Earning Assets and Non Performing Assets to total earning assets and non performing assets	2.19%	1.79%	1.19%	1.06%	1.09%	1.33%
Non performing earning assets	2.24%	1.85%	1.46%	1.28%	1.26%	1.57%
Allowance for possible losses to earning assets	4.58%	4.51%	3.43%	2.90%	2.40%	2.37%
Non Performing Loans (NPL Gross)	2.78%	2.30%	1.78%	1.55%	1.69%	2.02%
PROFITABILITY						
R O A	4.64%	4.93%	5.15%	5.03%	4.73%	4.19%
R O E	43.83%	42.49%	38.66%	34.11%	31.19%	29.89%
N I M	10.77%	9.58%	8.42%	8.55%	8.51%	8.13%
B O P O (Operating Expenses to Operating Income)	70.86%	66.69%	59.93%	60.58%	65.42%	67.96%
LIQUIDITY						
L D R	75.17%	76.20%	79.85%	88.54%	81.68%	86.88%
COMPLIANCE						
Violation of Legal Lending Limit						
- Related Parties	Nil	Nil	Nil	Nil	Nil	Nil
- Unrelated Parties	Nil	Nil	Nil	Nil	Nil	Nil
Excess of Legal Lending Limit						
- Related Parties	Nil	Nil	Nil	Nil	Nil	Nil
- Unrelated Parties	Nil	Nil	Nil	Nil	Nil	Nil
Statutory Reserves	8.05%	9.33%	10.64%	8.02%	8.07%	9.31%
Net Open Position	4.45%	5.49%	3.00%	3.15%	3.86%	2.33%

The financial figures presented above represent BRI's consolidated financial statements for 2011, 2012, 2013 and 2014 with subsidiaries PT BRISyariah, PT Bank Agroniaga Tbk, BRIngin Remittance Co, Ltd, but only with subsidiary PT BRISyariah for the year 2010 and consolidated financial statements for 2015 with subsidiaries PT BRISyariah, PT Bank Agroniaga Tbk, BRIngin Remittance Co, Ltd, and PT Asuransi Jiwa Bringin Jiwa Sejahtera.

Financial ratios use bank data only,

*) Market risk and operational risk have been taken into account as of 2004 and 2010, respectively

**) Restatement of Rp 29,169 million in Financial Statements published as of 31 December 2014

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

▶ KEY HIGHLIGHTS

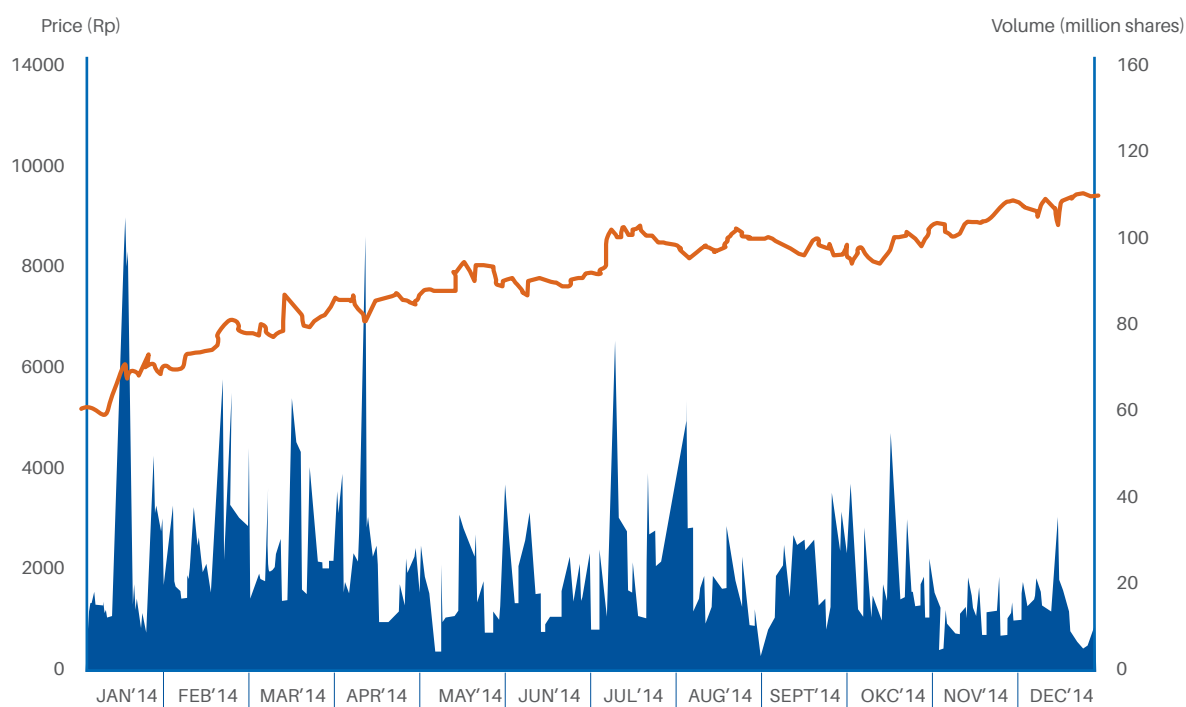
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Stock Summary

BRI STOCK MOVEMENT 2014 & 2015

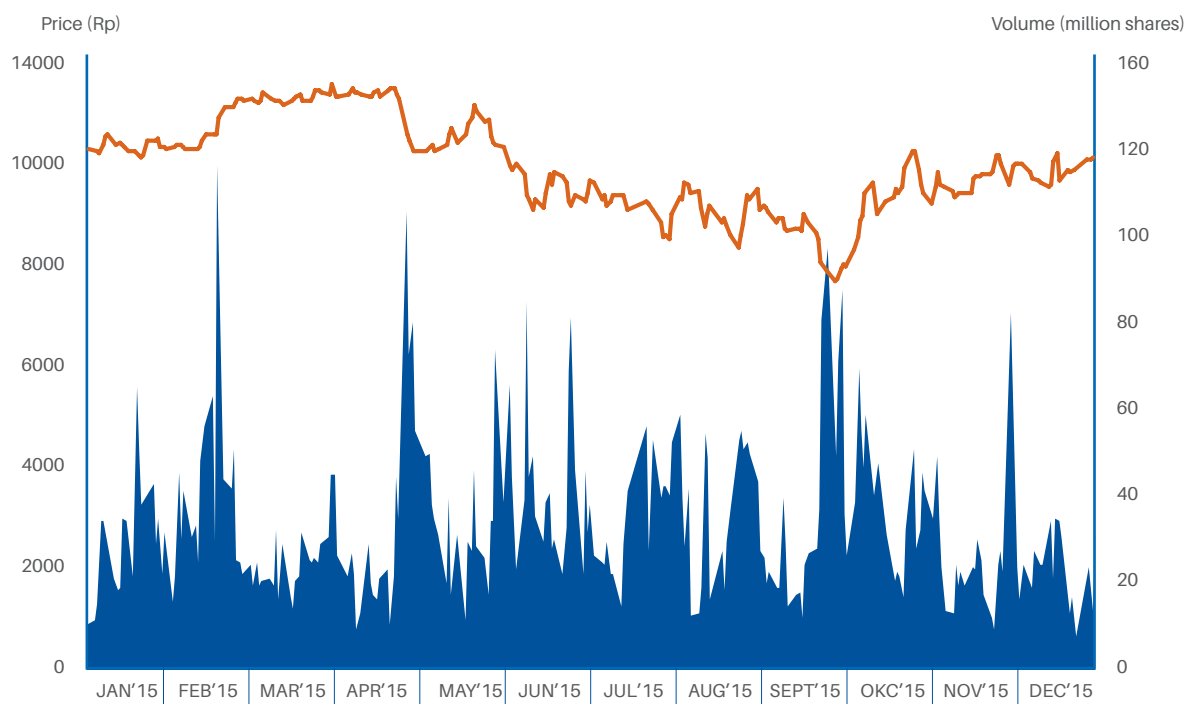


BRI Stock Price Movement

Year	Stock Price				Total Stock	Transaction Volume (Stock)	Value		Market Capitalization (Rp Trillion)
	Opening	Highest	Lowest	Closing			Frequency (Times)	(Trillion Rp)	
2014	7,250	11,700	7,000	11,650	24,669,162,000	9,490,743,000	971,900	91.88	1,035.49
Quarter 1	7,250	10,500	7,000	9,575	24,669,162,000	2,853,324,000	187,199	25.28	236.21
Quarter 2	9,575	11,050	9,350	10,325	24,669,162,000	2,069,380,000	245,341	20.91	254.71
Quarter 3	10,375	11,700	10,175	10,425	24,669,162,000	2,580,166,000	278,786	25.80	257.18
Quarter 4	10,750	11,700	10,025	11,650	24,669,162,000	1,987,873,000	260,574	19.88	287.40

KEY HIGHLIGHTS ◀

Stock Summary



Year	Stock Price				Total Stock	Transaction Volume (Stock)	Value		Market Capitalization (Rp Trillion)
	Opening	Highest	Lowest	Closing			Frequency (Times)	(Trillion Rp)	
2015	11,650	13,275	8,300	11,425	24,422,470,380	6,991,506,00	1,260,842	77.40	1,067.26
Quarter 1	11,650	13,275	11,425	13,275	24,422,470,380	1,658,133,00	248,965	20.29	324.21
Quarter 2	13,275	13,200	10,125	10,350	24,422,470,380	1,939,517,00	347,203	22.57	252.77
Quarter 3	10,350	10,875	8,300	8,650	24,422,470,380	1,858,139,00	359,544	18.17	211.25
Quarter 4	8,650	11,600	8,675	11,425	24,422,470,380	1,535,717,00	305,130	16.37	279.03

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Bonds Summary

Commercial Papers issued by BRI as of 31 December 2015

No	Security	Currency	Issue Date	Maturity	Face value	Tenor (Month)	Coupon/Discount Rate	Rating	Rating Agency	Purpose of Issuance
1	Subordinate Notes due 2013	USD	25 Sep 03	30 Oct 13	150 mio	120	7.75	B3	Moody's	Strengthen capital
2	Subordinated Bonds I Bank BRI Year 2004	IDR	9 Jan 04	9 Jan 14	500 bio	120	13.50	AA+	Pefindo	Strengthen capital
3	Subordinated Bonds II Bank BRI Year 2009	IDR	22 Dec 09	22 Dec 14	2000 bio	60	10.95	AA+	Fitch Indonesia	Strengthen capital
4	Senior Notes due 2018	USD	28 Mar 13	28 Mar 18	500 mio	60	2.95	Baa3	Moody's	Liability structure re-profiling and diversification
5	MTN BRI Tranche I Year 2014 Series A	IDR	10 Oct 14	15 Oct 15	300 bio	370 days	8.75	F1+	Fitch Indonesia	Liability structure re-profiling and diversification
6	MTN BRI Tranche I Year 2014 Series B	IDR	10 Oct 14	10 Oct 16	60 bio	24	9.25	AAA	Fitch Indonesia	
7	MTN BRI Tranche I Year 2014 Series C	IDR	10 Oct 14	10 Oct 17	360 bio	36	9.50	AAA	Fitch Indonesia	
8	MTN BRI Tranche II Year 2014	IDR	24 Dec 14	24 Dec 15	520 bio	370 days	8.90	F1+	Fitch Indonesia	Liability structure re-profiling and diversification
9	NCD BRI Year 2014 Series A	IDR	2 Dec 14	2 Mar 15	165 bio	3	8.00			Diversification of short-term financing source and to revitalize certificate of deposit trade in Indonesia capital market
10	NCD BRI Year 2014 Series B	IDR	2 Dec 14	2 Jun 15	790 bio	6	8.60			
11	NCD II Bank BRI Tranche I Year 2015 Series A	IDR	22 Apr 15	22 Jul 15	595 bio	3	7.10			
12	NCD II Bank BRI Tranche I Year 2015 Series B	IDR	22 Apr 15	22 Oct 15	1,020 bio	6	8.00			
13	NCD II Bank BRI Tranche I Year 2015 Series C	IDR	22 Apr 15	22 Jan 16	265 bio	9	8.10			Loan disbursement, applying prudential banking principles and good corporate governance
14	Shelf Bonds I Bank BRI Tranche I Year 2015 Series A	IDR	2 Jul 15	7 Jul 16	655 bio	370 days	8.40	AAA	Pefindo	
15	Shelf Bonds I Bank BRI Tranche I Year 2015 Series B	IDR	2 Jul 15	3 Jul 18	925 bio	36	9.20	AAA	Pefindo	
16	Shelf Bonds I Bank BRI Tranche I Year 2015 Series C	IDR	2 Jul 15	3 Jul 20	1,420 bio	60	9.50	AAA	Pefindo	

KEY HIGHLIGHTS ◀

Dividend Payout

In accordance with the resolutions of Annual General Meeting of Shareholders (AGMS) held on 19 March 2015, BRI exercised a final dividend payout for financial year 2014 to the amount of 30% of net income, or Rp 7,272.49. BRI applied the same payout ratio of 30% as the dividends paid for financial year 2013 and approved at the 2014 AGMS. The amount of dividend per share paid on 22 April 2015 was Rp 294.80, or rose by 14.56% from the amount per share paid in 2013 of Rp 257.33.

Dividend Year	Payment Date	Total Dividend (Rp billion)	Dividend per Share* (Rp)	Dividend Payout Ratio (%)
2003	23 July 2004	990	84.19	75.01
2004	5 July 2005	1.816	152.88	50.00
2005	10 July 2006	1.904	156.18	50.00
2006	2 July 2007	2.129	173.04	50.00
2007	7 July 2008	2.419	196.34	50.00
2008	3 July 2009	2.085	168.82	35.00
2009	15 July 2010	2.192	132.08	30.00
2010	15 June 2011	2.294	70.04	20.00
2011	15 May 2012	3.017	122.28	20.00
2012	15 April 2013	5.556	225.23	30.00
2013	4 May 2014	6.348	257.33	30.00
2014	22 April 2015	7.272	294.80	30.00

* Dividend per share is dividend after stock split ratio with of 1:2 on January 11 2011

In 2009 and 2010, BRI distributed interim dividends of Rp45.74 per share and Rp45.93 per share, respectively. The payout were pursuant to Limited Liability Company Law No. 40 Year 2007. The sum of the interim dividends was taken into account in the annual dividend calculations detailed above.

Dividend Year	Date of Payment	Dividend per Share (Rp)
2009	16 December 2009	45.74
2010	30 December 2010	45.93

BRI's dividend pay-out policy is articulated in the IPO Prospectus, in the "Dividend Pay Out" section, which states that BRI dividend distribution shall take into account the Bank's financial condition and business development plan. The dividend pay-out ratio and/or the amount of dividend for each fiscal year is determined at the AGMS.

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Event Highlights 2015

26 MARCH



"Laku Pandai" Kick Off

The Financial Services Authority (OJK) launched "LAKU PANDAI", a branchless financial service program as part of banks' financial inclusion mission. The OJK and BRI launched LAKU PANDAI using BRILink agents, BRI's branchless innovation for financial inclusion

Analyst Gathering

PT Bank Rakyat Indonesia (Persero) Tbk organized an analyst gathering to foster open and close communications with analysts. The gathering took place at the BRI I Building

1 APRIL



30 APRIL



First Quarter Analyst Meeting

PT Bank Rakyat Indonesia (Persero) Tbk reported its performance in the first quarter of 2015. Despite the serious economic slowdown that marked the start of 2015, BRI was able to record net income (bank only) of Rp 6.1 trillion in the first three months of 2015

"Jaring" Program Kick-Off

The OJK, Maritime Affairs and Fisheries Ministry, the banking industry, and non-bank financial industry together continued to expand "Jaring" (Jangkauan, Sinergi and Guideline - Reach, Synergy, Guideline) program. The purpose was to increase financing access for the marine and fisheries sector through a sustainable "Jaring" program at Sendang Biru Beach in Malang, East Java

7 MAY



3 JUNE



Bonds Offering Public Exposé

PT Bank Rakyat Indonesia (Persero) Tbk held a public exposé for its first bonds issuance in 2015 at the BRI 1 Building. Supported by 56.75% government ownership and with a focus on micro and retail business, BRI was ready to issue bonds

BSD Priority Banking Center Inauguration

PT Bank Rakyat Indonesia (Persero) Tbk inaugurated its new Priority Banking center. The new office is expected to significantly increase the customer base in Bumi Serpong Damai (BSD) and nearby areas. In addition, this center is expected to improve funding volume from priority customers as well as fee-based income, and enhance the Bank's image

15 JUNE



KEY HIGHLIGHTS ◀

Event Highlights 2015

2 JULY

**Enjoying Iftar with 3,500 Orphans**

PT Bank Rakyat Indonesia (Persero) Tbk and 3,500 orphaned children enjoyed iftar at the Jakarta Convention Center. For this event, BRI collaborated with members of the SOE Banks Association (HIMBARA), namely PT. Bank Mandiri (Persero) Tbk, PT. Bank Negara Indonesia (Persero) Tbk and PT. Bank Tabungan Negara (Persero) Tbk

Annual Homecoming Program, "Ngebuzz Bareng"

PT Bank Rakyat Indonesia (Persero) Tbk held another Homecoming Program, a regular program since 2004. This year, PT Bank Rakyat Indonesia (Persero) Tbk provided travel for more than 13,500 people using 115 executive buses. This program was also part of BRI's customer loyalty program

14 JULY



4 AUGUST

**Teras BRI Kapal Launch**

PT Bank Rakyat Indonesia (Persero) Tbk again proved its reputation as a pioneer in the banking industry with the launch of Teras BRI Kapal, inaugurated by the President Jokowi at Kaliadem Port in Muara Angke, Jakarta. Teras BRI Kapal will bring financial services to Indonesians living on country's frontiers and remote areas that previously have never been reached out to by any financial services

EGMS for Changes in the Board of Directors

Shareholders accounting for 83.05% of issued shares attended the EGMS. At the meeting, BRI's shareholders approved the resignation of Mr. Djarot Kusumayakti from his position as BRI's Director of Micro, Small, and Medium Enterprises (MSME) Business effective as of 8 June 2015 and approved the appointment of Mr. Kuswiyoto as Director

12 AUGUST



21 AUGUST

**BRI Singapore Branch Launch**

To expand and strengthen its banking business network in Asia, Bank BRI launched a new addition to its conventional network, namely a BRI Singapore office. Located at OUE Bayfront, 50 Collyer Quay, Singapore, the office was inaugurated by Indonesia's Coordinating Minister for Economic Affairs H.E. Sofyan Djalil and SOEs Minister H.E. Rini M. Soemarno, as well as OJK chairman Muliaman M. Hadad

BRI Participated in Indonesia Banking Expo

Bank BRI and a number of other national banks took part in the IBEX 2015 event. Themed "Digital Banking Development to Expand Financial Access and Services for the People", the event was attended by and opened by H.E. President Jokowi

9-11 SEPTEMBER



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Event Highlights 2015

MOU of BRI-PB FORKI

Bank BRI, as a patron of Karate in Indonesia, and the management of the Indonesia Karate Federation (FORKI) furthered their cooperation by entering into a MoU. Signed by Bank BRI President Director Asmawi Syam and PB FORKI chairman Gatot Nurmantyo, the cooperation sought to promote karate in Indonesia

2 OCTOBER



10 OCTOBER

**MOU Signing for the Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life)**

Bank BRI signed the agreement to acquire all shares of PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life) from Dana Pensiun Bank Rakyat Indonesia. The acquisition of an insurance company was an important step to improving the Bank's financial performance

SOE CFO Forum

Held at the BRI Head Office, the SOEs Ministry invited 119 SOEs' Chief Financial Officers (CFO) from across Indonesia to discuss tax income. As a forum, the meeting provided an opportunity for the CFOs and the government to meet, communicate and exchange information

21 OCTOBER



10 NOVEMBER

**BRI Opened Trading Day at IDX**

At the Indonesia Stock Exchange, BRI President Director Asmawi Syam and Indonesia Stock Exchange President Director Tito Sulistio pushed a button to celebrate BRI's 12 years with the IDX since the Bank first listed in 2003, and to open the trading day at the IDX

2 DECEMBER

**BRI Named Bank of The Year 2015 Indonesia by The Banker**

Bank BRI received a reputable award as "Bank of The Year 2015 Indonesia" at the Bank of The Year Awards 2015 from The Banker. Bank BRI President Director Asmawi Syam received the award in London

KEY HIGHLIGHTS ◀

Event Highlights 2015

**RUPSLB Akuisisi PT Asuransi Jiwa Bringin Jiwa Sejahtera
(Bringin Life)**

Bank BRI proposed the approval of the Bringin Life acquisition from Dana Pensiun Bank Rakyat Indonesia to the shareholders at an Extraordinary General Meeting of Shareholders (EGMS)

14 DECEMBER



21 DECEMBER

**ATM HIMBARA LAUNCH**

The date marked a milestone in terms of synergy between SOE banks in Indonesia. For the first time, SOE banks that are also members of the SOE Banks Association (HIMBARA), namely Bank BRI, Bank Mandiri, Bank BNI, and Bank BTN, officially launched ATM HIMBARA

**MURI Record as Bank that Disbursed
Most KUR in One Day**

Bank BRI achieved a new record as the bank that disbursed the most People business loans, (KUR), in one day and received an award from the Indonesian Museum of Records (MURI)

27 DECEMBER



29 DECEMBER

**Family Day Celebrating Bank
BRI's 120th Anniversary**

To celebrate its anniversary on 16 December, Bank BRI this year held a Family Day event themed "BRI for Children with Disabilities". BRI channeled social donations of Rp 12 billion for children with disabilities

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Awards & Certifications



International

The Banker

- Bank of The Year Indonesia 2015
- Bank of The Year Indonesia 2014
- Bank of The Year Indonesia 2011



Asian Bankers

- Best Microfinance Business 2015

FORBES

- The World's Biggest Public Companies 2015
- The World's Largest Public Companies 2014
- The World's Largest Public Companies 2012

AsiaMoney

- Best Domestic Bank in Indonesia 2015
- Best Domestic Bank in Indonesia 2014
- Best Domestic Bank in Indonesia 2011

KEY HIGHLIGHTS

Awards & Certifications



National

Trisakti University

- Overall CSR Performance in Banking Sector 2015, Platinum Prize Winner
- CSR Economic Performance of All Sectors 2015, Silver Prize Winner
- CSR Governance Performance in Banking Sector 2015, Platinum Prize Winner

Obsession Media Group

- Best State-Owned Companies Achievers Sub Category Banks 2015

Infobank

- Digital Brand of The Years 2015, E-money (Brizzi) Category, 3rd Place
- Digital Brand of The Years 2015, SOE category, 2nd Place
- Digital Brand of The Years 2015, Conventional Commercial Banks category, 2nd Place
- Bank with Sound 2014 Financial Performance
- Bank with Financial Performance of The Best of The Best 2005-2014

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Awards & Certifications



National

Top Brand Award 2015

- Junior savings (Britama Junio), 1st winner
- Savings product (BRI Britama), 2nd winner

- Time Deposit (Deposito BRI), 2nd winner
- Call Center (Call BRI), 3rd winner

Roy Morgan Research

- Bank for Micro Entrepreneurs of The Year Indonesia 2014

KEY HIGHLIGHTS ◀

Awards & Certifications



National

Investor Magazine

- Best Listed Companies for Top Performing Listed Companies Category in Banking Sector 2015
- Best SOE Web 2015
- Best Banks for Commercial Banks with over Rp100 Trillion Asset Category

BUMN Track Magazine

- Economic Contribution Category 2015, 1st winner

MNC Group

- The Best Listed Company Banking and Finance Sector 2015

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Awards & Certifications



National

Warta Ekonomi Magazine

- Indonesia Living Legend Companies, State-Owned Bank Category for Best Financial Performance 2015

Bisnis Indonesia

- Special Award 2015

Indonesia Property & Bank

- Innovative Home Loan with Product and Interest Rate Variables 2015

KEY HIGHLIGHTS ◀

Awards & Certifications



National

SINDO Weekly Magazine

- Overall Excellence CSR 2015

The BrandZ

- Top Most Valuable Indonesian Brands 2015

SWA Magazine

- Indonesia Living Legend Brands 120 years Old 2015
- Best Brand Platinum 2015

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Awards & Certifications



National

INDONESIA BANKING EXPO 2015

- Convenience Banking
- Internet Banking, Silver Prize Winner

TEMPO Media Group 2015

- The Most Efficient Bank in National Private Conventional Banks with over Rp100 Trillion Asset Category
- The Best Bank in Retail Banking Services for the category of Commercial Conventional Banks in Asset group 1
- The Best Bank in Digital Services, for Asset Group 1

KEY HIGHLIGHTS ◀

Awards & Certifications



National

Annual Report Award

- 2nd Winner in Listed Financial SOE category, 2014
- 2013 Grand Champion
- 1st place in Listed Financial SOE category, 2012

Indonesian Institute for Corporate Directorship

- Top 50 Public Listed Companies 2015
- The Best Financial 2015

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Awards & Certifications



National

Economic Review Magazine 2015

- Corporate Communication in BUKU IV Banks category, 1st winner
- Finance (Efficiency and Profit) in BUKU IV Banks category, 1st winner
- Finance (Value Creation) in BUKU IV Banks category, 1st winner
- Human Capital in BUKU IV Banks category, 1st winner
- Information Technology in BUKU IV Banks category, 1st winner
- Marketing in BUKU IV Banks category, 1st winner
- Risk Management in BUKU IV Banks category, 1st winner
- Good Corporate Governance in BUKU IV Banks category, 2nd winner
- Corporate Social Responsibility in BUKU IV Banks category, 2nd winner

KEY HIGHLIGHTS



Awards & Certifications

CERTIFICATIONS

**ISO 9001:2008**

BRI's Financial Statements has obtained ISO 9001:2008 certificate, which covers "The Process of Preparing Financial Statements". Certification and audit was conducted by SGS (Societe Generale de Surveillance). The certification is valid for three years from 9 December 2014 to 9 December 2017.

ISO 9001:2008

BRI's Operations Center has obtained ISO 9001:2008 certification, which covers seven areas of operations: Operation Banking System for RTGS, Clearing, Remittance, Card Production, Complaint Resolution, Transaction Reconciliation and ATM Reconciliation. This certification is expected to boost the quality of transactions in BRI and increase customer satisfaction.

ISO 9001 : 2008

The operations of BRI's Contact Center Service conform to quality management system ISO 9001:2008. The certification and verification conducted by New Zealand Limited on 5 December 2011 was valid until 5 December 2014.

ISO 9001 : 2008

BRI's Internal Audit carries out its audit function in compliance with Quality Management System of ISO 9001 : 2008, both in terms of audit quality and in terms of operations and management. The certification was first conducted in 2003 and the Bank has been regularly recertified every three years since. The fifth recertification from PT SGS Indonesia was granted on 24 October 2014 and is valid for three years.

ISO 9001 : 2008

The Procurement Division has obtained ISO 9001:2008 certificate from PT Lloyd's Register Indonesia (LQRA) for supply, distribution and administration aspects. The certification is nationally and internationally acknowledged by the National Accreditation Committee (KAN) and United Kingdom Accreditation Services (UKAS) Management System.

ISO 9001:2008

The BRI Corporate University in 2015 obtained ISO 9001:2008 (Quality Management System) certificate, which covers the Learning Operation Department, from certification institution Lloyd's Register Indonesia. The successful certification proved that BRI Corporate University consistently upgraded the quality of its learning operations and put students' satisfaction as its top priority.

ISO 9001:2008

The Accounting and Financial Management Division has obtained ISO 9001:2008 certificate, covering two aspects: Accounting Policies (KAK) and Accounting Oversight and Control (PPA) or "The Process of Preparing Accounting Policy and Accounting Control" from certification institution SGS United Kingdom Ltd Systems & Services Certification. This proved that the Division always enhanced its work quality relating to accounting policy development and oversight to meet the needs of BRI's stakeholders and ensure the accuracy of financial statements.

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MANAGEMENT REPORTS

4.9%

BRI BOOKED A CONSOLIDATED
PROFIT OF 4.9% IN 2015
FROM RP24.23 TRILLION IN 2014 TO
RP25.41 TRILLION



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Message from the President Commissioner



MUSTAFA ABUBAKAR

President Commissioner,
Independent Commissioner

“

Despite numerous external challenges in 2015, BRI was still able to deliver yet another strong performance. Assets grew 8.7% (yoy) to Rp Rp845.99 trillion, backed by loan growth of 13.9% (yoy), LDR stood at 86.88%, and TPF rose by 7.1%. The Bank was also able to maintain its key financial ratio, although we recognized a slight decline. Return on equity stood at 29.9%.

”

MANAGEMENT REPORTS ◀

Message from the President Commissioner

Asalammualaikum Wr. Wb.

Distinguished shareholders, members of the Board of Commissioners, members of the Board of Directors, the management, BRI employees, and stakeholders; we are grateful to God Almighty, the One and Only, for His blessings and favour in 2015, which have made it possible for the Bank to sustain strong performance.

Throughout 2015, BRI faced numerous challenges, both internal and external. External challenges related to the global economic slowdown, which impacted the national economy. As for the internal challenges, last year the Bank went through a leadership regeneration process with a number of senior members of the Board of Directors assigned to new positions at others SOEs. Member rotation also took place within the Board of Commissioners.

In general, the global economy was still fragile following the devaluation of the yuan, the uncertainty over the US Federal Reserve rate increase and falling commodity prices. In Indonesia, economic growth at 4.79% was lower than 5.01% in the previous year. This unfavourable economic condition was also reflected in the weakening rupiah, tight liquidity and increased credit risk – especially medium and corporate loan in the commodity and mining-based sectors. This situation affected business expansion and profitability of banks nationwide and posed a challenge to business growth and development.

Board of Directors Performance Assessment and View of Business Prospects Defined by the Board of Directors

Amidst the external challenges, BRI was still able to deliver yet a strong performance. Assets grew by 8.7% (yoy), loan disbursement rose by 13.9% (yoy), TPF grew by 7.1% (yoy) and net interest margin grew by 12.8% (yoy). Meanwhile, BRI maintained its non-performing loans at 2.02%. The performance in these areas affected the Bank's income; income after tax stood at Rp 25.20 trillion, and was the largest income generated in national banking sector.

BRI achievements in 2015 were due to a number of key initiatives undertook by the management to create a robust, sustainable growth foundation. The management made continuous improvements in prudent banking practices, Good Corporate Governance (GCG) and effective risk management by regularly refining its policies, infrastructure and human capital quality. In addition, the management also strengthened internal control over various operational aspects. This included steps to develop organizational structure by focusing on greater span of control. All of the improvement and development initiatives contributed to shaping a strong foundation that was critical

to all BRI's lines of business.

2016 poses another unique challenge for BRI, with BRI's own satellite (BRIsat) planned to be launched in June 2016. The presence of BRI-operated satellite means the management must be able to fulfil the expectations of optimum satellite utilization for better services to the public and customers and to enhance the growth of Bank's productivity and profitability.

Moreover, as a Bank with a history of expertise and the best infrastructure in loan disbursement to MSMEs, 2016 will also be the year for BRI to substantiate the Company as the largest and best Bank in the People Business Loans (Kredit Usaha Rakyat - KUR) program, whilst observing prudential banking practices. As such, the Board of Commissioners will continue to oversee and remind all BRI employees, anywhere in Indonesia, to carry out their responsibilities and commitment to the best of their abilities so that the challenges and stakeholders' expectations can be met.

Enhancing Corporate Governance Quality

The Board of Commissioners fully supports the commitment to implement Good Corporate Governance in BRI, which is not only to enhance the Bank's reputation and performance in the financial sector, but most importantly to create value and benefit for all stakeholders.

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Message from the President Commissioner

In view of the Board of Commissioners, the policies and charters articulated for each of the Bank's organs are sufficient to direct the performance of duties and responsibilities. Updates and improvements to charters are certainly imperative in order to stay compliant with prevailing policies, laws and regulations, and to drive BRI's organization to step up its quality.

Cooperation and collaboration between the Bank's organs must be maintained and in line with the Bank's vision, mission and values. The complexity of BRI'S GCG organization is in fact a strength that moves the Bank towards the chosen path and determined goals – to carry out strategy and actions that uphold the highest principles of GCG. Ethics and codes of conduct need to be continuously promoted and sustained so that they may consistently guide the implementation of duties across all BRI elements.

The Board of Commissioners appreciates the implementation of anti-fraud and whistleblowing systems within BRI. These systems indicate BRI's strong commitment to integrity and reflect the awareness of entire organization of the Bank's improvement and future. The Board of Commissioners expects that all the challenges currently faced by BRI can be resolved fairly based on decisions that will have constructive impacts on the Bank.

The implementation of GCG is visible and can be assessed by the public based on BRI's performance. The Board of Commissioners welcomed the initiative of Financial Services Authority (OJK) to evaluate the Bank's GCG performance in the previous financial year, in which the Bank reached score 2, or Good. We hope that this result can motivate the Bank to continue improving GCG quality across all components, elements and levels, and enshrined in all BRI employees' conduct.

Performance Assessment of Committees under the Board of Commissioners

In carrying out its supervisory function, according to prevailing regulations, BRI's Board of Commissioners has complementary functions. They are committees under the Board of Commissioners' coordination, among others the Audit Committee, Risk Management Oversight Committee, Nomination & Remuneration Committee, and Integrated Corporate Governance Committee.

The Board of Commissioners would like to report that in 2015, all committees have diligently performed their roles and responsibilities. The committees have provided significant and positive support to the Board of Commissioners' oversight function.

In 2015, the Audit Committee has ensured the adequacy of internal control and financial reporting process sufficiency. The Committee has also reviewed the effectiveness and appropriateness of audits conducted by Public

Accounting Firm and reviewed the financial statements as well as other financial information to ensure that the data are up to standard and in compliance with prevailing regulations.

The Risk Management Oversight Committee also performed its duties and responsibilities exceptionally well. It built intensive coordination with the Compliance Directorate to perform its duties of reviewing and monitoring risk management implementation within BRI. Through strong coordination and collaboration, BRI was able to maintain a "Low to Moderate" risk profile, good loan portfolio quality and a level of non-performing loans below industry average. This was a tangible result of synergized and robust risk management.

We also note significant contribution of the Nomination & Remuneration Committee with respect to its evaluation on the remuneration of the Board of Commissioners, Board of Directors, Executives, and overall employees. In addition, the committee also provided sound advice and suggestions on the system and procedure of the Board of Commissioners' selection and/or replacement, the Board of Directors' succession procedure, and Independent parties' selection procedure.

Pursuant to OJK regulations, at the beginning of 2015 the Board of Commissioners established the Integrated Corporate Governance Committee comprising elements of BRI Board of Commissioners, Bank

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Message from the President Commissioner

BRI Agro Board of Commissioners and Bank BRI Syariah Board of Commissioners and Supervisory Council. In 2015, this committee provided input to the Board of Commissioners regarding Integrated Risk Management policy implementation.

The Board of Commissioners would like to especially appreciate the work of the committees. We are also optimistic that the committees' performance will improve as they build better synergy with related work units. As such, the committees under the Board of Commissioners will be able to generate even greater contribution.

Changes in the Composition of the Board of Commissioners

Pursuant to the resolutions of BRI Shareholders' Meeting held on 23 March 2015, there were changes in the composition of BRI's Board of Commissioners. These changes were effective as of the meeting conclusion. The meeting approved the resignation of Mr. Bunasor Sanim from his position as President Commissioner and concurrently

as Independent Commissioner, as well as Ms. Dwijanti Tjahjaningsih from her position as Commissioner, as they reached the end of their tenures. BRI would like to express highest appreciation to Mr. Bunasor Sanim and Ms. Dwijanti Tjahjaningsih for the contribution of their hard work and thoughts for BRI. The meeting approved the appointment of Mr. Mustafa Abubakar as the Bank's President Commissioner and concurrently as Independent Commissioner.

Appreciation

The Board of Commissioners would like to take this opportunity to thank and extend our appreciation to the Board of Directors and all employees of BRI for their hard work and commitment that allowed the Bank to achieve its 2015 performance. We also congratulate Mr. Djarot Kusumajakti who, as of June 2015, became the new President Director of Perum Bulog and to Mr. A Toni Soetirto who received his second appointment as a member of the BRI Board of Directors and will stay with the Bank until his tenure ends at the 2016 Annual GMS. We pray that Allah Almighty will provide them with guidance and protection in their new endeavours.

The Board of Commissioners welcomes Mr. Gatot Trihargo, Mr. Ahmad Fuad Rahmany, Mr. Sonny Keraf, and Mr. Jeffry J. Wurangian. They were appointed and passed their respective fit and proper tests as members of BRI Board of Commissioners effective as of March 2015.

The Board of Commissioners thanks the Government as the shareholder of the Bank's Series A Dwiwarna, public shareholders, customers, business partners, all stakeholders and the public at large for their trust and support to the Board of Commissioners, Board of Directors, and BRI employees.

We sincerely pray that Allah Almighty, the One and Only God, will always bless all individuals within BRI with guidance and favour. The Board of Commissioners believes that BRI shall continue to succeed and realize its best performance in the years ahead. Amin.

Wassalamualaikum Wr. Wb.



MUSTAFA ABUBAKAR
President Commissioner,
Independent Commissioner

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Report on the Supervisory Duties of the Board of Commissioners in 2015

Distinguished Shareholders,

In 2015, the Board of Commissioners has performed its supervisory responsibilities in the areas of operational policies and the management of the Bank under the Board of Directors. The Board of Commissioners has also advised the Board of Directors and ensured the compliance with the Bank's Articles of Association as well as other prevailing laws and regulations.

The supervisory and advisory activities of the Board of Commissioners are carried out to support the interest of the company and to ensure the alignment of the Board of Directors duties and responsibilities with the company's aims and objectives, in order to assure the management of company for the benefit of stakeholders.

The Board of Commissioners carries out its duties and responsibilities in good faith, independently, responsibly and with prudence while adhering to the Bank's Articles of Association, prevailing laws and regulations and principles of good governance.

As a Board, the Board of Commissioners has all the necessary core competencies. In performing its duties, the Board of Commissioners is supported by the Audit Committee, Risk Management Oversight Committee, Remuneration & Nomination Committee, and Integrated Corporate Governance Committee.

To maintain objectivity and independency, the Board of Commissioners is not involved in any of the Bank's operational decision-making, with the exception of fund provision to related parties and other matters specified and stipulated by the Bank's Articles of Association and prevailing laws and regulations.

COMPANY PERFORMANCE EVALUATION AND SUPERVISORY DUTIES 2015

As we know, the global economy slowdown in 2015 was also coupled with volatility in both the capital and money markets. This was a result of China's economic downturn, with the country's growth stood at only 6.5% from 10.4% in 2010. Slowdown at the global level affected the performance of national economy, where Indonesia was estimated to grow at only 4.8% or lower than 5.02% in 2014. The situation was exacerbated by falling commodity prices globally and weaker national export performance, although the trade balance achieved a surplus. In December 2015, the Rupiah to US Dollar also weakened to Rp13,795/USD, while inflation rate in 2015 was estimated at 3.35%.

As of the end of 2015, the unfavorable economic situation and liquidity pressure affected business expansion activities and profitability of banks in Indonesia. As the domestic economy slowed, banking assets grew by around

9.41% (lower than 13.34% in the previous year), while loan only grew 10.44% nationally from 11.58% in the previous year. Banking liquidity was also pressured with third party funds growing by only 7.26%.

Amidst the external challenges, BRI was still able to deliver yet a strong performance. Assets grew by 8.7% (yoy) to Rp845.99 trillion, backed by loan disbursement that rose by 13.9% (yoy). Meanwhile, LDR stood at 86.88% while TPF grew by 7.1%. The Bank was also able to maintain its key financial ratio performance despite a minor contraction. Return on equity stood at 29.9%, or lower from 31.2% in the previous year, while return on assets (before tax) stood at 4.19% or lower than 4.73% in the previous year.

There were concerns within the national banking sector that non-performing loans would surge with the domestic economic slowdown. However, the Board of Directors was able to maintain asset quality and therefore kept gross NPL at 2.02% and net NPL at 0.52%. The Bank also successfully increased its fee based-income (FBI); in 2015, FBI reached Rp7.4 trillion or up 21.15% from the previous year. This performance complemented the Bank's income after tax that stood at Rp25.20 trillion – the largest profit generated in the banking sector.

BRI achievements in 2015 were due to a number of key initiatives undertaken by the management to create a robust, sustainable growth

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foundation. The management made continuous improvements in prudent banking practices, Good Corporate Governance (GCG) and effective risk management by regularly refining its policies, infrastructure, and human capital quality. In addition, the management also strengthened internal control over various operational aspects. This included steps to develop organizational structure by focusing on greater span of control. All of the improvement and development initiatives contributed to shaping a strong foundation that was critical to all BRI's lines of business.

1. Risk Profile

BRI has applied enterprise-wide risk management to identify, measure, monitor, and control risk exposure in all organization lines. This is implemented through four pillars that consist of active oversight from the Board of Commissioners and Board of Directors, policy sufficiency, limit procedure and determination, with continuous evaluation with update.

Risk management in BRI is a function independent from business and audit functions. These functions (risk, business, and audit) play an active role in implementing risk management – each with different authority as the first, second, and third lines of defense. This concept has been consistently implemented

so that decisions can be taken impartially, and independently, without serving or neglecting the interest or certain operating units.

In 2015, the Board of Commissioners regularly evaluated risk management policy and strategy implementation, including ensuring that all material risks and impacts were followed-up. The Board of Commissioners evaluation aimed to ensure the effective management of BRI activities and risks by the Board of Directors. Another measure regarding risk management was to assure that risk management culture was well embedded in BRI and that risk awareness was fostered throughout BRI organization.

In view of the Board of Commissioners, risk management at BRI has been effectively managed. This is reflected in the Semester II-2015 composite risk level that showed low to moderate (score 2) category with low risk level for market and reputational risk and low to moderate level for credit, liquidity, legal, strategic, and compliance risks.

2. Good Corporate Governance (GCG)

BRI's commitment to implement Good Corporate Governance (GCG) is articulated in one of the Bank's

mission statements, which is: to provide customers with excellent services, delivered through a vast network and supported by professional human capital and a reliable information technology system, while adhering to effective risk management and sound practices of Good Corporate Governance. This commitment requires the Bank to embed GCG principles in all of the Bank's activities, as shown in the core values, strategies, policies, and GCG implementation across all operational activities.

The Board of Commissioners believes that consistent and continuous GCG principles implementation by the management and employees will maximize the Bank's added value supported by stakeholders' trust. Increased of trust will step up the Bank's competitiveness at national and international levels, which will ensure long-term business continuity. In turn, this will ensure the achievement of the Bank's long-term goal of generating optimum benefits for stakeholders.

The Board of Commissioners recognizes the Bank's comprehensive GCG manual, which comprises GCG policy, Code of Conduct, Board Manual for both the Board of

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Commissioners and Board of Directors, committee charters, and other supporting procedures and policies, such as Whistleblowing System, Risk Management Policy, Compliance Policy, Audit Policy, and so forth. Periodically, GCG manuals are evaluated and reviewed for update by the Management.

The Board of Commissioners believes that in 2015 the Bank has implemented the best GCG practices based on five GCG principles – transparency, accountability, responsibility, independency, and fairness. At BRI, implementation of GCG best practices has moved beyond complying with prevailing laws and regulations to systematic efforts to continuously innovate and refine GCG management to improve the quality of its implementation.

Implementation of best GCG practices is visible among others from:

- a. Transparency in decision-making processes and disclosure of materials and relevant corporate information, among others reflected in the publication of quarterly Financial Statements and updates of share ownership of the Board of Commissioners and Board of Directors presented in the Bank's annual report.
- b. The clearly defined responsibilities and duties of the Bank's management. This is reflected in clear responsibilities attached to each part of the organizational structure, a fair and objective employee recruitment system and a performance-based remuneration system for management and employees.
- c. The Bank's management practices that consistently adhere to prevailing laws and regulations as well as sound corporate principles, as indicated by the regular reports from the Bank to regulators and other authorities as stated in the prevailing regulations.
- d. Professional bank management without conflicts of interest or influence or pressure from any other parties that contradict prevailing laws and regulations or the principles of a sound corporation. All employees of the Bank are committed to work professionally without conflicts of interest, independent from influence or pressure from any party.
- e. The Bank fairly and equally meets stakeholders' rights that arise from agreements and prevailing laws and regulations. This is indicated by performance driven rewards and objective punishments implemented by the Bank for stakeholders. The Bank also provides equal treatment to all customers.

The Bank achieved a composite score of 1.17 for GCG self-assessment. This score improved from the previous year's composite score of 1.12.

3. Profitability

In spite of the national economic downturn in 2015, the Board of Commissioners' view the Board of Directors successfully applied apt strategies that allowed the Bank's net income to grow albeit at the moderate level of 4.3% from the previous year. With this growth, the Bank booked net income of Rp25.20 trillion.

The posted net income was enabled by the Bank's ability to maintain its profitability despite contractions from the previous years. Return on Equity (ROE) stood at 29.9% or lower than 31.2% in the previous year, while return on Asset (ROA) stood at 4.19% or down from 4.73% in the previous year. The corrected profitability ratios were affected by, among others, increase of costs,

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especially overhead costs as reflected in the Cost to Income ratio that stood at 67.9% from 65.4% in the previous year.

4. Capital

Overall, the Board of Commissioners views that the Board of Directors has effectively carried out capital management in a way consistent with the Bank's characteristics, business scale and business complexity. This was reflected in the Bank's capital level that stood above the minimum standard set by Bank Indonesia. The Bank's capital adequacy ratio (CAR) as of the end of 2015 was 20.6%, or far above the minimum requirement of 8%.

PERFORMANCE EVALUATION OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

Throughout 2015, committees under the Board of Commissioners, namely the Audit Committee, Risk Management Oversight Committee, Remuneration & Nomination Committee, and Integrated Corporate Governance Committee, performed their duties and responsibilities well. They provided significant and positive support to the supervisory duty of the Board of Commissioners.

The Audit Committee ensured the adequacy of internal control, including financial reporting process. The Audit Committee also evaluated the effectiveness and compliance of audit activities

performed by Public Accounting Firm and reviewed the Financial Statements as well as other financial information to assess their consistency with prevailing standards and regulations.

In terms of risk management, BRI's capability to manage its risks is inseparable from the successful coordination of the Risk Management Oversight Committee with the Compliance Directorate in carrying out their duties to review and monitor risk management practices within BRI. The "Low to Moderate" risk profile, sound loan portfolio, and low percentage of non-performing loans in 2015 were tangible results of a synergized and robust risk management.

The Nomination and Remuneration Committee also provided an important contribution with respect to its evaluation on the remuneration of the Board of Commissioners, Board of Directors, Executives, and overall employees. In addition, this committee also provided sound advice and suggestions about the system and procedure to appoint and/or replace members of the Board of Commissioners, the Board of Directors succession procedure, and the Independent parties' selection procedure as member of the Board of Commissioners.

Pursuant to Financial Services Authority regulations, at the beginning of 2015 the Board of Commissioners established the Integrated Corporate Governance Committee that comprises elements from BRI

Board of Commissioners, Bank BRI Agro Board of Commissioners, and Bank BRI Syariah Board of Commissioners and Supervisory Council. In 2015, this committee provided feedback for the Board of Commissioners regarding Integrated Risk Management policy implementation.

The Board of Commissioners highly appreciates the work of the committees and expects that the performance of the committees will continue to improve in order to provide greater contributions to the growth and advancement of BRI.

SUPERVISORY ACTIVITIES AND RECOMMENDATIONS

The Board of Commissioners and its committees performed their supervisory duties by holding working sessions and carrying out visits. In 2015, these activities included:

1. Joint meetings with the Board of Directors to evaluate the achievement of strategic policies and review the implementation of Work and Budget Plan/Bank's Business Plan 2015. This was done at least every quarter.
2. Sessions with relevant Directors or Divisions to:
 - a. Conduct quarterly review on pre-published financial statements
 - b. Review the audit by Public Accounting Firm, covering audit activities in the 2014 financial year, management letters in the 2014 financial

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year, and audit of the Bank's partnership and community development program in the 2014 financial year.

- c. Conduct monthly evaluation on internal audit findings
- d. Conduct quarterly monitoring on the follow-up of internal and external audit findings performed by the Board of Directors
- e. Review the Annual Audit Plan 2015 and follow-up of internal audit findings
- f. Conduct quarterly review on risk profile, compliance implementation, and anti-fraud strategy implementation
- g. Conduct semester review on the bank's financial condition
- h. Conduct GCG semester review by performing GCG self-assessment
- i. Review the Risk Management General Policies
- j. Evaluate the subsidiaries performance
- k. Evaluate HC management
- l. Review information technology policies, including policies and management of BRI satellite (BRIsat)
- m. Evaluate Integrated Risk Management policies

- n. Evaluate Pension Fund Management and Investments
- o. Review BRI Financial Institution Pension Fund (DPLK)
- p. Review wealth management

3. The Board of Commissioners working visits to operating units under BRI's Regional Offices.

Based on the meetings and visits in 2015, recommendations from the Board of Commissioners were:

1. Lending

Loan disbursement should maintain and observe prudential banking principles complemented with improved internal control and effective credit-risk management. The proportion of loan disbursement to MSME segment should be the Bank's priority, strengthened and supported by trickle-down business strategy. The Board of Directors should take into account advice and suggestions from the Board of Commissioners in credit consultation forums organized for lending of certain amounts to certain debtors, and that plausible risks in lending should be aptly mitigated.

2. Funding

The Board of Directors and the Management were advised to always try to increase the composition of low-cost funds in order to provide competitive interest rates to customers as part of the Bank's strategy to stay ahead of the market. In 2015, the Bank needs to achieve third party fund targets consistently throughout the year by carrying out effective monitoring of funding programs.

3. Income and Expenses

The Board of Directors need to continuously boost non-interest income, for example through e-banking activities, trade finance, remittance, cash management and others, by leveraging BRI operating units located across Indonesia. In terms of expenses, the Board of Commissioners always recommends increased efficiency.

4. Capital

The Bank's capital growth should be optimized through increased retained earnings. Efforts to boost sources of funding and working capital, e.g. the issuance of securities in the form of MTN and bonds, need to be based on thorough analysis, to formulate the terms

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and conditions that benefit the Bank and to be carried out in accordance with prevailing laws and regulations.

5. Human Capital

The Board of Commissioners believes that the management of human capital (HC) as the Bank's main asset has to be sound and sustainable. A performance assessment system using the Balanced Scorecard as well as individual and team Key Performance Indicators (KPI) as a basis of performance evaluation is backed by an integrated IT system to ensure that all BRI's human capital has the environment to fulfill their best professional potential to support BRI's business development.

To increase HC productivity, the Board of Directors organized regular training and education programs for all employees in 8 (eight) BRI training centers located across Indonesia. The Board of Directors also sent the best talents to attend postgraduate education overseas.

Considering the increasingly dynamic needs of the organization in the future, recruitment and grooming processes that in the past were more general should now

shift and focus on creating specialists. Enrichment of employees at certain position levels should be stepped up in order to create a pool of leadership candidates with competencies in line with the needs of the Bank and organization. Organizational structure should also be developed toward a more ideal structure according to job families within BRI organization. The Board of Directors was also advised to immediately prepare HC with the competencies to fill that structure.

6. Information Technology

Technology is the core of the future banking industry. As such, there needs to be concerted efforts to enhance the quality of information technology within BRI. In the view of the Board of Commissioners, the Board of Directors has done so optimally by building IT infrastructure, improving server quality, developing HC competence in IT, and growing the quality of IT-backed products. To maintain the service level delivered to customers and the people, the Board of Directors should regularly assess IT reliability, especially in terms of LAS, network performance, and BRI ATMs. In addition, the Board of Directors should

ensure human capital and infrastructure readiness with respect to BRI's management so that once the satellite is in operation it can be fully utilized to enhance services to customers and the public at large.

7. Risk Management

Risk management evaluation process should reflect real conditions in the field considering that the results of risk management assessment will be the basis for the management's decision-making and steps of improvements. Risk management self-assessment would be better achieved with the involvement of the Board of Directors and all its operating units. The purpose was to ensure that risk management evaluation is a fully all-round process, in line with the defined parameters. As such, the Board of Directors should prepare a system that accommodates involvement of more parties in risk assessment activities.

8. Internal Control

The Bank's internal control refers to international standards framework. The internal control process is done to have adequate assurance with respect to the Bank's asset security and safekeeping, accuracy of reports, increased compliance with prevailing

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regulations, minimized impacts of financial loss, deception including fraud, and control over violation of prudence as well as improved organizational and cost effectiveness.

The Board of Commissioners advises the Board of Directors to continually improve the quality of internal control, among others in terms of:

- Increasing embedded monitoring in operational processes within each operating unit.
- Optimizing the role and function of risk management in all operating units.
- Enhancing the quality of internal control by carrying out risk-based audit of operational processes in all operating units.
- Improving the quality of internal auditor and IT auditing.
- Increasing monitoring by Head of operating units of follow-ups on action to findings from internal and external auditing within operating units.

To minimize disciplinary violations and fraud committed by employees, examination and decisions over these violations need to be thorough and immediate. Firm actions against

any disciplinary violation, especially fraud, should be applied to render as a deterrent effect for the individuals committing the violations and for other employees. The whistleblowing system should be optimized and all reports filed through this system should be followed-up. The education curriculum at the Corporate University or Learning Centers should be expanded and should have more soft competency topics, e.g. ethics and integrity.

9. Good Corporate Governance (GCG)

The Board of Commissioners advised the Board of Directors and all individuals in the Bank to maintain consistency and to enhance the quality of GCG implementation in all operational aspects. In terms of Integrated Corporate Governance, the Board of Directors should develop the system to empower subsidiaries as an anchor of BRI's growth. Integrated Corporate Governance and Integrated Risk Management should be considered as needs of the Bank in order to create all-round conglomeration-wide governance.

10. Investment and Subsidiary Development

Today, BRI is heading toward larger financial conglomeration management; therefore as in a conglomeration, subsidiaries need to support the growth of parent company. With regard to this, investments and development of subsidiaries should be based on a clear business model equipped with a clear market strategy. Subsidiary development should also be an integral part of BRI's own development and growth as a conglomeration. To that end, the tools, system, and information process to communicate between parent company and subsidiary business directives should be developed.

11. Capital Expenditure

Capital-expenditure planning should always be aligned with project planning, business development planning and human-capital readiness. In addition, capital expenditure should be optimized to enable customer service improvement.

12. Organization

With 5 new SEVP positions in the Organizational Structure, BRI currently is well positioned to meet medium-term business growth expectations.

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13. Office Network

Expansion of Operating Units network should be complemented with strategic steps, among others in terms of better coordination between units. Plans of opening new branches should always be aligned with branchless banking policy and BRI'sat presence. Development of network infrastructure and technology should be supportive of the Bank's ability to raise low-cost funds and increase fee-based income.

that the Bank is ready to operate in a free market environment, especially with regards to the AEC. The Bank is expected to stay involved in activities that promote communities financial independence whilst continuing its core business in MSME financing.

It is also important that sustainable growth strategy that has been implemented, e.g. robust business expansion, network and technology infrastructure development, and improvement of HC quality are maintained.

Rahmany, Mr. Sonny Kerat, Mr. Jeffrey J. Wurangian and Mr. Gatot M. Suwondo were appointed as members of the Board of Commissioners. For personal reasons, Mr. Gatot M. Suwondo has resigned from his position on the Board of Commissioners.

- c. The appointment of Mr. Mustafa Abubakar from Vice President Commissioner to President Commissioner.

We hereby conclude the supervisory report of the Board of Commissioners to the Shareholders.

14. Partnership and Community Development (PKBL)

The Board of Directors should optimize PKBL, especially programs under Community Development. Fund disbursement should be focused on empowerment programs to stimulate communities economic self-reliance.

CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

Pursuant to the resolutions of BRI General Meeting of Shareholders held on 19 March 2015, the following changes in the composition of BRI Board of Commissioners took place:

- a. Mr. Bunasor Sanim (President Commissioner), Mr. Adhyaksa Dault, Mr. Hermanto Siregar, Mr. Heru Lelono, and Ms. Dwijanti Tjahjaningsih were honorably discharged. Mr. Adhyaksa Dault was re-appointed as Commissioner. The Board of Commissioners thanks him for his contribution of hard work and thoughts in 2015.
- b. Mr. Gatot Trihargo was appointed as Vice President Commissioner, while Mr. Fuad

Board of Commissioners

PT Bank Rakyat Indonesia Tbk.

BUSINESS OUTLOOK

The Board of Commissioners believes that Indonesia's economic growth in 2016 will improve in comparison with 2015. However, in terms of business growth, the Bank needs to maintain the prudence performed throughout 2015. Growth in 2016 should also focus on non-organic rather than organic growth. The Bank also needs to strengthen network infrastructure to bolster market coverage, ensuring

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Board of Commissioners



.01
Mustafa Abubakar
President Commissioner,
Independent Commissioner

.02
Gatot Trihargo
Vice President Commissioner

.03
Ahmad Fuad Rahmany
Independent Commissioner

.04
Ahmad Fuad
Independent Commissioner

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Board of Commissioners



.05
Adhyaksa Dault
Independent Commissioner

.06
A. Sonny Keraf
Independent Commissioner

.07
Vincentius Sonny Loho
Commissioner

.08
Jeffry J. Wurangian
Commissioner

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Message from the President Director



ASMAWI SYAM
President Director

“

BRI continued to book positive net income, which allowed the Bank to have a sound profitability ratio. In 2015, BRI recorded a 29.89% of Return on Equity (ROE) and 4.19% of Return on Assets. BRI also successfully maintained its cost efficiency ratio (CER) and operating cost to operating income ratio at 43.81% and 67.96%, respectively.

”

Message from the President Director

Asalammualaikum Wr. Wb.

We are grateful to God Almighty, the One and Only, for His blessings and favour in 2015, which made it possible for the Bank to journey through a challenging year of 2015 and closed the year with strong results and new expertise. The year's performance strengthened our commitment to meet our strategic objectives by focusing on sustainable technology transformation and innovation. We believe that this way we will be able to deliver the best results for stakeholders and at the same time increase value for shareholders. On behalf of the Board of Directors, allow me to present a summary of BRI's performance in the 2015 financial year.

DISTINGUISHED SHAREHOLDERS,

In the last two years, global economic condition brought numerous challenges to the business community. The economy of the United States started to recover, while many European countries were still unstable. In Asia, the slowdown that China experienced led to a slump in demand and commodity prices. This condition affected the domestic economy, in which commodities account for a major portion of exports and caused the fluctuation of exchange rate throughout 2015. In 2015, Rupiah was depreciated to as low as minus 18% compared to the position in the beginning of the year.

Indonesia's economic growth in 2015 reached 4.79%. Although this exceeded market expectations of 4.75%, this growth rate indicated that Indonesia's economy continued to decelerate in the past five years. In terms of quarterly trends, growth in the fourth quarter at 5.04% was higher than the previous quarter.

Increased government spending and flow of investment were able to mitigate the impact of domestic demand downturn as well as sluggish exports, as global demand dropped and commodity prices plunged. Government spending indeed improved following the commencement of several basic infrastructure projects that started in the middle of the year. Another indicator of improvement was the lower trade balance deficit after fuel and electricity subsidies were lifted.

In addition, Bank Indonesia (BI) efforts to apply macro prudential policies were proven effective to control the rupiah exchange rate that stood at Rp13,788/USD, or 11.32% lower than Rp12,385 in the previous year. Moreover, inflation was at a stable 3.35% and BI benchmark interest rate stood at 7.50%, or lower than 7.75% in 2014.

As for Indonesia's banking industry, in general the industry remained competitive globally and nationally. Economic slowdown, however, did result in contracted lending growth. Throughout 2015, industry-wide

lending growth stood at 10.4%, which was lower than 2014 growth of 11.6%. Growth of profits also receded by 6.72% compared to 2014 position. Moreover, although the industry overall was able to maintain liquidity, the unfavourable economic condition forced banks to increase allowance to mitigate credit risk in response to increased in risk profile.

REVISITING BRI PERFORMANCE IN 2015

Performance, Strategic Policies, Results vs. Targets, and Challenges

In 2015, BRI posted 4.3% of net income growth to Rp25.20 trillion. This net income performance in 2015 was considered strong given the adverse economic condition that weakened customers' business competitiveness whilst increasing their risk profile.

Even though business competition was intense and industry climate was not ideal, the Bank was still able to maintain a positive profitability ratio. In 2015, BRI booked 29.89% Return on Equity (ROE) and 4.19% Return on Assets (ROA). Despite lower net income growth compared to 2014, BRI was able to keep a cost efficiency ratio (CER) and operating cost to operating income (BOPO) ratio at 43.81% and 67.96%, respectively.

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The following indicators reflected the Bank's business development undertakings in 2015, which included technology transformation, innovation building, network expansion, HC enforcement, and service quality improvement. All these activities were carried out by BRI in line with its strategic objectives in support of the Bank's end goal of becoming the Biggest National Payment Bank.

2015 Targets and Realization (Trillion Rp)

Description	2014 Realization	Target 2015	2015 Realization
Assets	778.05	861.62	846.00
Net Income	24.18	25.10	25.20
Lending	490.40	566.61	558.44
Third Party Funds	600.40	647.64	642.77
Operational Expenses to Operational Income (BOPO)	65.42%	68.38%	67.96%
LDR	81.68%	87.49%	86.88%
NPL (Gross)	1.69%	2.04%	2.02%
NPL (Net)	0.36%	0.52%	0.52%
NIM	8.51%	8.12%	8.13%
CAR	18.31%	19.95%	20.59%

In terms of achievement, looking at BRI's performance in 2015, in general the Bank met all of the targets defined in the Bank's Business Plan 2015. Although there were performance indicators that achieved less than 100% of target, they were still within a tolerable range of above 95%.

BRI's profitability in 2015 contracted due to the increase in risk profile, as the economic condition was not favourable. BRI had to increase cost for allowance in order to maintain assets quality, especially loan. This was reflected from the allowance for loan impairment that rose by 52.9%. However, the Bank tried to balance the increase by intensifying efforts to make cost of funds more efficient and by optimizing our assets productivity. By maintaining LDR at a range between 85%-92%, our net income grew by 4.3% above our target in the beginning of the year. Other efforts applied by the Bank to maintain the level of profitability is by stepping up operational efficiency to 67.96%, which exceeded the target of 68.38%.

Supported by an extensive marketing network, BRI succeeded in maintaining consistent assets growth from year to year. Amid the economic condition as described, BRI's assets grew by 8.73% to Rp846 trillion as loan grew by 13.9% to Rp558 trillion. Loan growth was complemented by sound lending quality achieved by implementing a proactive loan restructuring program. As a result, gross NPL stood at 2.02% or above our initial target of 2.04% and outperformed the industry-wide position at 2.49%.

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Message from the President Director

In terms of Third Party Funds (TPF), in 2015 BRI booked 7.1% growth of TPF to Rp642.8 trillion compared to 2014 achievement. This growth was driven by growth of low cost fund (demand deposits and savings) by 18.4%. Indeed, this achievement stood less than 100% realization compared to the target, however BRI funding performance was considered exceptionally strong, as we met 99.25% of our 2015 target. To improve cost efficiency, BRI adjusted its strategy and lowered the portion or time deposit in TPF portfolio, allowing the low cost fund ratio to increase from 53.6% in 2014 to 59.2% in 2015. It was through this refocus of low cost fund composition that BRI was able to lower costs from 4.38% in 2014 to 4.24% in 2015. Nevertheless, during the first semester of 2015, cost of funds were still high; this, coupled with lending growth that took off only after that period, led to a Net Interest Margin of 8.13%, which was lower than 2014 position of 8.51%. Our achievement, however, exceeded the target.

Another positive indicator of BRI performance was the improved capital structure. As of the end of 2015, BRI recorded a capital adequacy ratio (CAR) of 20.6%, which was far above Bank Indonesia minimum requirement. Meanwhile, the LDR (Loan to Deposit Ratio) stood at 86.9%, which reflected the optimum intermediary function of the Bank.

MSME Strategy as the Foundation of Growth

Reflecting on its history, BRI was established to disburse loan that would stimulate the people's economy – a philosophy that the Bank upholds until today. As a result, BRI grew as a leading commercial bank with various national and international awards and recognitions.

To drive the people's economy, BRI maintained its focus on micro lending, which is a loan segment with a high growth level in terms of loans outstanding and number of account holders. Through products such as Kupedes, Kupedes Rakyat, and KUR Mikro, micro loan outstanding grew by 16.8% from 2014 position to Rp178.9 trillion. During the same period, the number of account holders in the micro segment also grew to 7.9 million loan accounts from 7.3 million loan accounts in 2014.

Combined with the Medium and Small segment, BRI booked a total outstanding Micro, Small, and Medium loan of Rp247.5 trillion, up 15.36% from 2014 position. This amount positioned MSME as the largest contributor to BRI loan portfolio accounting for 44.32% of total loan. Significant MSME loan growth was also driven by channelling of funds in micro lending program KUR in 2015, in which BRI disbursed a total of Rp16.2 trillion KUR for Micro

and Retail businesses to a total of 920,000 borrowers all around Indonesia.

Taking an Active Role to Build the Nation's Economic Self-Reliance by Driving Strategic Sectors of the Domestic Economy, Echoing the Spirit of "Nawa Cita" and "Trisakti"

"Nawa Cita" is a national development credo continually advanced by the Government. In addition to economic development, "Nawa Cita" encompasses all lines of national and civic life. In brief, "Nawa Cita" represents efforts to build this nation's character to be an independent nation economically, politically, socially, and culturally and to bring the nation to manifest as a great, competent, and highly competitive nation nationally and internationally. This concept is in fact in line with the character building idea expressed by Ir. Sukarno, who declared Indonesia's independence, in his "Trisakti" credo.

In line with these two concepts of nation building, especially economic self-reliance in "Nawa Cita" and "Trisakti", BRI also promotes economic self-reliance by focusing on strategic sectors of the domestic economy, especially at the micro, small, and medium scale.

Several sectors that BRI focuses include food, fisheries, maritime, and energy sectors. The sectors were identified in line with BRI's

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Message from the President Director

Vision of "Becoming a Leading Commercial Bank that Always Prioritizes Services to Micro, Small, and Medium Enterprises to Advance the Growth of the People's Economy." In addition, the support to various economic development programs is also shown through various business activities as well as non-business activities such as economic empowerment programs.

In business activities, since the first launched in August 2015, BRI has disbursed people business loan (Kredit Usaha Rakyat-KUR) program amounting to Rp16.2 trillion to 920,000 borrowers. This posting is positioning BRI as the largest KUR channelling bank in the industry. Meanwhile, in terms of customer portfolio, BRI KUR customers consist of 21% in the agriculture sector (on farm), fisheries (on farm) and 10% to the processing industry, while 69% of loan is disbursed to trade sector related to agriculture, fisheries, and products from the processing industry.

Building upon BRI's capability in disbursing MSME lending, BRI is committed to continuously support the government's program to build the nation's economic self-reliance through this KUR program, especially since the government targets KUR disbursement to reach Rp100 trillion by next year.

Starting in 2011, BRI has also been intensively and continuously disbursing Food Loans, which are a form of Working Capital Loans and/

or Investment Loans in Production, Home Industries, and Trade in the Food Sector. These loan programs are designed to support food and maritime sovereignty. Food Loans target Production, Home Industry, and Trade in the agricultural sub-sectors that cover crops, horticulture, plantation, livestock farming, fisheries, and farmed fisheries.

In addition, BRI also disburses investment and or working capital loans to support the implementation of the Food Security Program and biofuel power plant programs through the Food and Energy Security Loans (KKP-E) program.

The KKPE scheme consists of KKP-E for Sugarcane, KKP-E for crops, Horticultural Products, Food Procurement, Livestock and Agricultural Machineries. In maritime, BRI takes an active role in the "Jaring" program (Reach, Synergy, and Guideline) initiated by the FSA and the Ministry of Maritime Affairs and Fisheries) to encourage other banks to finance the marine and fisheries sector.

BRI's endeavours in people's economy development have also been realized through BRILink network expansion. BRILink is BRI's extension to reach areas currently underserved by banking products. Not only that, BRILink also offers community empowerment opportunities by offering the opportunity to work as BRILink agents. In line with the FSA's

program, BRI also drives BRILink agents to implement the "Laku Pandai" program. Through BRILink, BRI has been able to proactively build the people's economy, especially in far-flung regions that mostly rely on micro and small-scale business activities.

As of the end of 2015, BRILink had 50,259 Agents and has served more than 65.87 million transactions valued at Rp35.85 trillion. BRI's success in BRILink program is indicated by a success story from one of BRILink "Laku Pandai" Agents from Papua, Hamsinah, who received an award from the FSA at the State Palace, witnessed by President Joko Widodo. The award was a token of appreciation for her efforts to raise people's awareness regarding the economy and banking sector.

Operational Network Expansion and Innovation: BRI's Strengths

Aligned with the Bank's strategic goal of becoming the Biggest National Payment Bank backed by technology and innovation, to develop its network and optimize its services to customers throughout Indonesia, BRI now operates 10,612 conventional branch offices that are connected real-time and online. This comprises 1 Head Office, 19 Regional Offices, 467 Branch Offices, 603 Sub-Branch Offices, 5,360 Unit Offices, 983 Cash Offices, 2,543 Teras Offices, 636 Mobile Teras, and 211,499 units of e-channel network.

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Message from the President Director

In terms of technology development, BRI is looking forward to launch BRIsat, which has been in development since 2014. The satellite will enhance efficiency and e-channel services. BRIsat started from our recognition that the growth of banking industry today depends on system and information technology infrastructure. As of the end of 2015, BRIsat project had reached its final phase. In accordance with the project's timeline, a full-fledged implementation of BRIsat will start in mid 2016.

Aside from introducing greater efficiency in electronic banking services, we believe that BRIsat will significantly support the operational performance of all BRI's offices as well as BRI's electronic banking network. In 2015, BRI expanded its e-channel network by adding 2,000 new ATMs, 500 CDMs, 56,554 EDC units, and 10 Hybrid Machines. With these additions, by end of 2015 BRI had 22,792 Automatic Teller Machine (ATM), 187,758 Electronic Data Capture (EDC), 892 Cash Deposit Machine (CDM), 100 SSB (Self Service Banking), and 10 Hybrid Machines. BRI has positioned itself as the Bank with the largest e-channel network, especially ATM units, in Indonesia with widespread distribution across the country.

E-channel network expansion and quality enhancement strategies act as the drivers that increased the

number of e-banking users. Backed by these strategies, BRI booked significant fee-based income from e-banking performance of 34.4%. Fee-based income generated by e-banking services accounted to 22.1% of total BRI fee based income in 2015 from 19.9% in 2014. In total, BRI raised Rp7.4 trillion of fee-based income in 2015, or rose by 21.1% from Rp6.1 trillion in 2014.

Furthermore, in 2015 BRI launched a new innovation of boat-based services, Teras BRI Kapal. This service aims to acquire new customers in coastal and island areas whose potential is waiting to be captured. As such, BRI's presence, directly and indirectly, can be truly felt by the Indonesian people. BRI takes pride in carrying out its function as a financial intermediary as well as an agent of development to build the people's economy.

Business Expansion through Acquisition

As part of business development efforts, at the end of 2015, following the approval of the Extraordinary Meeting of Shareholders, BRI acquired PT Asuransi Jiwa Bringin Jiwa Sejahtera (BJS), which was previously owned by BRI Pension Fund. With this acquisition, BRI became the majority shareholder with 91.00% shares owned, while the remaining 9.00% of shares are owned by Bank BRI Yayasan Kesejahteraan Pekerja (YKP).

BRI is confident that within the next three years BJS will be able to reach the Biggest Number of Policy Holder in Indonesia and positions BJS as The Biggest Micro Insurance Provider in Indonesia. This optimism is based on the competitive advantages that BRI has, among others in terms of brand awareness, customer base and network, and an established bancassurance business model.

All these efforts around business development are orchestrated toward realizing BRI's main goal of becoming The Biggest National Payment Bank. It is to meet this goal that BRI needs extensive service network backed by high-tech infrastructure as well as continuous innovation so that BRI will be able to be the people's partner in their daily activities, anywhere they are in Indonesia. With these goals and objectives in mind, we encapsulated our efforts throughout 2015 into the theme of this 2015 Annual Report, **The Biggest National Payment Bank Through Dedicated Technology & Innovation.**

ACTIVE ROLE IN GROWING THE INDONESIAN CAPITAL MARKET

In the efforts to meet the Bank's strategic goal, BRI actively supports the Indonesian capital market. In the first semester of 2015, BRI was officially registered on the stock exchange as the administrator bank of customer fund accounts,

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or RDN administrator Bank. The role of an administrator bank is to complement transaction settlement facility in the capital market. As an RDN administrator bank, BRI supports the ease of transactions in the capital market by leveraging BRI's extensive network, and therefore creates the opportunity to grow the investor base across Indonesia.

The price of BRI's shares exercised during Initial Public Offering (IPO) on the Indonesia Stock Exchange in 2003 was Rp875 per share. The price went to Rp11,400 per share as of 2015 trade closing day, with market capitalization amounted to Rp263.9 trillion. With this capitalization value, BRI is now the second largest listed companies of 86 companies from the financial sector listed on the Indonesia Stock Exchange.

The Bank's performance consistently improved from year to year since the IPO. The Compound Annual Growth Rate (CAGR) since the IPO until the end of 2015 in terms of asset performance is 22.09% per annum; lending has increased by 25.09% per annum; third party funds by 21.38% per annum; while net profit has grown by 23.03% per annum.

Moreover since the IPO, BRI's market share has grown from 10.8% to 13.7% in 2015. Market share for deposits grew from 8.6% to 14.6%, while market share of net profits grew to 24.1% from 11.3% in 2003. To date, the government remains BRI's majority shareholder

with 56.75% ownership, while the remaining 43.25% of shares are owned by the public – 78.12% of which are foreign investors.

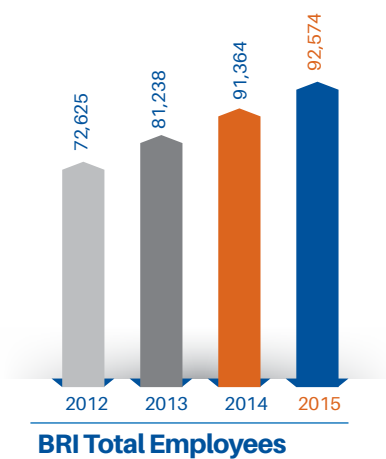
STRENGTHENING TECHNOLOGY INFRASTRUCTURE AND HC COMPETENCY

BRI considers human capital as the key asset that drives the Bank's business. To realize substantial and sustainable business growth, BRI implements a Performance Management System using a Balanced Scorecard (BSC) approach as the tool to measure the performance of employees. BRI's BSC consists of a strategy map that contains objectives, Key Performance Indicators (KPI), and targets. BSC measures both financial and non-financial performance.

To meet its business development needs, in 2015 BRI recruited new employees through Staff Development Program (PPS), non-staff, and professional hiring channels. In 2015, BRI recruited 92,574 people (excluding outsourced employees).

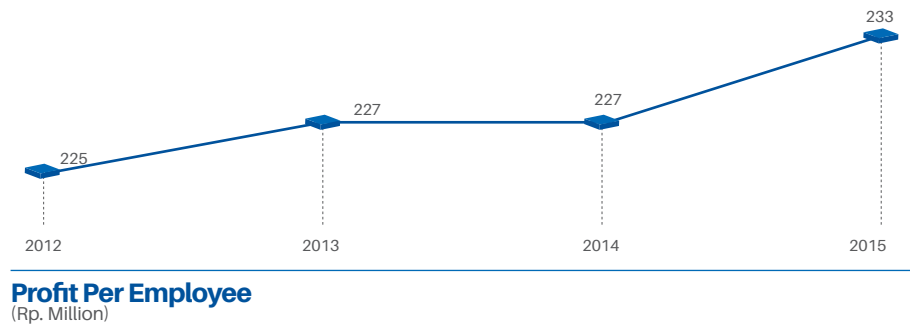
To enhance the quality of human capital in order to meet the ever evolving needs of customers by our employees, BRI periodically provides enrichment to all employees at all position levels. BRI employee education programs are delivered through public courses or in house training at the BRI Corporate University and BRI Learning Centres in 7 (seven) cities in Indonesia. In 2015, BRI organized some 1,000 training programs participated by 789,000 employees. In addition, BRI regularly sends its best talents to attend postgraduate (Master's degree) education at the best universities in Europe, the United States, and Australia. In 2015, 14 employees were awarded overseas postgraduate scholarships.

The positive contribution of BRI employees is reflected in the Bank's profit that growing year by year. Moreover, contribution per employee also increases from year to year. In 2015, BRI recorded that every employee contributed a significant amount of Rp233 million to the Bank's profits. We hope that this trend will continue to grow in the future.



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Message from the President Director

**Strengthening Business Organizational Infrastructure and Learning Center**

BRI realizes that change management is vital to sustain business continuity. Changes that can affect the Bank's business include technology infrastructure development, demographic shifts in terms of age, domicile, lifestyle, preferences, and relevant regulations. BRI observes these situations and as early as possible identifies new competition pattern. This is especially important since competition in the banking industry occurs not only between banks, but also comes from other industry sectors.

Recognizing this condition, BRI has established a Change Management unit. This unit is tasked with preparing BRI to address changes and to make the necessary adjustments to stay as the leading player in the banking industry. The unit is also responsible to identify

possible changes that might affect the Bank's business and to prepare the necessary business strategy adjustments. In order to adapt we take anticipation steps and transformation efforts including by evolving our business, people, process, products, and services. To realize the strategic programs, the Change Management Unit has the authority to coordinate different directorates to support the Bank in achieving its best performance.

In 2015, the team worked and had a role in BRI business growth through various business strategy adaptations, among others by optimizing the potential of existing customers through customer relationship management, trickle down business, and closed financial system to provide holistic banking services. The Change Management team also accelerated the implementation of BRI's strategic projects. In 2015, there were 55 (fifty five) strategic projects of both IT and Non-IT projects, to which we allocated a total budget of Rp2.7 trillion.

In addition, to support the Bank's business strategy, BRI also undertook learning process transformation in order to nurture professional and competent human capital in both hard skill and soft skill and thereby created added value for BRI. These efforts were realized through a number of initiatives, among others by developing BRI Corporate University, Digital Learning Infrastructure, Digital Learning System-BRISmart, and we obtained ISO 9001:2008 certification for BRI Corporate University learning operation.

Moving forward, BRI will continue to strengthen the organizational infrastructure in terms of human capital, technology, and operational network. BRI organizational development also observes business development demands, internal control, risk management, and good corporate governance (GCG) principles.

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CORPORATE GOVERNANCE

BRI is continuously committed to implement Good Corporate Governance (GCG) in compliance with prevailing regulations and best practices. This commitment is manifested in all BRI's business activities. The implementation of GCG principles in BRI is in accordance with Bank Indonesia Circular No. 15/15.DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks.

In 2015, based on the evaluation conducted by the FSA on 2014 GCG implementation, BRI obtained score PK 2 ("Good"), which in general indicated sound GCG implementation and in compliance with GCG principles.

In 2015, BRI defined the following policies with respect to GCG implementation:

1. Statement of Compliance with BRI Code of Conduct
To implement effective Code of Conduct, BRI employees are required to read and learn the Code of Ethics, and sign the "Statement of Compliance with BRI Code of Conduct."

2. Management's commitment to support anti-gratification program
BRI's management reaffirmed its commitment to not receive and/or seek rewards in any forms for any reasons from customers, debtors, business partners, or other third parties.
3. Statement of Conflict of Interest
BRI has formulated an additional policy in its Code of Conduct, i.e. a set of guidelines regarding activities defined as posing a conflict of interest. BRI employees must annually disclose activities that carry a conflict of interest. In addition, each unit must submit report quarterly on any transactions/decisions with conflict of interest.
4. Integrity Pact
The Integrity Pact is issued for all BRI's goods and/or services vendors.
5. Anti Fraud Strategy
BRI is committed to prevent fraud and apply zero-tolerance to any forms of fraud, internally and externally.

6. Whistleblowing System (WBS)
The WBS was first set up in 2009. This system aims to create an environment that encourages the reporting of incidents that may result in financial and non-financial losses, including incidents that may damage the organization's reputation.

BRI GCG implementation combines GCG principles with internal control and risk management in a structured and comprehensive manner. The Bank's internal control system refers to international guidelines from COSO, which enables adequate monitoring on GCG implementation in BRI.

CHANGES IN THE BOARD OF DIRECTORS' COMPOSITION

Pursuant to resolutions of the Annual General Meeting of Shareholders on 19 March 2015 and the Extraordinary General Meeting of Shareholders on 12 August 2015, the meetings approved the following composition of the Bank's Board of Directors:

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Name	Position
Asmawi Syam	President Director
Sunarso	Vice President Director
Gatot Mardiwastito	Director
A. Toni Soetirto	Director
Randi Anto	Director
Susy Liestiowaty	Director
Zulhefi Abidin	Director
Donsuwan Simatupang	Director
Haru Koesmahargyo	Director
Mohammad Irfan	Director
Kuswiyoto	Director

BRI expresses its highest appreciation to the former members of Board of Directors for their invaluable contribution of hard work and thoughts for the growth of BRI.

CORPORATE SOCIAL RESPONSIBILITY

Community and the environment are two key elements that are the focus of BRI's corporate social responsibility programs, the Partnership and Community Development Program (PKBL). As a Bank that takes an active role in driving the national economy, BRI's PKBL aims to improve the social, environmental, and economic conditions of the people. To that end, BRI designs innovative PKBL programs that can contribute in improving the quality of communities and the environment.

In 2015, BRI disbursed a total of Rp126.39 billion PKBL funds. This amount increased from Rp103.9 billion in 2014. BRI PKBL focuses on education, health, environmental conservation, improvement of public facilities, improvement of religious facilities, natural disasters, and social assistance for poverty reduction.

BUSINESS OUTLOOK & GENERAL STRATEGIES

Macro Economy 2015 & 2016 Outlook

1. Government's commitment to shift focus from commodity exports to (productive) industries, such as by: rearranging budget appropriation from energy subsidy e.g. fuel, electricity, and LPG to infrastructure development such as roads, ports, irrigation, reservoirs, power plants, and other infrastructures as reflected in the 2016 State Budget Plan;

2. Implementation of policy packages issued by the government, BI, and FSA;
3. Certainty for business players in terms of minimum wage formula and simplified mechanisms to obtain business licenses that would improve investment growth; and
4. Maintained inflation as food supply and goods or logistics distribution improves.

There are also external factors that could hinder national economic growth, among others global economy slowdown resulting from weak global commodity prices, which would impact business activities in Indonesia.

On the other hand, Indonesia's financial sector has ample market potential. This is shown by Indonesia's loan to GDP ratio that is relatively lower in comparison to other countries in South East Asia. In

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2014, Indonesia's loan to GDP ratio stood at 48.41%; the same ratio in other countries, such as Malaysia, stood at 145.30%. This indicates that Indonesia still offers lucrative potential for investors, especially in the banking sector as the majority sector in Indonesia's financial industry.

Indonesia's banking industry is one of the strongest in South East Asia. This is proven by several banking indicators, such as NPL, where Indonesia is among the top 3 countries. On average, Indonesia's banking NPL for the last 5 years (2010-2014) was 2.04%, the lowest after Singapore's average NPL of 1.03%. The low NPL shows the robust loan quality disbursed by Indonesian banks. In the future, Indonesia's banking industry is projected to be more competitive, where product and service innovation will be the key to win the market.

On the regulation side, the FSA has issued policy package to complement the government's policy packages. The policies or deregulations aim to support the government's efforts to boost economic growth, thereby increasing the competitiveness of national banks.

In view of the conditions above, the national banking industry in 2016 will continue to face significant challenges in terms of the macro

economy. The increased non-performing loan ratio requires our attention to ensure that lending can be more prudent. However, the ample potential of national market supported by regulatory policies will enable national banks to optimize their business growth.

BRI GENERAL STRATEGIES

With consideration to internal and external conditions that could impact its business performance, BRI's business plan is developed based on the Bank's values and destination statements in its Long-Term Plan 2013-2017. In 2016, BRI will apply a "Selective Growth" strategy.

Selective growth will focus on optimizing market penetration through value chain and transaction banking, to develop the market selectively, and to carry out productive innovations, accelerate micro business growth, and achieve non-organic business growth. These measures will be complemented with the strengthening of BRI's profit-loss balance structure through asset quality improvement, funding structure reinforcement, and network productivity enhancement. This is expected to be achieved by improving business process efficiency, employee productivity, IT & Information Management System quality, and BRI branding alignment.

Micro, Small, and Medium (MSM) financing will remain as the core of BRI's loan growth. However, by taking into account business opportunities in the corporate segment with value chain potential with MSM business, the Bank also allocates resources to this segment, especially to develop SOE business potential. In addition, BRI will also implement a transaction banking concept to deliver integrated banking services to retail and wholesale customers. Optimization of value chain and transaction banking concepts are expected to drive business expansion in the MSM and corporate segments, and that end-to-end banking solution for customers can grow quickly and substantially.

In terms of third party funds, BRI's funding mix will still focus on third party funds, especially low cost funds (demand deposit and savings). In addition, BRI also plans to consider funding alternatives, such as issuing bonds, Negotiable Certificate of Deposit (NCD), and Medium Term Note (MTN). Going forward, these funding sources will be utilized to carry out the Bank's intermediary function in lending selectively and sustainably.

BRI also develops banking services that can comprehensively support customers' financial activities relating to money management and transaction needs with their

MANAGEMENT REPORTS ◀

Message from the President Director

business partners by leveraging BRI's network that is connected real time and online throughout Indonesia. The purpose of this strategy is to build a closed financial system that is customer community-centric and based on value chain management concept. This means harnessing and integrating all existing business segments in order to provide an end-to-end services to customers. Utilization of all products and services, enabled by the closed financial system, is expected to boost fee-based income.

To maintain and increase market share, BRI will continue to expand banking service coverage especially through electronic outlets, such as by adding mobile outlets and by engaging third parties. Expansion of conventional operating units will be selective and focused on the Micro segment for which the Bank plans to add Teras BRI units. Furthermore, BRI also plans to expand overseas market by adding Overseas Branch Office to support BRI's international business development.

APPRECIATION

BRI's optimum performance in 2015 was the result of the hard work of all employees, solidarity within the organization, trust, commitment, and good cooperation of all stakeholders. We extend our highest appreciation to BRI's employees for this success. We would also like to express our sincere thanks to the Board of Commissioners for their advice and suggestions. To all stakeholders, shareholders, customers, and business partners, thank you for your close cooperation.

We believe that in the future BRI will be able to seize business potentials and to continually create added value for all stakeholders. Backed by our competitiveness in various areas, we are confident that BRI will grow and thrive together with the people of Indonesia and be a vital part that drives the country's economic growth.

Wassalamualaikum Wr. Wb.



ASMAWI SYAM
President Director

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Board of Directors



.01
Asmawi Syam
President Director

.02
Sunarso
Vice President Director

.03
Gatot Mardiwasiso
Director

.04
A. Toni Soetirto
Director

.05
Randi Anto
Director

.06
Susy Liestiowaty
Director

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Board of Directors



▼
.07
Zulhelfi Abidin
Director

▼
.08
Donsuwan Simatupang
Director

▼
.09
Haru Koesmahargyo
Director

▼
.10
Mohammad Irfan
Director

▼
.11
Kuswiyoto
Director

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Accountability Statement from Members of the Board of Commissioners and Board of Directors

STATEMENT OF ACCOUNTABILITY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS FOR 2015 ANNUAL REPORT OF PT BANK RAKYAT INDONESIA (PERSERO) TBK.

We, the undersigned, hereby declare that all information in the 2015 Annual Report of PT Bank Rakyat Indonesia (Persero) Tbk. have been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of this Annual Report.

This statement is duly made in all integrity.

BOARD OF COMMISSIONERS

MUSTAFA ABUBAKAR
President Commissioner
Independent Commissioner

GATOT TRIHARGO
Vice President Commissioner

A. FUAD RAHMANY
President Commissioner

AHMAD FUAD
President Commissioner

ADHYAKSA DAULT
President Commissioner

A. SONNY KERAF
President Commissioner

VINCENTIUS SONNY LOHO
Commissioner

JEFFRY J. WURANGIAN
Commissioner

Accountability Statement from Members of the Board of Commissioners and Board of Directors

BOARD OF DIRECTORS



ASMAWI SYAM
President Director



SUNARSO
Vice President Director



GATOT MARDIWASISTO
Director



A. TONI SOETIRTO
Director



RANDI ANTO
Director



SUSY LIESTIOWATY
Director



ZULHELFI ABIDIN
Director



DONSUWAN SIMATUPANG
Director



HARU KOESMAHARGYO
Director



MOHAMMAD IRFAN
Director



KUSWIYOTO
Director

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COMPANY PROFILE

AAA(idn)

STABLE OUTLOOK

BRI NATIONAL RATING FROM FITCH
INDONESIA NATIONAL RATING



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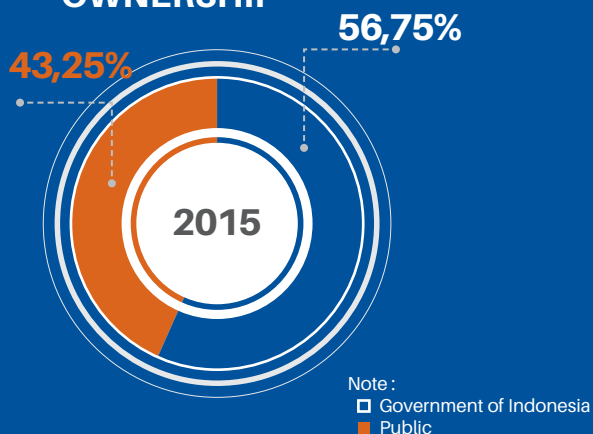
Corporate Identity



Melayani Dengan Setulus Hati

- ▶ **COMPANY NAME**
PT Bank Rakyat Indonesia (Persero) Tbk
- ▶ **CORE BUSINESS**
Banking

OWNERSHIP



- ▶ **DATE OF INCORPORATION**
18 December 1968
- ▶ **LEGAL BASIS OF INCORPORATION**
Law No 21 Year 1968
- ▶ **SHARE LISTING**
the Company listed its shares in Jakarta Stock Exchange on 10 November 2003 under ticker code BBRI.

- ▶ **AUTHORIZED CAPITAL**
Rp15.000.000.000.000
- ▶ **ISSUED AND FULLY PAID-UP CAPITAL**
Rp6.167.290.500.000

- ▶ **HEAD OFFICE**
BRI I Building
Jl Jend Sudirman Kav 44-46
Jakarta, 10210
Phone : (62-21) 251-0244, 251-0254,
251-0264, 251-0269,
251-0279
No. Fax : (62-21) 250-0077
Website: www.bri.co.id

- ▶ **CONTACT ADDRESS**
Corporate Secretary Division
BRI 1 Building, 20th Fl.
Jl. Jend. Sudirman Kav. 44-46,
Jakarta 10210
Email: humas@bri.co.id
Call center: 14017 / (62-21) 57987400

COMPANY PROFILE ◀

Corporate Identity

2015 RATING LIST

BRI RATING	
FITCH	
Long Term Foreign Currency IDR	BBB-, Stable Outlook
Short Term Foreign Currency IDR	F3
Support Rating Floor	BBB-
Support Rating	2
Viability Rating	bb+
National Long-Term Rating	AAA (idn), Stable Outlook
Rupiah Subordinated Debt	A+ (idn)
Senior Unsecured Notes	BBB-
STANDARD AND POORS	
Outlook	Stable
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	Baa3/P-3
Bank Financial Strength	D+
Baseline Credit Assessment	Baa3
Adjusted Baseline Credit Assessment	Baa3
Senior Unsecured Notes	Baa3
PEFINDO	
National Rating	id AAA, Stable Outlook
INDONESIA SOVEREIGN RATINGS	
Standard and Poors	BB+, Positive Outlook
Fitch	BBB-, Stable Outlook
Moody's	Baa3, Stable Outlook
Japan Credit Rating Agency	BBB-, Stable Outlook

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Bank BRI at a Glance

- ▶ Following several name changes, pursuant to Law No. 21 Year 1968, effective as of 18 December 1986, the name



Melayani Dengan Setulus Hati

was officially established until now.

- ▶ Implemented Initial Public Offering (IPO) on 10 November 2003, hence BRI's ownership composition today is as follows:

Government's Shares

▲ **56.75%**

Public

▲ **43.25%**

The history of PT Bank Rakyat Indonesia (Persero) Tbk ("BRI", "Bank", or "Perseroan") began on 16 December 1895 in Purwokerto, Central Java. Opened for the first time as "Hulp en Spaarbank der Inlandsche Bestuurs Ambtenaren", following several name changes Bank Rakyat Indonesia was officially established as of 18 December 1968 by virtue of Law No. 21 Year 1968. Starting 1992, BRI has become a Limited Liability Company with 100% ownership by the Government of the Republic of Indonesia. BRI exercised Initial Public Offering on 10 November 2003. Following the IPO, the composition of government's ownership in BRI became 56.75%, while the public owns the remaining 43.25% of shares.

COMPANY PROFILE ◀

Bank BRI at a Glance

As the oldest commercial bank, BRI has been consistent in its focus to provide banking services for micro, small, and medium enterprises (MSME). Until this day, BRI is able to maintain its commitment amid the competition of Indonesia's banking industry.

The long-standing experience and expertise in providing banking services, particularly to the MSME sector, have brought BRI to its 10th consecutive year of achievement as a bank with the largest profit. BRI's achievement is a testament to the dedication of all workforces of BRI, who ceaselessly build competence, innovate, and develop banking products and services for all business segments.

BRI continually develops its services in line with the demographic development of the people. These services are always tailored to meet the evolving needs of Indonesian citizens.

In addition to its focus on the MSME segment, BRI also continues to develop various consumer banking products and institutional services for customers in urban areas as well as to provide international business services. To support these endeavors, BRI steadily builds its network. Presently, BRI is recognized as the largest bank in terms of network, running 10,612 offices. Augmenting its business presence, in 2015 BRI opened an overseas branch in Singapore; today, BRI operates a total of 4 overseas branch offices.

With a vast customer base of over 50 million accounts, BRI continues to develop and bring e-banking services that are accessible through

the Internet, mobile phones, Short Message Service (SMS), and other e-channel services, such as Automated Teller Machines (ATM), Cash Deposit Machines (CDM), Electronic Data Capture (EDC), and Kiosks. In total, the e-channel network numbers 211,499 units.

BRI is also committed to provide banking services for micro-business owners in traditional markets through Teras BRI, launched at the end of 2009. Teras BRI is designed to reach entrepreneurs in traditional markets who have been underserved by banking services. On 20 December 2013, signifying BRI's commitment to enhance customers' transaction ease and convenience, BRI inaugurated Hybrid Lounge – a hybrid machine that has the first self-service banking facilities in Indonesia and is equipped with integrated e-channel services of ATM, CDM, EDC, and Internet Banking.

By simply using e-National ID as the source of data connected and integrated with the civil registry administered by the Ministry of Home Affairs, and by completing an electronic form, it takes only 4 minutes for a customer to open a new saving account. BRI is the first bank to implement e-National ID as customer data source in collaboration with the Ministry of Home Affairs.

In order to reach and serve more than 50 million customers all around Indonesia, the Bank with the largest and most extensive operating unit has signed Satellite Procurement and BRI Satellite (BRIsat) Launch

Contract with Space System/Loral (SSL) and Arianespace on 28 April 2014. The satellite is planned for launch in the middle of 2016. In the meantime, expanding its coverage to serve Indonesian coastal communities, Teras BRI Kapal was officially launched on 4 August 2015.

As a Bank that serves the world's fourth largest population, BRI will remain consistent in its path to becoming the key partner for Indonesians in their pursuit of economic prosperity. Backed by strong financial performance, BRI is confident it will be able to enhance capacity in stimulating sustainable economic growth as the livelihoods of Indonesians thrive and improve.

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Core Business

BRI 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 ARTICLES OF ASSOCIATION ARE:

a. Collecting deposit from the public in the form of demand deposits, time deposits, certificate of deposit, savings and/or other forms equivalent to the foregoing; b. Loan Disbursement; c. Issue promissory notes/ Loan Agreement (SPH); d. Purchase, sells, or put encumbrance over, at the Bank's own risk or for the benefit of and under the instructions of the customers:	1. Bill of Exchange, including accepted bill of exchange by the company as a bank in which its validity period not exceeding the common practice for trading of such bills; 2. Promissory notes/Loan agreement and other commercial papers, valid for a period not exceeding the common practice for trading of such papers; 3. State treasury notes and government guarantees; 4. Bank Indonesia Certificates (SBI); 5. Bonds; Commercial papers, with validity period in accordance with prevailing laws and regulations;	6. Other commercial papers with a validity period in accordance with prevailing laws and regulations; e. Transfer funds for its own benefit or for the benefit of customers; f. Placement of funds with, borrow funds from, or lend funds to other banks whether by letters, telecommunication facilities, or registered money order cheque, or other mediums; g. Receive payment of receivables from commercial papers and undertake settlement with or among other third parties; h. Provide safekeeping of goods and commercial papers; i. Conduct custody activities for the benefit of other parties based on a contract; j. Conduct fund placement from one

COMPANY PROFILE ◀

Core Business

customer to another in the form of commercial papers not registered at the Stock Exchange; k. Purchase through auction or any other medium of collateral partially or as a whole, in the event that borrower is in default to the Company as the Bank, with the provisions that purchased collateral can be forthwith liquidated; l. Conduct factoring, undertake credit card business, and provide trustee services m. Provide funding and/or other activities based on Sharia Principles in accordance with rules and regulations stipulated by competent authority; n. Conduct activities in foreign currencies with the purpose to meet the requirements imposed by competent authority;	o. Conduct capital participation in banks or other financial companies, such as leasing, venture capital, securities companies, and clearance, settlement, and depository institutions, with due observance to rules and regulations imposed by competent authority; p. Conduct temporary capital participation with the purpose to overcome credit failure or financing failure according to Sharia Principles, provided that such participation shall be eventually withdrawn in compliance with regulations from Bank Indonesia;	q. Act as founder and manager of pension fund in accordance with prevailing laws and regulations; r. Conduct other commonly banking activities, which do not contravene with the prevailing laws and regulations.

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Products and Services

PRODUCTS

1. Britama Rupiah (Savings account in Rupiah)	8. Simpel (Student Savings)	15. Deposit On Call (DOC)
2. Britama Valas (Savings account in Foreign Exchange)	9. Simpedes	16. GiroBRI Rupiah (Current Accounts in Rupiah)
3. Britama Bisnis	10. Simpedes TKI	17. GiroBRI Valas (Current Accounts in Foreign Exchange)
4. Britama Rencana	11. Simpedes Kredit Pangan (Food Credit)	18. DPLK BRI (BRI Pension Fund)
5. BRI Junio	12. Hajj Savings	
6. Junio Rencana	13. Deposito BRI Rupiah (Time Deposit in Rupiah)	
7. Tabunganku	14. Deposito BRI Valas (Time Deposit in Foreign Exchange)	

LOAN PRODUCTS

Micro Loans

1. Kupedes
2. Micro KUR

Retail Commercial Loans

1. Cash Collateral Loan
2. Investment Loan
3. Working Capital Loan
4. Export Loan
5. Construction Loan
6. BO-I Construction Loan
7. Franchise Loan
8. Petrol Station Loan
9. Warehouse Receipt Loan
10. Warehouse Ownership Loan
11. Petrol Station Bridging Loan
12. Loan for Private Indonesian Migrant Workers Placement Agency (PPTKIS) and Migrant Workers (TKI)
13. Pre-Financing Loan
14. Post-Financing Loan
15. Distributor Financing

Consumer Loans

1. Mortgages
 - Home ownership program- partnership with institutions and companies
 - Partnership Housing Loan
 - Individual Housing Loan
 - Subsidized Housing loan (KPRS)
2. Vehicle Loan
 - Direct Vehicle Loan
 - Partnership Vehicle Loan
3. Credit Cards
 - Visa
 - Mastercard
4. Payroll Loans
 - Briguna Karya (salary based loan for employees)
 - Briguna Purna (loan for retired employees)

Program Loans

1. Loan for the Development of Bio Fuels and Plantations (KPEN-RP)
2. Loan for Food and Energy Security (KKPE)
3. Loan for Members of Primary Cooperatives (KPPA)
4. Warehousing (Subsidy & Commercial)
5. Cattle Breeding Business Loan
6. Retail KUR
7. Migrant Workers KUR
8. Crops KUR

Medium and Corporation Loans

1. Working Capital Loan (KMK)
2. Working Capital Loan for Export (KMK-E)
3. Working Capital Loan for Import (KMK-I)
4. Working Capital Loan Construction (KMK-K)
5. Investment Loan (KI)
6. Syndicated Loan

Products and Services

BANKING SERVICES

BUSINESS SERVICES

1. Bank Guarantee
2. Clearing

FINANCIAL SERVICES

1. Bill Payment
2. Deposit Receipt
3. Online Transactions
4. LLG Transfer and RTGS (Real-Time Gross Settlement)

INSTITUTIONAL SERVICES

1. Driver's License Online Payment System
2. MPN GII (State Revenue Module Gen II)
3. E-Tax (Electronic Tax)
4. Hospital Online
5. Online Tuition Fee Payment System
6. Visa on Arrival (VoA)

E-BANKING

1. ATM BRI
2. Mobile Banking BRI
3. Phone Banking BRI
4. Internet Banking BRI
5. E-BUZZ
6. Kiosk BRI
7. Mini ATM BRI
8. BRIZZI (Electronic Money BRI)
9. MOCASH (Mobile Cash BRI)
10. BRILink Agent

INTERNATIONAL BUSINESS SERVICES

1. Import Services
2. Issuance of Letter of Credit (LC)
3. Issuance of LC Amendment
4. Import Credit Facilities
5. Pre-Import Financing (Import Guarantee Suspension)
6. Post-Import Financing (KMKI & Trust Receipt)
7. Export Services
8. Advising LC
9. LC Confirmation
10. Export Billing Service
11. Outward Documentary Collection
12. Outward Clean Collection
13. Pre-Shipment Financing (KMKE)
14. Post-Shipment Financing
15. Negotiated Money Order for Export
16. Export Discounted Bills
17. Export Rediscounting Bills
18. LC Refinancing
19. Risk Participation
20. Banker Acceptance
21. USD Local Settlement
22. Guarantee (Standby LC)
23. LC with Domestic Documentation (SKBDN)
24. Bill Purchase Financing
25. Money Changer
26. BRI Remittance

TREASURY SERVICES

1. Foreign Exchange Transaction
2. Swap Transaction
3. Forward Transaction
4. Trustee Services
5. Securities Selling Agent Services
6. Custodian Services
7. BRI Financial Institution Pension Fund (DPLK-BRI)

BRI PRIORITY BANKING

Various exclusive services and selected products

WEALTH MANAGEMENT BRI

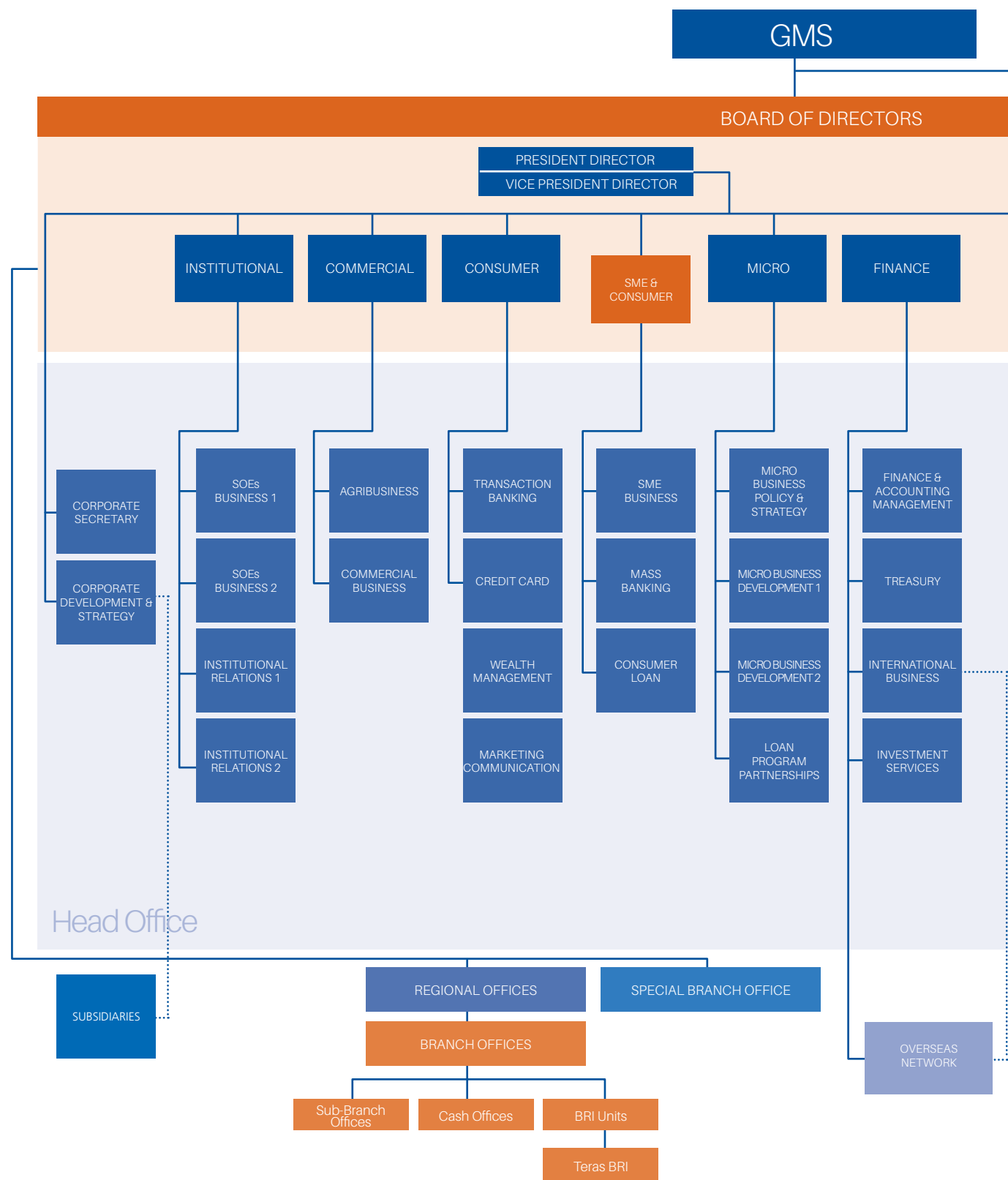
Various mutual funds products, commercial papers, insurance, and others

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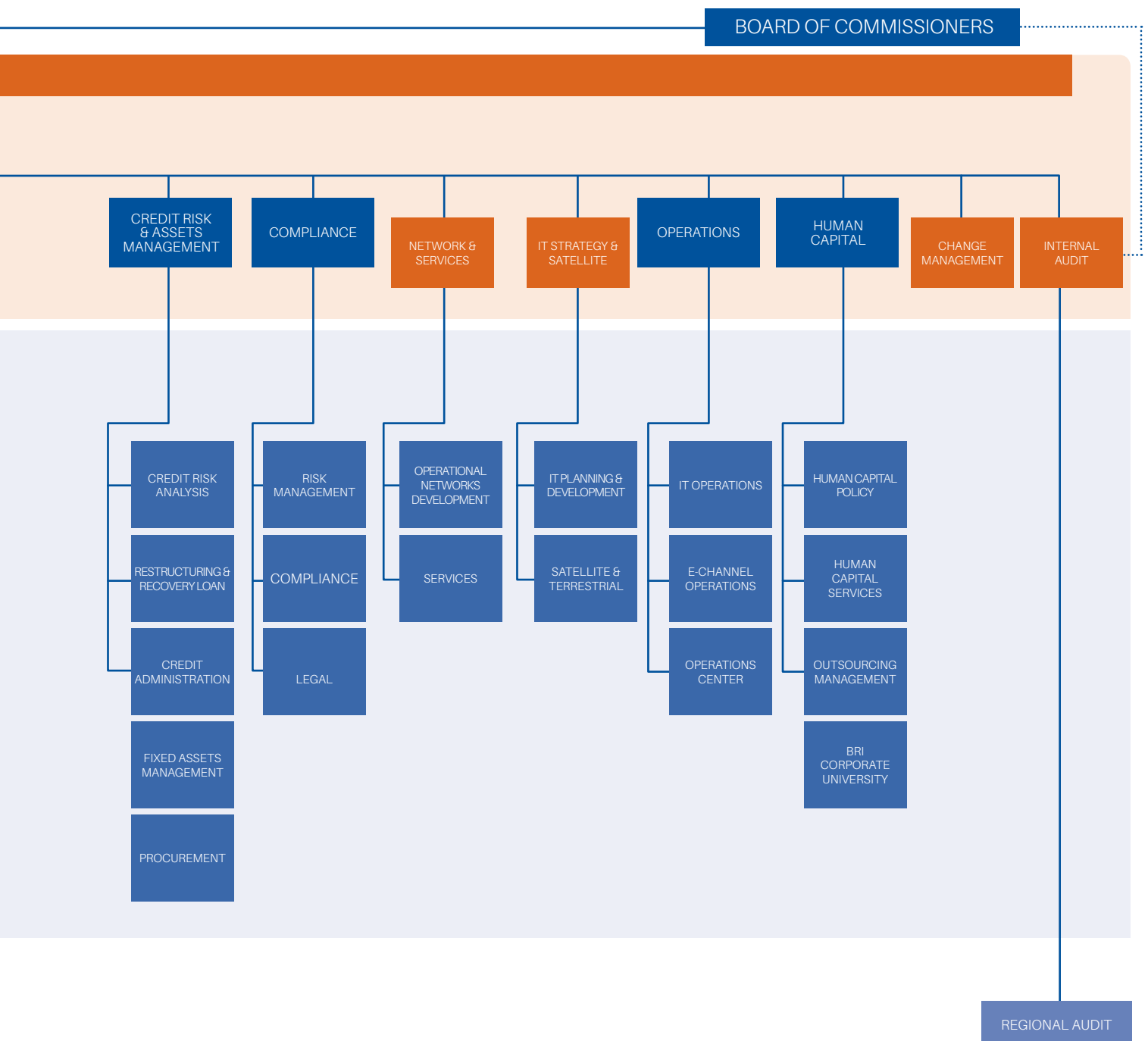


Organizational Structure



COMPANY PROFILE ◀

Organizational Structure



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Vision & Mission

Vision

To become a Leading Commercial Bank that always prioritizes Customer Satisfaction

Mission

- To conduct the best banking practices with a priority to serve micro, small, and medium enterprises (MSMEs) in order to support the economy of the people"
- "To provide customers with excellent services, delivered through a vast network and supported by professional human resources and a reliable information technology system, while adhering to effective risk management and sound practices of Good Corporate Governance"
- "To create optimal values and benefits for stakeholders"

The Bank's Vision and Mission are endorsed in the Decree of the Board of Directors No. Kep.: 81-DIR/REN/02/2013 dated 13 February 2013.

Core Values

Core Values

**Integrity**

Devoted, dedicated, honest, upholding honour and reputation, and abiding by Banking Code of Conduct as well as existing Regulations

**Professionalism**

Responsible, effective, efficient, disciplined, and forward-looking in anticipating developments, challenges, and opportunities

**Leadership**

Consistently fair, resolute, and high-minded, yet would not tolerate actions that are not exemplary

**Customer Satisfaction**

Fulfill customers' needs and expectations by providing the best services with due observance to Company interests, supported by human resources which are skilled, friendly, service-oriented and coupled with superior technology

**Respect for Individuals**

Recruit, develop, and retain qualified human resources, and manage human capital based upon trust, openness, fairness, and mutual respect toward employees, as an integral part of the Company, by building cooperation and partnerships. Appreciate individual and team performance, to create synergy for the benefit of the Company

Statements of the Bank's Core Values are endorsed by the Decree of the Board of Directors No: S.85-DIR/KPS/04/2014 dated 30 April 2014 on Corporate Culture Revitalization.

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BRI Corporate Culture

BRILiaN (BRI's Five Values)

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

1. Integrity
2. Professionalism
3. Leadership
4. Customer Satisfaction
5. Respects for Individuals

10 (Ten)

Code of Conduct

The 10 (Ten) BRI's Code of Conduct enshrines the behaviour and conduct expected from each of BRI individual. It also reflects the core values of BRI Work Culture (BRILiaN)

BRI Corporate Culture

20 (Twenty)

Indicators of Conduct

The 20 (twenty) Indicators of Conduct is the parameter of behaviour and conduct practiced by BRI individuals that reflects the core values of Work Culture.

20 (Twenty)

Work Culture in Practices

The 20 (twenty) Work Culture in Practices are the early success factors in BRI Work Culture implementation.

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Board of Commissioners' Profile



MUSTAFA ABUBAKAR
President Commissioner,
Independent Commissioner

Indonesian Citizenship, 66 years old. Appointed as BRI President Commissioner since 19 March 2015 and as BRI Independent Commissioner since 19 November 2014.

He is currently active in various organizations, among others Member of Advisory Council of National Banking Advisory (PERBANAS), Member of Advisory Council of Indonesia Agricultural Economy Association (PERHEPI), Chair of Advisory Council Wredhatama Association of the Republic of Indonesia (PWRI), Member of Advisory Council of Lemhannas Graduates Association (IKAL), and Member of the Board of Trustees of Leuser International Foundation (YLI). In education, he is an active member of STIE Indonesia Banking School Academic Senate.

Previously, he served as Minister of SOE (2009-2011), President Director of Perum Bulog (2007-2009), General Chairman of Collective Forum for the Government Internal Oversight (FORBES-APIP) period of 2003-2008, Acting Governor of Nangroe Aceh Darussalam Province (2005-2007), General Inspector in Marine and Fishery Ministry (2001-2005), General Inspector of Marine and Fishery Exploration Department (1999-2001), General Chairman of Indonesia Fishery Society (MPN) period of 1996-1999, World Bank Project Consultant (SEDP) in Bank Indonesia (1985-1989), World Bank Project Consultant (Rural Credit Project) in BRI (1979-1985), as well as other various organizations, such as General Chairman of Student Association Bogor Agricultural Institute (DEMA-IPB) period of 1975-1976.

He attended banking professional education and training programs, including the 45th ASEAN Banking Council Meeting in Singapore (2015), The IIA International Conference in Vancouver, Canada (2015), Certified Program in Enterprise Risk Management in Denpasar (2015), The Institute of Internal Auditors International Conference & Benchmark Visit in London, UK (2014), Enterprise Risk Governance in Jakarta (2014), ASEAN Banking Council Meeting and the 20th ASEAN Banking Conference in Cebu, the Philippines (2014), The Bank Risk Management Refreshment Program for Executive in Hong Kong (2014), The 7th Jakarta Risk Management Convention in Jakarta (2013), Benchmarking ERM Practices Based on ISO 31000 in Sydney, Australia (2013), 43rd ASEAN Banking Council Meeting in Yangon, Myanmar (2013), Prevention of Hyper Corporate-Crime against SOEs in Jakarta (2013), Risk Management Certification Refreshment Program in Tokyo, Japan, (2012) and Work Place Competency Assessor, Level 1 and 2 Banking Risk Management Certification, Lemhannas KSA IX in Jakarta (2001).

He obtained Doctoral Degree in Marine Technology from the Bogor Agricultural Institute (2004), M.Si in Marine Technology from the Bogor Agricultural Institute (2002), and Engineer Degree in Water Resources Management from the Bogor Agricultural Institute (1977).

COMPANY PROFILE ◀

Board of Commissioners' Profile



GATOT TRIHARGO
Vice President Commissioner

Indonesian Citizenship, 55 years old. Appointed as BRI Vice President Commissioner since 19 March 2015.

Presently he also serves as Deputy of Financial Services, Survey, and Consulting Businesses of the SOE Ministry (2013-present). Previously, he served as Commissioner of PT Pertamina (Persero) (2014-2015), Commissioner of PT Telekomunikasi Indonesia (Persero) Tbk (2013-2014), Commissioner of PT Jiwasraya (Persero) (2008-2012), and Commissioner of PT Adhi Karya (Persero) Tbk (2007-2012).

He holds specific experience as Member of National Executive Board of the Indonesian Chartered Accountant Association (IAI) (2014-present), President of the Association Certified Fraud Examiner (CFE) - Indonesia Chapter (2010-present), Member of the Honorary Council of the Association of Indonesia Audit Committee (IKAI) (2010-present), Member of the Examiners' Board of the Certified Professional Management Accountant (CPMA) (2009-present), and Member of the Examiners' Board of the National Center for Sustainability Reporting (NCSR) (2009-present).

He has attended banking courses and training, such as Integrated Assurance Development to Reach Triple Bottom Lines: Profit, People and Planet (Speaker) (2014); Harmonizing the Roles of Internal Control Unit and Audit Committee to Maintain Sustainable and Prudential Company Performance (Panel member) (2014); Software Quality Assurance Essentials (2010) and Enterprise Risk Management Implementation for the Board of Commissioners and officers of PT Pertamina (Persero), Indonesian Risk Professional (2004).

He earned Master Degree in Accounting and Financial Information System (MAFIS) from the Cleveland State University, Ohio, United States (1993), and Diploma IV in Accounting from State Accounting College (STAN) in 1989.



AHMAD FUAD RAHMANY
Independent Commissioner

Indonesian Citizenship, 61 years old. Appointed as BRI Independent Commissioner since 19 March 2015.

He previously served as Commissioner of PT Indonesia Asahan Aluminium (Persero) (2014-2015), Non-Executive Member of the Board of Directors in Indonesia Eximbank (2013-2014), Director General of Taxes of the Finance Ministry (2011-2014), ex-officio Commissioner of the Deposit Insurance Corporation (2009-2014), Chairman of Capital Market and Financial Institution Supervisory Body (Bapepam-LK) (2006-2011), Deputy of Finance and Funding of Aceh-Nias Rehabilitation and Reconstruction Agency (2005-2006), Director of Treasury Bonds Management (2004-2005), Commissioner of PT Bank Internasional Indonesia Tbk (2001-2006), Commissioner of PT Danareksa (Persero) (2001-2006) and Head of the Center for State Bods Management (2001-2004).

He attended banking professional education and training programs, among others a seminar on the Commissioner's Function and Role in Advancing Robust and Profitable Banking Performance, Jakarta (2015); Basel III Seminar; Liquidity Rules, London, UK (2014); and Risk Management program for Banking Commissioners, Singapore (2005).

He obtained MBA in Economics from Vanderbilt University, Tennessee, US (1997); Master of Arts, from Duke University, Durham, North Carolina, US (1987); and Bachelor of Economics from University of Indonesia, Jakarta (1981).

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Board of Commissioners' Profile



AHMAD FUAD
Independent Commissioner

Indonesian Citizenship, 61 years old. Appointed as BRI Independent Commissioner since 28 March 2012.

At present, he concurrently serves as Legal and Compliance Advisor in Bank Sahabat Sampoerna and Legal and Compliance Advisor in Bank ICBC Indonesia. Previously, he served as Member of BI Pension Fund Supervisory Board (2010-2012), Legal Director of Bank Indonesia (2008-2012), Banking Investigations and Mediation of Bank Indonesia (2005-2008), and Deputy Director of Legal in Bank Indonesia (2001-2005) as well as Bank Indonesia Supervisor (1983-2001).

He attended banking professional education and training programs, including IIA International Conference in Vancouver, Canada (2015); Enterprise Risk Governance in Jakarta (2014); 45th ASEAN Banking Council Meeting, Singapore (2015); Effective Risk Management Oversight for Board Members, London, UK (2014); Small Medium Enterprise Banking Master Class, Johannesburg, South Africa (2014); Level 5 Banking Risk Management Refreshment Certification (2015); The 7th Jakarta Risk Management Convention, Jakarta (2013); Leadership and Strategic Management in the Prague, Czech Republic (2013); Modern Corporate Governance, Paris, France (2012); and Banking Risk Management Certification for Board Members (2006).

He earned Master of Business from the University of Adelaide, Australia (1995) and Bachelor of Law from University of Indonesia, Jakarta (1982).



ADHYAKSA DAULT
Independent Commissioner

Indonesian Citizenship, 52 years old. Appointed as BRI Independent Commissioner since 20 May 2010.

He currently serves as Chairman of National Scout Association. On education, he is a Lecturer in Postgraduate Program of Jakarta State University and Lecturer in Postgraduate Program of the Marine and Fishery Sciences Faculty, Diponegoro University, Semarang. Previously, he served as Chair of Indonesian Youth National Committee (KNPI), Minister of Youth and Sports (2004-2009), and Commissioner of several companies (1995-2002).

In banking professional education and training, he has attended Level 1 and 2 Banking Risk Management Certification.

He obtained Doctorate degree in Maritime Engineering from Bogor Agricultural Institute (2007), Master Degree in Community Development from University of Indonesia, Jakarta (1999), and Bachelor Degree in Law from University of Trisakti Jakarta (1989).

COMPANY PROFILE ◀

Board of Commissioners' Profile



A. SONNY KERAf
Independent Commissioner

Indonesian Citizenship, 57 years old. Appointed as BRI Independent Commissioner since 19 March 2015.

Currently, he also serves as Member of the National Energy Council (2014-present), Lecturer in UNIKA Atmajaya Jakarta (1988-present), and as a Extraordinary Lecturer in the Doctorate Program of Environmental Science of Universitas Indonesia (2001-2014). He served as Member of the National Parliament and Commission VII Deputy of the National Parliament in October (2004-2009); Minister of Environment (1999-2001), and Member of the Ethical Council of the Indonesian Corruption Watch (ICW) (1998-1999).

He has attended courses and training programs for banking professionals, including a seminar on the Commissioner's Function and Role in Advancing Robust and Profitable Banking Performance, Jakarta (2015); and Conference & Benchmark: Audit in the Spotlight in Paris (2015).

He earned MBA degree in the Higher Institute of Philosophy from Katholieke Universiteit Leuven, Belgium (1995), Master of the Higher Institute of Philosophy, from Katholieke Universiteit Leuven, Belgium (1992), and Bachelor Degree from Driyarkara Philosophy College (1988).



VINCENTIUS SONNY LOHO
Commissioner

Indonesian Citizenship, 58 years old. Appointed as BRI Commissioner since 28 March 2012.

Presently, he concurrently serves as Director General of State's Assets of the Finance Minister (2015-present); Secretary to Government Accounting Standards Committee; General Chairman of Government Internal Auditor Association (AAPI), and Member of IAI Consultative Board in the Public Sector Accountant Compartment.

Previously, he served as Finance Ministry Inspector General (2011-2015), Commissioner of PT Merpati Nusantara Airlines (2011-2012), Director of Accounting and Reporting at the Ministry of Finance's Treasury Directorate General (2008-2011), and Director of Finance Supervisory on Public Service Agencies (BLU) at the Ministry of Finance's Treasury Directorate General (2006-2008).

He attended banking education and training programs, including Conference & Benchmark: Audit in the Spotlight, Paris (2015); The Institute of Internal Auditors International Conference & Benchmark Visit in London, UK (2014); and Financial Course "Implementing Basel III and Dodd Frank", New York, US (2014), European International Internal Audit Conference, Vienna, Austria (2013); Accounting Development Comparative Study in South Korea (2010), Level 1 Banking Risk Management Certification as well as Accounting and Treasury Development Comparative Study in Australia (2009).

He obtained Master of Public Management from Carnegie Mellon University, Pittsburgh (1998); Diploma IV Degree from the State Accounting College-STAN (1987); and Diploma III Degree from the State Accounting College-STAN (1980).

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Board of Commissioners' Profile



JEFFRY J. WURANGIAN
Commissioner

Indonesian Citizenship, 61 years old. Appointed as BRI Independent Commissioner since 19 March 2015.

He previously served as Business Advisor and Investment Chairman CT Corp, Bank Mega Group (2012-2015); President Director of PT Bank Sulut (2010-2012), Marketing Director of PT Bank Sulut (2008-2009), General Director PT Bank Sulut (2007-2008), Operational Director Bank Mitraniaga, (1991-1992), and Vice President Saseka Finance, February 1989 - August 1990.

He has attended courses and training for banking professionals, among others seminar on the Commissioner's Function and Role in Advancing Robust and Profitable Banking Performance, Jakarta (2015); International Enterprise Risk Management Benchmarking in Barcelona, Spain (2015); Certified Program in Enterprise Risk Management in Denpasar (2015); Executive Program, "Managing Risk in Corporate Banking, Consumer Banking, and Liquidity Management in London, UK (2010); Executive Program, "Global Financial Crisis: What Went Wrong and What We Learned" in Jakarta (2009), Risk Management Certification (BSMR) in Jakarta (2007), Certified Sales Consultant in the United States (2004), Financial Manager Certificate in Houston, Texas, United States (2003), and Sales Adviser Certification, in Texas, United States (1993).

He earned Doctorate Degree in Economics from University of Merdeka, Malang (2010), M.sc., Agricultural Economics, from Oklahoma State University, Oklahoma, US (1999), and MBA from European University, Belgium, Joinede Program with IEU School of Business (1989), and Bachelor Degree in Development Economics from University of Sam Ratulangi, Manado (1980).

COMPANY PROFILE ◀

Board of Directors' Profile



ASMAWI SYAM
President Director

Indonesian Citizenship, 60 years old. Serves as BRI President Director since 19 March 2015. Previously, he was appointed as BRI Director on 5 September 2007 and was re-appointed on 28 March 2012.

He began his banking career in BRI in 1980 and has served several managerial positions such as Head of General Business Division, Head of Consumer Banking Division, Head of Bandung Regional Office, and Head of Denpasar Regional Office.

He earned Master Degree in Management from University of Padjadjaran, Bandung (2003); and Bachelor Degree in Economics from University of Hasanuddin, Makassar (1979).

He has attended banking trainings and courses, such as Risk Management Certification Refreshment Program - BARa (London); From State Owned Enterprise to World Class Competitors Creative Innovative and State Owned Firms (the Philippines); 4th World Islamic Economic Forum (Kuwait); Card and Payment - European Financial Management Marketing EFMA (Paris); SOE Restructuring and Performance Improvement (Jakarta); Strategic Leadership - Mastercard International (Bangkok); World Congress on IT Information (Adelaide); Asset and Liability Management, Credit Risk Management & International Banking (Brussel); and SESPIBANK (Jakarta); and Executive International Conference "Key Risk Management Challenges in 2014" (Russia).

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Board of Directors' Profile



SUNARSO
Vice President Director

Indonesian Citizenship, 52 years old. Serves as BRI Vice President Director since 19 March 2015.

He began his career in the banking industry in Bank Dagang Negara in 1991. He joined Bank Mandiri in 1999 and thereafter held various managerial positions in Bank Mandiri, including Director of Commercial & Business Banking, Executive Vice President Group Head Corporate Banking Agro Based Group, Senior Vice President Group Head Plantation Specialist, and Senior Vice President Client Service Team Manager.

He obtained Master of Science in Business Administration from University of Indonesia (2002) and Engineering degree in Agronomics from Bogor Agricultural Institute (1998).

He has attended banking courses and training, among others Strength Based Performance Coach (Jakarta); Creative Strategic Thinking for Innovation (Sydney); Market Driving Strategies (London); Strategic Business Leadership: Engagement, Performance & Execution (Chicago); High Performance Leadership (Lausanne, Swiss); The Customer Focused Organization: Leadership, Strategy and Implementation (Evanston, Illinois-United States); dan Decision Making for Leaders (Melbourne).



GATOT MARDIWASISTO
Director

Indonesian Citizenship, 62 years old. Serves as BRI Director since 28 September 2011.

Previously, he served as Director of Pharmaceutical Commercial Business, the Ministry of PBUMN & BKPM, Director of Finance PT Kliring Berjangka Indonesia (Persero), Assistant Deputy of Banking Business in Ministry of State-Owned Enterprises, and Commissioner of PT Bank Tabungan Negara (Persero) Tbk.

He earned Master Degree in Management from Ecole Supérieure, Lyon, France (1989) and Bachelor Degree in Economics/Business Law from University of Indonesia (1985).

Attended trainings and courses include Property Appraisal (Taiwan); Urban Finance and Taxation (Taiwan); Finance Management from Institute International d'Administration Public (Paris); Strategic Planning (Jakarta); Workshop on SOE Privatization and Corporate Governance (Jakarta); International Conference Bara Risk Forum 2010 (Bali); Executive Risk Management Refresher Program (Paris); Seminar Sharpening Leadership for Senior Executive (Jakarta); Global Islamic Finance Forum (Kuala Lumpur); and International Seminar on Housing Finance Management (Bali) and Revamping The Capability in Loan Analysis (Yogyakarta).

COMPANY PROFILE ◀

Board of Directors' Profile



A. TONI SOETIRTO
Director

Indonesian Citizenship, 57 years old. Serves as BRI Director since 30 May 2006 and was re-appointed for his second term on 28 April 2011.

He began his banking career in Bank Duta in 1983 and joined Bank Bukopin in 1985. Previously, he occupied managerial positions as Director of Commercial Business, Risk Management and Compliance Director, and Group Head Credit and Marketing Financial Institutions.

He obtained Bachelor Degree in Agribusiness from Bogor Agricultural Institute in 1981.

He has attended a number of banking trainings, courses, and seminars such as CRM and Intelligence Banking EFMA (Barcelona); The Future Face of Marketing (Australia); Self-Service Banking, EFMA (Barcelona); The Branch of the future, EFMA (Barcelona); Structured Trade and Export Finance in Asia Conference, Euromoney, JP Morgan and Citigroup (Singapore); The Strategic Board, Australian Institute of Company Director (Australia); Comparative Study for Trade Financing and Risk Management – Deutsche Bank (Germany); Certified Wealth Manager - Erasmus Heuis Netherlands (the Netherlands); Risk Management Certification Refreshment Program (Frankfurt); World Hajj & Umrah Convention (London); Bancassurance Distribution and Channel Management (Hong Kong); Enterprise Risk Management Benchmarking (Europe); and Revamping The Capability in Loan Analysis (Yogyakarta).



RANDI ANTO
Director

Indonesian Citizenship, 54 years old. Serves as BRI Director since 28 April 2011.

He began his banking career in BRI from 1984 and has served managerial positions, namely Head of Human Resources Management Division, Head of Palembang Regional Office, Head of Credit Administration Division, and Head of Compliance and Risk Management Division.

He obtained MBA from St. Louis University, the United States (1994) and Bachelor Degree in Economics from University of Diponegoro, Semarang (1984).

He has attended banking trainings and courses, among others Pro Active Operational Risk Management (Jakarta); SESPIBANK (Jakarta); Worldclass Leadership Mentoring Coaching (Jakarta); Credit Appraisal for Small Medium Individual (Tokyo); The Asian Bankir Summit (Singapore); International Certified Wealth Manager Europe Class (Rotterdam); Risk Management Certification Refreshment Program (Frankfurt); Improving Compliance Competency (Jakarta); The Banking Technology Summit (Prague); World Hajj & Umrah Convention (London); and Bancassurance Distribution & Channel Management (Hong Kong); Enterprise Risk Management Benchmarking (Europe); International Workshop of Banking Management Performance Appraisal; (University of Leicester, UK); and Revamping The Capability in Loan Analysis (Yogyakarta).

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Board of Directors' Profile



SUSY LIESTIOWATY
Director

Indonesian Citizenship, 55 years old. Effective as of 19 March 2015, she began her first term as BRI Director.

She began her banking career in BRI since 1985, she has held managerial positions in BRI, which includes Head of Credit Risk Analysis Division, Head of Agribusiness Division, and Head of Desk Investment Banking. Aside from BRI, she also held managerial positions in other institutions, namely as Commissioner of PT Bank BRI Agroniaga Tbk., Chairman of BRI Swakayara Cooperative, and Commissioner of PT Bringin Srikandi Finance.

She earned Doctorate degree from Bogor Agricultural Institute (2011), MBA in Management from the University of Case Western Reserve, United States (1993), and Bachelor Degree in Agronomics from Bogor Agricultural Institute (1983).

She has attended courses and training in banking, including Advanced Project Finance Masterclass (Jakarta); The 6th Jakarta Risk Management Convention (Jakarta); Revamping The Capability in Loan Analysis (Bandung); Corebank Executive Management (San Fransisco & Chicago); Retail Banking Delivery Channel Strategy (Singapura); Capitalizing on Growth Potential of Islamic Finance (Kuala Lumpur); Efficient Delivery Mechanism of Microfinance (Sri Lanka); Project Financing (Sydney); Managing Effectives SLAs (Kuala Lumpur); HBS-Action Programme on Strategic Leadership for Microfinance (Massachussets); Bond School Euromoney (Sydney); and Life Stocks Industry Benchmarking (Australia & New Zealand).



ZULHELFI ABIDIN
Director

Indonesian Citizenship, 53 years old. Effective as of 19 March 2015, he began his first term as BRI Director.

He began his banking career in Bank Bukopin in 1990 and joined BRI in 2007. Previous managerial positions held include Senior Executive Vice President of BRI Technology & Information System, Division Head of BRI Technology & Information system, Commissioner of Bank BRISyariah, President Commissioner of PT Bringin Gigantara, and Division Head of Information System Technology in Bukopin.

He earned Master of Science from University of Wollongong, Australia (1996) and Bachelor Degree in Informatics Engineering from Bandung Institute of Technology (1987).

He has attended banking courses and training, including Certified Information Systems Auditor (Jakarta) and Executive Overview of Islamic Banking (Jakarta).

COMPANY PROFILE ◀

Board of Directors' Profile



DONSUWAN SIMATUPANG
Director

Indonesian Citizenship, 54 years old. He began his first term as BRI Director since 19 March 2015.

He began his banking career in BRI from 1986. He has held managerial positions in BRI as Division Head of General Business, Head of Surabaya Regional Office, Head of Medan Regional Office, and Division Head of Retail Credit.

He obtained MBA from Virginia Polytechnic Institute, United States (1993) and graduate degree (Drs.) from Economics Faculty of University of Parahyangan, Bandung (1985).

He has attended banking courses and training, including Business Unit and HR Leadership Workshop (Jakarta); Branch Manager Training in Delivery System (Jakarta); APRACA Microserv Field Visit (India & Thailand); Business Strategy Development Analysis (Jakarta); Banking Credit Laws (Jakarta); and Decision Making (Jakarta).



HARU KOESMAHARGYO
Director

Indonesian Citizenship, 49 years old. He began his first term as BRI Director since 19 March 2015.

He began his banking career in BRI from 1986. He has held managerial positions in BRI as Division Head of Treasury, General Manager of New York Overseas Office, and Head of Desk Investor Relation in Corporate Secretary Division. Other than BRI, he has also held position as President Commissioner of PT BTMU-BRI Finance.

He obtained MBA degree in Investment Banking from Emory University, the United States (2000) and Bachelor Degree in Agriculture Industrial Engineering from University of Brawijaya, Malang (1989).

He has attended banking courses and training, among others On Integrated Risk Management & Risk to Value (Jakarta); Implementation BASEL II in the Pacific Region (Kinabalu, Malaysia); BASEL II and Financial Stability (Jakarta); Bank Financial Management Stimulation (Jakarta); Attachment Prog to Dealing Room of Union Bank of Switzerland (Singapore); International Programme in Banking and Finance (Pune, India); Market Risk Training (Singapore); Credit & Operational Risk (Singapore); Developing & Resting Internal Credit Risk Models for BASEL II (Hongkong); and Understanding & Implementing Credit Risk Models for BASEL II (London).

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Board of Directors' Profile



MOHAMMAD IRFAN
Director

Indonesian Citizenship, 56 years old. He began his first term as BRI Director since 19 March 2015.

He began his banking career in BRI from 1983 and has held managerial positions as Head of Jakarta 1 Regional Office, Head of Semarang Regional Office, Head of Padang Regional Office, and Head of Technology & Information System Division.

He earned Master Degree in Management from LPPM, Jakarta (1998) and Engineering degree from Fishery Faculty, Bogor Agricultural Institute (1982).

He has attended banking courses and training, including Strategic Decision Making (Jakarta); Card Asia Seminar (Singapore); SESPIBANK (Jakarta); Mergers & Acquisitions (New York); Targeted Behaviour Event (Jakarta); Leadership Development Programme (Jakarta); and Executive Rechanging Programme on Strategic Marketing (Jakarta).



KUSWIYOTO
Director

Indonesian Citizenship, 50 years old. He began his first term as BRI Director since 12 August 2015.

He began his banking career in BRI from 1988 and has held managerial positions as Head of Jakarta 1 Regional Office, Head of Makassar Regional Office, Division Head of Agribusiness, and Deputy of SOE Division. Aside from BRI, he has also served as Commissioner of PT Bringin Indotama Sejahtera Finance.

He earned MBA Finance from Washington University, United States (1997) and Bachelor Degree in Economics from University of Airlangga, Surabaya (1986).

He has attended banking courses and training, including National Seminar on the Role of Change Management (Jakarta); Risk Management in Agriculture (Manila); Seminar on the Prospect of National Sugar Industry (Jakarta); and Workshop for Risk Management Assessor Candidates (Jakarta).

COMPANY PROFILE ◀

SEVP Profile



IRIANTO
SEVP Change Management

Indonesian Citizenship, 52 years old. Serves as BRI Senior Executive Vice President since 1 November 2014. Began his banking career in BRI in 1988 and has held various managerial positions, among others Head of Denpasar Regional Office, Division Head of Strategic Planning & Business Development, and Deputy of Strategic Planning & Business Development Division.

He obtained MBA Degree from Monash University, Melbourne, Australia (1993) and undergraduate degree from Geography Faculty of Gadjah Mada University Yogyakarta (1987).

He has attended a number of courses and training, including Apraca - Financial Information System (Malaysia); ASX - Domestic Money Market Forex Treasury Operation (Australia); Darden Business School - Managing Critical Resource (United States); INSEAD - Strategic Management in Banking Program (France); IDI - Banking and Development Programme (Dublin & London); The Asian Banker - The Banking Crisis & Strategic Review Crisis (Singapore); dan Project Finance (Netherlands).



SAPTONO SIWI
SEVP Head of Internal Audit

Indonesian Citizenship, 55 years old. Serves as BRI Senior Executive Vice President since 1 August 2015. Began his banking career in BRI in 1987 and has held various managerial positions, among others Division Head of Credit Administration, Inspector for Jakarta 1, Inspector for Malang, Head of Special Branch Office, Deputy Head of Surabaya Regional Office, and Deputy Head of Medan Regional Office.

He earned Master of Business Law from University of Gajah Mada, Yogyakarta (2006) and Bachelor of Economics in Accounting from University of Padjadjaran Bandung (1986).

He has attended a number of courses and training, including APRACA 4th World Congress on Rural & Agricultural Finance (Paris); Workshop on Audit Psychology & Communications (Bandung); IAIB 5th National Conference (Denpasar); and Internal Audit (Lombok).

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SEVP Profile



HEXANA TRI SASONGKO
SEVP IT Strategy & Satellite

Indonesian Citizenship, 51 years old. Serves as BRI Senior Executive Vice President since 21 October 2015. Began his banking career in BRI in 1988 and has held various managerial positions, among others Head of Global Market, Strategic Planning & Development Division Deputy, Head of Corporate Development & Strategy Division, and BRI-sat Project Manager. He has attended numerous satellite coordination meeting as well as Asia Pasific Satellite Conference and is a member of Indonesia Telematic Society and the Indonesian Satellite Association.

He earned MBA in International Business from Monash Mt. Eliza Business School Monash University, Melbourne, Australia (1996) and Bachelor of Law from University of Airlangga Surabaya (1986).

He has attended several courses and training, among others International Capital Market (New Jersey, United States); Leadership for Microfinance, Harvard Business School (Boston, United States); Asian Leadership Programme (Kuala Lumpur & Denpasar); Business Valuation (Singapore); Project Management Office (Singapore); dan Certified International Wealth Management (Jakarta).



CATUR BUDI HARTO
SEVP Network & Services

Indonesian Citizenship, 52 years old. Serves as BRI Senior Executive Vice President since 1 Juli 2015. Began his banking career in BRI in 1989 and has held various managerial positions, including Division Head of Wealth Management, Division Head of Mass Banking, Head of Banjarmasin Regional Office, Credit Card Division Deputy, and Deputy Head of Makassar Regional Office.

He obtained Master Degree in International Management from Prasetya Mulya Management College, Jakarta (2002) and Bachelor Degree in Agronomics from Bogor Agricultural Institute (1986).

He has attended a number of courses and training, including Master Trainee CRM Level-1 (Jakarta); Master Trainee CRM Level-2 (Jakarta); Level III Risk Management Certification (Jakarta); Training Trade Finance (Cianjur); and Matriculation and Level 4 Risk Management Help Session (Jakarta).

COMPANY PROFILE ◀

SEVP Profile



MUHAMAD ALI
SEVP SME & Consumer Directorate

Indonesian Citizenship, 54 years old. Served as BRI Senior Executive Vice President on 1 April 2015 and ended the tenure on 30 October 2015 for the appointment as Director of PT Perusahaan Listrik Negara (Persero). Began his banking career in BRI in 1988 and has held various managerial positions, among others Head of Yogyakarta Regional Office, Corporate Secretary Division Head, Board of Directors Bureau Head, and Corporate Secretary Division Deputy.

He earned Bachelor Degree in Law from Gadjah Mada University Yogyakarta (1987).

He has attended a number of courses and training, among others AVDPD (Jakarta); Basic Risk Management Training (Jakarta); Matriculation and Risk Management Help Session (Jakarta); Risk Management Training II (Jakarta).

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Senior Executives

List of Senior Executive Vice President as of 31 December 2015

No	Name	Position	Operational Unit
1	Catur Budi Harto	Senior EVP- BRI Network & Services Directorate	BRI Network & Services Directorate
2	Hexana Tri Sasongko	Senior EVP- BRI IT Strategy & Satellite Directorate	BRI IT Strategy & Satellite Directorate
3	Irianto	Senior EVP- BRI Change Management	BRI Change Management
4	Saptono Siwi	Senior EVP- BRI Internal Audit	BRI Internal Audit

List of Executive Vice President as of 31 December 2015

A. HEAD OFFICE

No	Name	Position	Organization Unit
1	Agus Suprihanto	Division Head	Retail and Medium Business Division
2	Supardi Santoso	Division Head (Ad Interim)	Program & Partnership Loan Division
3	Sony Harsono WS.	Division Head	Micro Business Policy & Strategy Division
4	Eko Bayu Sasmito	Division Head	Micro Business Development 1 Division
5	Bakri	Division Head	Micro Business Development 2 Division
6	Sugiarti	Division Head	Mass Banking Division
7	Mohamad Helmi	Division Head	Credit Card Division
8	Joice Farida Rosandi	Division Head	Consumer Loan Division
9	A.Firman Taufick	Division Head	Marketing Communication Division
10	Irwan Junaedy	Division Head	Commercial Business Division
12	Zainuddin Mappa	Division Head	Agribusiness Division
13	Eko Wahyudi	Division Head	Institutional Relation 1 Division
14	Sigit Murtiyoso	Division Head	Institutional Relation 2 Division
15	M. Sodo Harisetyanto	Division Head	SOE's Business 1 Division
16	I Komang Sudiarsa	Division Head	SOE's Business 2 Division
17	Cut Indriani	Division Head (Ad Interim)	Micro Banking Network Division
18	Heru Setyati	Division Head	Retail Banking Network Division
19	Argabudhy Sasrawiguna	Division Head	E-Channel Operations Division
20	Fahmi Subandi	Division Head	Finance & Accounting Management Division
21	Edi Masrianto	Division Head	Treasury Division
22	Dany Cahya Rukmana	Division Head	International Business Division
23	Busrul Iman	Division Head	Restructuring & Recovery Credit Division
24	Mochamad Taufik	Division Head	Credit Risk Analysis Division
25	Edy Utomo	Division Head	Operation Center Division
26	Surja	Division Head	Fixed Asset Management Division
27	Djunia Satriawan	Division Head	Procurement Division
28	Eko Bambang Suharno	Division Head	Human Capital Policy Division
29	Ari Setyo Wibowo	Division Head	Human Capital Services Division
30	Ira Wirayanti	Division Head	Outsourcing Management Division
31	Irwan Rinaldi	Division Head	Risk Management Division
32	Khairi Setiawan	Division Head	Compliance Division
33	Retno Wahyuni Wijayanti	Division Head	Corporate Development & Strategy Division
34	Yana Soeprianan	Division Head	Legal Division
35	Abing Rabani	Chief Learning Officer	BRI Corporate University
36	Hari Siaga Amijarso	Division Head	Corporate Secretary Division
37	Anna Maria Ciadarma	Division Head	Investment Services Division
38	Dicky Rozano	Division Head	Transaction Division
39	Ninis Indriswari	Division Head (Ad Interim)	Services Division
40	Siswanto	Division Head	Credit Administration Division
41	Tina Meilina	Division Head (Ad Interim)	Wealth Management Division
42	Nurullah Akhsan	Division Head	Information System & Technology Operations Division

COMPANY PROFILE ◀

Senior Executives

List of Executive Vice President as of 31 December 2015

A. HEAD OFFICE

No	Name	Position	Organization Unit
43	Ratnanta Indriani	Division Head	Information System & Technology Planning and Development Division
44	Wahyu Widodo	General Manager	Special Branch Offices

B. REGIONAL OFFICE

No	Name	Position	Operational Unit
1	M.Fankar Umran	General Manager	Banda Aceh Regional Office
2	F.Y.Hari Sistiya	General Manager	Medan Regional Office
3	Fidri Arnaldy	General Manager	Padang Regional Office
4	Sutarno	General Manager	Pekanbaru Regional Office
5	Erdianto Sigit C.	General Manager	Palembang Regional Office
6	Osbal Saragi Rumahorbo	General Manager	Bandar Lampung Regional Office
7	Budi Satria	General Manager	Jakarta 1 Regional Office
8	Agus Noorsanto	General Manager	Jakarta 2 Regional Office
9	Achmad Chairul Ganie	General Manager	Jakarta 3 Regional Office
10	Tri Wintarto	General Manager	Bandung Regional Office
11	Kurnia Chaerudin	General Manager	Semarang Regional Office
12	Priyastomo	General Manager	Yogyakarta Regional Office
13	Ebeneser Girsang	General Manager	Surabaya Regional Office
14	Rachmad Guntur Kristianto	General Manager	Malang Regional Office
15	Ngatari	General Manager	Banjarmasin Regional Office
16	Widodo Januarso	General Manager	Denpasar Regional Office
17	Yoshua Palti	General Manager	Manado Regional Office
18	Supari	General Manager	Makassar Regional Office
19	Presley Hutabarat	General Manager	Jayapura Regional Office

C. AUDIT OFFICE

No	Name	Position	Operational Unit
1	Siswarin Dwi Hendarsapti	Inspector	Head Office
2	Sutanto	Inspector	Banda Aceh Audit Office
3	Abdul Salam	Inspector	Medan Audit Office
4	Djuandi	Inspector	Padang Audit Office
5	Eddy Yantho Sofwan	Inspector	Pekanbaru Audit Office
6	Dedy Ihsan	Inspektur	Palembang Audit Office
7	Slamet Sugiarto	Inspector	Bandar Lampung Audit Office
8	Sutardjo	Inspector	Jakarta 1 Audit Office
9	Ganefi	Inspector	Jakarta 2 Audit Office
10	Edy Priyono	Inspector	Jakarta 3 Audit Office
11	Wisto Prihadi	Inspector	Bandung Audit Office
12	Umi Haryati	Inspector	Semarang Audit Office
13	Sunuaji Noor Widiyanto	Inspector	Yogyakarta Audit Office
14	Endra Sasmito Soengkowo	Inspector	Surabaya Audit Office
15	Khairullah	Inspector	Malang Audit Office
16	Mahsun Sodik	Inspector (Acting)	Banjarmasin Audit Office
17	Wahyu Waluyo	Inspector	Denpasar Audit Office
18	A.Y.Soepadmo	Inspector	Manado Audit Office
19	Gatut Dwi Prihartoyo	Inspector	Makassar Audit Office
20	Sumihar Manullang	Inspector	Jayapura Audit Office

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Employees & Competency Building

As of the end of 2015, by generation, BRI's HR profile consisted of Baby Boomers of 4,725 employees (5.1%), X generation of 16,347 employees (17.5%), and Y generation of 72,143 employees (77.4%).

The complete 2015 Human Capital profile is as follows:

EMPLOYEES BY ORGANIZATIONAL LEVEL

Organizational level	2012	2013	2014	2015
Executive Vice President	67	70	64	54
Vice President	106	153	166	198
Assistant Vice President	429	403	440	395
Senior Manager	633	652	685	738
Manager	581	609	652	731
Assistant Manager	3,295	3,334	3,770	4,331
Officer	10,998	12,080	12,212	11,837
Assistant	56,516	63,937	73,375	74,290
Total	72,625	81,238	91,364	92,574

* exclude outsource employees

EMPLOYEES BY EDUCATION LEVEL

Education Level	2012	2013	2014	2015
Doctorate Degree	7	10	10	7
Master's Degree	1,065	1,099	1,165	1,195
Bachelor's Degree	39,596	48,049	57,393	67,953
Diploma	25,761	26,704	28,327	19,769
High School/Equivalent	6,196	5,376	4,469	3,650
Total	72,625	81,238	91,364	92,574

* exclude outsource employees

EMPLOYEES BY EMPLOYMENT STATUS

Status	2012	2013	2014	2015
Permanent	35,727	41,848	48,814	54,859
Contract	36,155	38,355	41,739	37,451
Trainee	743	1,034	811	264
Total	72,625	81,238	91,364	92,574

COMPANY PROFILE ◀

Employees & Competency Building

EMPLOYEES' COMPETENCY BUILDING AND EQUAL OPPORTUNITIES PROVIDED AT EACH ORGANIZATIONAL LEVEL

The purpose of competency building is to nurture human capital with learning capacity, the willingness to change, innovative, and creative for the advancement of the company. To that end, BRI implements training programs that focus on three aspects of competency building: applied, technical, and analytical skills as well as managerial capacity.

No	Type of Education	Total Trainings	Total Participants	Average Length
1	Application	3.399	464.349	16 Session
2	Briefing	948	21.001	104 Session
3	Development	40	663	45 Session
4	Public Course	1.974	3.883	24 Session
5	Certification	87	2.042	48 Session
6	Formal	1	14	2 Years
7	Socialization	1.399	173.323	2 Session
8	FPK/FGD	All operational units	124.502	

EMPLOYEES COMPETENCY BUILDING BUDGET

Budget Commitment for Human Capital Competency Building

In 2015, BRI realized a total of Rp617.49 billion or 72.48% of its Human Capital competency building budget allocation. Based on the evaluation on this budget execution and in comparison with the number of participants, the cost per person for BRI was Rp781,852.

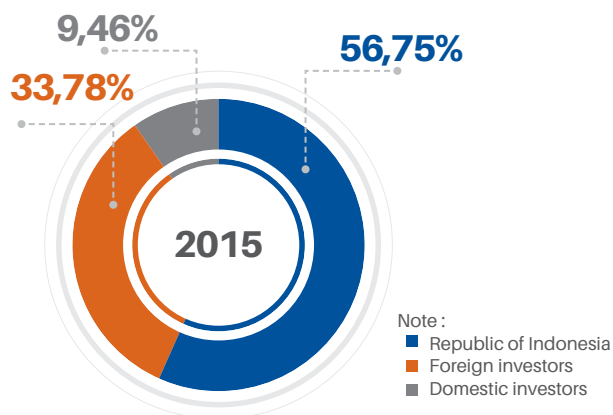
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Shareholders Composition

BRI's shareholders as of the end of 2015 was 18,267 shareholders, up from 13,206 shareholders in 2014. The Government of the Republic of Indonesia remains BRI's majority shareholder with 56.75% and 43.25% shares are owned by the public. There is no public shares ownership that exceeded 5% of the total shares as registered in the Shares Registrar.



25 LARGEST BRI SHAREHOLDERS (AS OF DECEMBER 2015)

No.	Name	Shares	% Ownership
1	Government of Indonesia	14,000,000,000	56.75
2	BPJS KETENAGAKERJAAN-JHT	517,412,500	2.10
3	HSBC BANK PLC S/A SAUDI ARABIAN MONETARY	314,885,680	1.28
4	JPMCB-FRANKLIN TEMPLETON INVESTMENT FUND	252,305,000	1.02
5	GIC S/A GOVERNMENT OF SINGAPORE	223,923,380	0.91
6	BANK RAKYAT INDONESIA, PT - TREASURY STO	210,118,600	0.85
7	JPMCB-STICHTING DEPOSITARY APG EME MRKT	192,697,800	0.78
8	BBH BOSTON S/A VANGRD EMG MKTS STK INFN	175,097,300	0.71
9	BBH LUXEMBOURG S/A FIDELITY FD, SICAV-EM	151,812,200	0.62
10	PT, PRUDENTIAL LIFE ASSURANCE - REF	150,513,800	0.61
11	The Northern Trust Co s/a Cantillon Fund	109,791,060	0.45
12	JPMCB-VANGUARD TOTAL INTERNTNL STOCK IND	103,300,200	0.42
13	PT TASPEN (PERSERO) - THT	101,627,100	0.41
14	NT TST CO S/A GENERATION IM FUND PUBLIC	96,042,200	0.39
15	JPMCB-JP MORGAN FUNDS -2157804185	78,191,366	0.32
16	HSBC BK PLC S/A THE PRUDENTIAL ASSURANCE	76,705,300	0.31
17	Citibank New York ADR S/A Citibank N.A -	75,429,220	0.31
18	SSB 1BA9 ACF MSCI EQUITY INDEX FUND B-IN	75,109,414	0.30
19	GOLDMAN SACHS INTL - LND CLEAR ACCT	70,871,900	0.29
20	SSB OBIH S/A ISHARES MSCI EMERGING MARKET	69,741,122	0.28
21	JPMCB-EUROPACIFIC GROWTH FUND -215780405	67,700,000	0.27
22	Reksa Dana Schroder Dana Prestasi Plus-9	67,616,800	0.27
23	JPMCB-NEW WORLD FUND, INC -2157804145	65,440,000	0.27
24	The Northern Trust And Company S/A Futur	65,277,300	0.26
25	JPMCB-FIDELITY INVESTMENT TRUST: FID DIV	64,903,500	0.26
26	Reksa Dana Schroder Dana Prestasi Dinamis	63,891,300	0.26

BRI COMPOSITION OF SHAREHOLDERS (AS OF DECEMBER 2015)

	31 December 2015		
	Shareholders	Shares	Composition
Republic of Indonesia	1	14,000,000,000	56.75%
Public	18,266	10,669,162,000	43.25%
DOMESTIC INVESTORS	16,533	2,334,914,037	9.46%
Individuals	13,188	179,103,878	0.73%
Employees	2,714	76,349,100	0.31%
Local Government	1	318,000	0.00%

COMPANY PROFILE ◀

Shareholders Composition

	31 December 2015		
	Shareholders	Shares	Composition
Institutions	630	2,079,143,059	8.43%
Banks	1	210,118,600	0.00%
Cooperatives	5	1,234,900	0.01%
Foundations	28	25,773,600	0.10%
Pension Funds	181	151,652,400	0.61%
Insurance	72	469,484,300	1.90%
Limited Liability Companies	113	588,697,314	2.39%
Financial Institutions	0	0	0.00%
Mutual Funds	230	632,181,945	2.56%
FOREIGN INVESTORS	1,733	8,334,247,963	33.78%
Individuals	87	2,945,000	0.012%
Foreign Busines Entities	1,646	8,331,302,963	33.77%
Total	18,267	24,669,162,000	100.00%
Total Exercised MSOP		12,904,457,000	

BRI BOARD OF COMMISSIONERS AND DIRECTORS SHARE OWNERSHP

In 2015, as registered in the Shares Registrar, there was share ownership of Board of Commissioners and Directors with the composition of less than 5% of the total shares.

BOARD OF COMMISSIONERS

Name*)	Position	31 January 2015		31 December 2015	
		Shares	Percentage	Shares	Percentage
Mustafa Abubakar	President/Independent Commissioner	-	-	-	-
Gatot Trihargo	Vice President Commissioner	-	-	-	-
Ahmad Fuad	Independent Commissioner	-	-	-	-
Adhyaksa Dault	Independent Commissioner	-	-	-	-
Fuad Rahmany	Independent Commissioner	-	-	-	-
Sony Keraf	Independent Commissioner	-	-	-	-
Vincentius Sony Loho	Commissioner	-	-	-	-
Jeffry J. Wurangian	Commissioner	-	-	-	-
Total		-	-	-	-

BOARD OF DIRECTORS

Name*)	Position	31 January 2015		31 December 2015	
		Shares	Percentage	Shares	Percentage
Asmawi Syam	President Director	-	-	-	-
Sunarso	Vice President Director	-	-	-	-
Gatot Mardiwasisto	Director	-	-	-	-
A. Toni Soetirto	Director	-	-	-	-
Randi Anto	Director	661,000	0.0026795	661,000	0.0026795
Susy Liestiowaty	Director	-	-	580,000	0.0023511
Zulhelfi Abidin	Director	-	-	-	-
Donsuwan Simatupang	Director	-	-	29,500	0.0001196
Haru Koesmahargyo	Director	-	-	-	-
Mohammad Irfan	Director	-	-	34,000	0.001378
Kuswiyoto	Director	-	-	-	-
Total		-	-	1,304,500	-

*) composition of Board of Directors and Commissioners as of 31 December 2015

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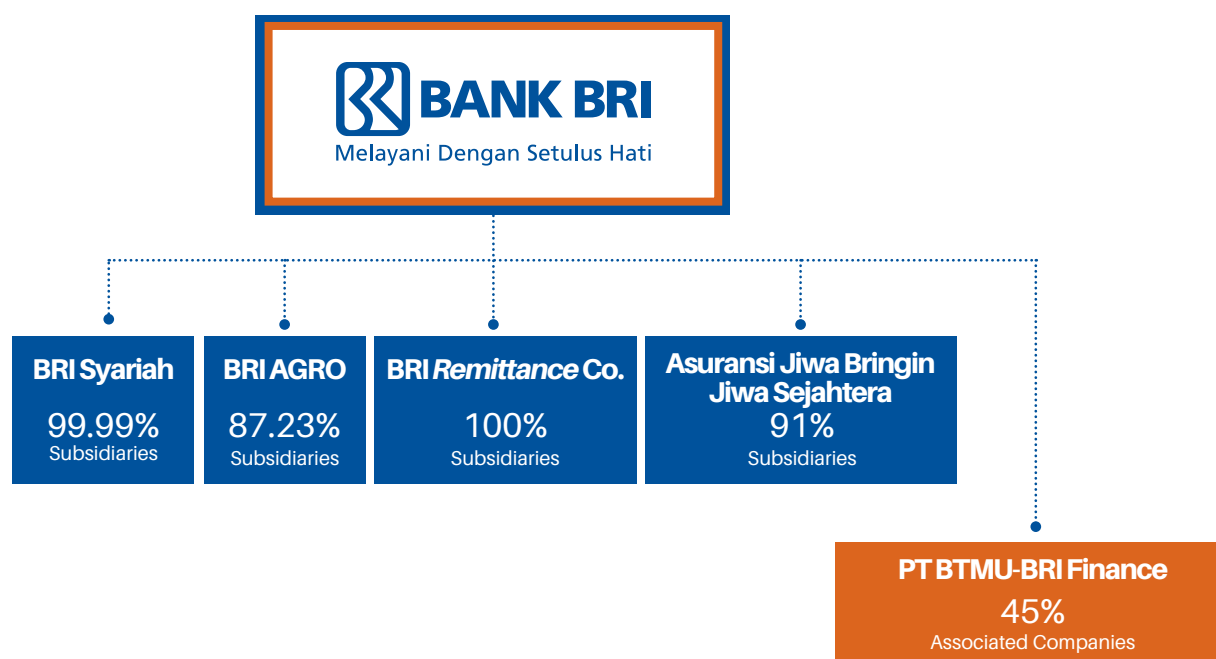
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Subsidiaries and Associates

Name of Company	Business	Date of BRI investment	Percentage of BRI Ownership (%)	Date of Operations Commencement	Address
PT Bank BRISyariah	Sharia commercial bank	19 December 2007	99.99%	16 October 2008 In operation	Jl. Abdul Muis No. 2-4, Jakarta
PT Bank Agroniaga Tbk.	National private commercial bank	3 March 2011	87.23%	8 February 1990 In operation	Plaza GRI Jl. HR. Rasuna Said Blok X2 No.1, Jakarta
BRIIngin Remittance Co. Ltd.	Remittance company	16 December 2011	100%	7 April 2005 In operation	Room 1115, 11/F, Lippo Center, Tower II, 89 Queensway, Admiralty, Hong Kong
PT Asuransi Jiwa Bringin Jiwa Sejahtera	Life insurance company	14 December 2015	91%	28 October 1987 In operation	Graha Irama Lt.2,5,7,11 & 15, Jl. H.R.Rasuna Said Blok X-1 Kav 1 & 2, Jakarta 12950, Indonesia
ASSOCIATES					
PT BTMU-BRI Finance	Financing	1 August 1983	45.00%	1 August 1983 In operation	Wisma 46 Lantai 10-Kota BNI, jalan Jenderal Sudirman Kav. 1 Jakarta

Corporate Group Structure



COMPANY PROFILE ◀

Share 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 amount derived from 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-currently OJK (Letter of Bapepam Chairman No. S-2646/ PM/2003) dated 31 October 2003. The shares were offered at nominal value of Rp500.00 per share, traded on 10 November 2013 and registered in Jakarta Stock Exchange (now Indonesia Stock Exchange).

Following the initial public offering, BRI issued two types of shares: Series A Dwiwarna Shares and Ordinary Shares Series B. Series

A Dwiwarna Shares are issued and owned by the Republic of Indonesia and are not transferable to any parties. Holders of Series A Dwiwarna Shares have the following privileges to:

- Nominate members of the Board of Directors and Board of Commissioners.
- Approve the appointment and termination of members of Board of Directors and or Board of Commissioners
- Approve amendment to Articles of Association including change of capital
- Approve consolidation, merger, acquisition, and divestment of the Company; filing for bankruptcy, Company dissolution, and or
- Request report and explanation on certain matters to the Board of Directors and Board of Commissioners in accordance

with prevailing laws and regulations especially in the Capital Market.

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

Year	Shareholders				Value (Rp)	Total Paid-Up Shares At the End of the Period	Value of Paid-Up Capital at the End of the Period	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 on 10 November 2003, Total shares after IPO 11,764,705,000 (registered with BEJ)
2004	7.000.000.000	59,07%	4,850,090,500	40,93%	500	11,850,090,500	5,925,045	Excercise 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	Excercise 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	Excercise 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	Excercise 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	Excercise 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	Excercise 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	Excercise 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 tanggal 11 Januari 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	

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Listing Chronology of Other Securities

In 2015, BRI exercised securities issuance as informed in the foregoing Bond Summary section. The portfolio of BRI's total bonds including bonds issued in 2015 consisted of:

SHELF BONDS TRANCHE I PUBLIC OFFERING

On 25 June 2015, BRI issued BRI Shelf Bonds Tranche I of 2015 with principal value of Rp3 trillion. The bonds were issued in three series. The Series A was issued for a total value of Rp655 billion, an interest rate of 8.40% per annum and 370 days tenor with maturity date on 7 July 2016. The Series B was issued for a total value of Rp925 billion, an interest rate of 9.20% per annum and 3-year tenor with maturity date on 3 July 2018. The Series C was issued for a total value of Rp1.42 trillion, an interest rate 9.5% per annum and 5-year tenor with maturity date on 3 July 2020. The coupon is paid on quarterly basis. The shelf bonds received AAA(idn) rating from Pefindo.

Use of Proceeds

The proceeds from Subordinate Bonds Public Offering, less issuance expenses, were used entirely by BRI as supplementary capital in accordance with BI regulation. The proceeds were realized in 2015 for lending expansion with due observance to the prudence principle.

SENIOR BONDS IN USD

In 2013, BRI issued senior bonds in USD with 5-year tenor and 2.95% coupon. The bonds were listed in the Singapore Exchange Securities Trading Limited on 28 March 2013. The Bonds received BBB- rating from Fitch and Baa3 rating from Moody's. Coupon is paid every 6 months.

Use of Proceeds

The proceeds from bonds offering, less issuance costs, were entirely utilized to fund lending expansion in accordance with prudence principle, to diversify funding mix, and to manage BRI's foreign exchange maturity profile.

Medium Term Notes (MTN)

BRI issued Medium Term Notes Tranche I in three series on 10 October 2014. The Series A were issued for a value of Rp300 billion and had fixed interest rate of 8.75% per annum. The tenor is 370 days and mature on 15 October 2015. The Series B were issued for a value of Rp60 billion, with fixed interest rate of 9.25% per annum, 24-month tenor, and maturity date of 10 October 2016. The Series C were issued for a value of Rp360 billion, with fixed interest rate of 9.50% per annum, 36-month tenor, and maturity date on 10 October 2017. The coupon of the three series is paid quarterly.

On 24 December 2014, BRI issued Tranche II MTN Year 2014 with principal value of Rp520 billion with 370-day tenor and maturity date on 29 December 2015. The coupon of 8.90% per annum is paid quarterly.

Use of Proceeds

Total proceeds from Medium Term Notes issued in 2014 amounted of Rp1.24 trillion were entirely used for lending expansion and funding mix diversification. On 31 December 2015, MTN Tranche I and Tranche II received AAA(idn) rating and F1+(idn) from Fitch. In 2015, BRI fully paid the MTN Tranche I Series A and Tranche II upon maturity date for a total amount of Rp820 billion.

Listing Chronology of Other Securities

NEGOTIABLE CERTIFICATE OF DEPOSITS (NCD)

On 22 April 2015, BRI issued Negotiable Certificate of Deposits (NCD) II Tranche I Year 2015 in the amount of Rp1.88 trillion in 3 (three) series. The Series A was issued for a total value of Rp595 billion, fixed interest rate of 7.1% per annum, 3-month tenor, and maturity date on 22 July 2015. The Series B was issued for a total value of Rp1.02 trillion, fixed interest rate of 8%, 6-month tenor, and maturity date of 22 October 2015. The Series C was issued for a total value of Rp265 billion, fixed interest rate of 8.1% per annum, 9-month tenor, and maturity date on 22 January 2016.

Use of Proceeds

The proceeds raised from NCD issuance will be used for lending expansion to support business development.

Matured securities are as follows:

1. Subordinated Bonds

In 2003, 2004, and 2009, BRI issued subordinated bonds for a value of USD150 million and Rp2.5 trillion. The bonds have reached maturity in 2013 and 2014. The proceeds were used to strengthen the capital.

2. Medium Term Notes (MTN)

BRI issued medium term notes in 2014 for a total value of Rp820 million. The MTN has reached maturity in 2015. The purpose of issuance was to diversify liabilities portfolio and the proceeds were used for business expansion activities.

3. Negotiable Certificate of Deposits (NCD)

Total negotiable certificate of deposits (NCD) issued in 2014 and 2015 was Rp2.57 trillion and have matured in 2015. The proceeds were used to support business expansion, maintain liquidity, and to contribute to certificate of deposit trade in Indonesia money market.

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Capital Market Condition, Stock Performance, and Analyst's Opinion

Various issues characterized Indonesian capital market in 2015. Increased of the United States' Federal Reserves rate was one of the issues that brought significant impact in terms of foreign capital outflow from Indonesia's instrument portfolio. This was marked by a capital outflow in 2015 that amounted to Rp22.59 trillion (net sell) from inflow of Rp42.59 trillion (net buy) in 2014.

The performance of Jakarta Composite Index (JCI) throughout 2015 reflected this condition. On the last trading day of 2015, JCI was closed at 4,593.01 point, or down 12.13% compared to closing day of December 2014, where JCI stood at 5,226.94 with market capitalization value at Rp4,872.70 trillion.

During the same period last year, the capital market slowdown was not unique to Indonesia; the US' Dow Jones Index recorded a minus of 3.1%, the Philippines Psei Index stood at a minus 3.85%, Hong Kong's Hang Seng down 6.75%, and the Strait Times in London was also down 4.56%.

In terms of the Bank's fundamentals, since it was officially registered as a public company through the IPO in 2003, BRI has been able to generate positive return to investors. Continuously, BRI demonstrates strong growth. With the large number of customers and vast network, from 2003 to 2015 BRI was able to book an average Compound Annual Growth Rate (CAGR) of 18.35% for assets; 20.87% for credit channeling; 17.81% for third parties deposit; and 19.17% for net income.

The business growth consistency becomes BRI's leading strengths that attract investors' trust. On the last trading day of 2015, BRI stock price stood at Rp11,425 per share. BRI also booked market capitalization value of Rp281.85 trillion, or 24 times compared to its 2003 capitalization when the Bank first listed its shares in the Jakarta Stock Exchange.

In 2015, BRI's stock performance was corrected by 1.93% from Rp11,650 at the beginning of 2015 to Rp11,425 at the end of 2015. BRI outperformed the JAKFIN price index that was down 5.92% at the end of 2015. This indicated BRI's success in maintaining the market's trust to this fundamental, which was also indicated by the composition of foreign shareholding that accounted to 78.10% of BRI's total public shares.

From market perspective, BRI's shares are continued promising. Several leading securities companies placed BRI as their top-pick shares with an average target price at Rp12,286 for 52 weeks forecast ahead.

Capital Market Supporting Institutions



▶ **PUBLIC ACCOUNTANT**
PURWANTONO, SUNGKORO, & SURJA
(ERNST & YOUNG)
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

▶ **SHARES REGISTRAR**
PT DATINDO ENTRYCOM
Jl. Jend. Sudirman Kav. 34-35
Jakarta 10220
Telp. (62-21) 570 9009

▶ **INDONESIAN CENTRAL
SECURITIES DEPOSITORY (KSEI)**
Indonesia Stock Exchange
Building Tower I, 5th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Telp. (62-21) 5299 1003
Fax. (62-21) 5299 1129

▶ **RATING AGENCY**
PT PEMERINGKAT EFEK INDONESIA (PEFINDO)
Panin Tower Senayan City 17th Floor
Jl. Asia Afrika Kav. 19 Jakarta

▶ **PT FITCH RATING INDONESIA**
Prudential Tower 20th Floor
Jl. Jend Sudirman Kav. 79
Jakarta 12190
Telp. (62-21) 5795 7755
Fax. (62-21) 5795 7750

▶ **MOODY'S SINGAPORE PTE. LTD.**
50th Raffles Place #23-06
Singapore Land Tower
Singapore 048623

▶ **STANDARD & POORS**
30 Cecil Street
#17-01/08 Prudential Tower
Singapore 049712
Telp. (65) 6438 2881
Fax. (65) 6438 2321

INFORMATION ACCESS

Information for shareholders, latest news, and general information on the Bank are accessible through:

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BRI I Building
Jl. Jenderal Sudirman no. 44-46
Jakarta 10210 - Indonesia
Telp. (62-21) 575 1966
Fax. (62-21) 570 0916

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Name and Office Address

COMPANY PROFILE ◀

List of Offices



Office	Address	City	Phone	Fax
Head Office	BRI 1 Building Jl. Jend Sudirman No. 44-46, Jakarta 10210	Jakarta	(021) 2510244, 2510254, 2510264, 2510269, 2510279	(021) 2500065, 2500077
Banda Aceh	Jl. Cut Meutia No.17 Banda Aceh	Banda Aceh	(0651) 22822	(0651) 23487, 22352
Bandar Lampung	Jl. Jend Sudirman No. 23 Enggal Tanjung Karang Pusat 35118	Bandar Lampung	(0721) 259340	(0721) 259397
Bandung	Jl. Asia Afrika No. 57-59, Bandung	Bandung	(022) 4200356	(022) 4232038, 4200763 (Sekretariat), 4200348 (OPS), 4200368 (Bag Log)
Banjarmasin	Jl. A.Yani KM. 3,5 No. 151, Banjarmasin	Banjarmasin	(0511) 3252056, 3257057, 3268350, 3260007	(0511) 3252992, 3251649
Denpasar	Jl. Hayam Wuruk No. 123, Denpasar	Denpasar	(0361) 228715	(0361) 225402, 234796, 264858, 225791
Jakarta 1	Jl. Veteran No. 8, Jakarta Pusat	Jakarta Pusat	(021) 3840802	(021) 3453685
Jakarta 2	Mulia Building 2nd fl. Jl. Gatot Subroto Kav. 9-11	Jakarta Selatan	(021) 52920581, 52920585	(021) 52920586, 52920587
Jakarta 3	Jl. Kapt Soebianto Djojokusumo Kav. CBD II No. 1, Kel. Lengkong Gudang, Kec. Serpong, Tangerang Selatan	Tangerang Selatan	(021) 53653470, 53653467-69	(021) 5481766
Jayapura	Gedung BRI Lt. 3-5, Jl. Pasifik Permai Jayapura, Kompleks Ruko Dok 2, Jayapura	Jayapura	(0967) 524453	(0967) 524452, 537191
Makasar	Jl. Jend. A. Yani No. 8, Makassar	Makasar	(0411) 3616174, 312931, 322974	(0411) 365535
Malang	Jl. Laksamana Martadinata No. 80, Malang	Malang	(0341) 474949	(0341) 474944/45
Manado	Jl. Sarapung No. 4-6, Manado	Manado	(0431) 863592, 863378, 863778	(0431) 862779 (Surat Biasa), 866966 (Surat Rahasia)
Medan	Jl. Putri Hijau No. 2A Kec. Medan Barat, Medan	Medan	(061) 4525666, 4528323	(061) 4525601
Padang	Jl. Bagindo Azis Chan No. 30, Padang	Padang	(0751) 892309-12	(0751) 892313-15
Palembang	Jl. Kapten A. Rivai No. 15, Tromol Pos 150, Palembang 30129	Palembang	(0711) 313411	(0711) 312263
Pekanbaru	Jl. Jend Sudirman Blok E Kavling No.01 Bukit Raya, Pekanbaru	Pekanbaru	(0761) 44493, 44494, 44497	(0761) 44533, 571719
Semarang	Jl. Teuku Umar No. 24, Semarang	Semarang	(024) 8440728, 8440729, 8440730	(024) 84473154, 8318463
Surabaya	Jl. Jend Basuki Rahmat No. 122-138 Gedung BRI Tower Lt. 20, Surabaya	Surabaya	(031) 5324230	(031) 5324033, 5324044
Yogyakarta	Jl. Cik Ditiro No.3, Yogyakarta 55223	Yogyakarta	(0274) 520270, 561403	(0274) 514166, 584883, 584882
Special Branch Office	BRI II Building Jl. Jend Sudirman No. 44-46, Jakarta 10210	Jakarta Pusat	(021) 5709060	(021) 570570
BRI New York Agency	140 Broadway 36th Floor New York	New York	(212) 3793840-3842	(212) 3793850
BRI Cayman Island				
BRI Representative Office Hong Kong	Room 1115, 11/F, Tower 2 Lippo Centre 89, Queensway	Hongkong	(85) 225271318	(85) 228613693

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Operating Units

BRI Regional Office of Aceh	
Total	Type of Operating Unit
11	Branch Office
15	Sub-branch office
10	Cash Office
138	BRI Unit
40	Teras BRI
28	Mobile Teras BRI

BRI Regional Office of Medan	
Total	Type of Operating Unit
24	Branch Office
34	Sub-branch office
26	Cash Office
269	BRI Unit
124	Teras BRI
46	Mobile Teras BRI

BRI Regional Office of Padang	
Total	Type of Operating Unit
13	Branch Office
9	Sub-branch office
11	Cash Office
156	BRI Unit
63	Teras BRI
19	Mobile Teras BRI

BRI Regional Office of Pekanbaru	
Total	Type of Operating Unit
22	Branch Office
17	Sub-branch office
21	Cash Office
162	BRI Unit
119	Teras BRI
32	Mobile Teras BRI

BRI Regional Office of Palembang	
Total	Type of Operating Unit
20	Branch Office
26	Sub-branch office
11	Cash Office
224	BRI Unit
115	Teras BRI
31	Mobile Teras BRI

BRI Regional Office of Bandung	
Total	Type of Operating Unit
30	Branch Office
43	Sub-branch office
65	Cash Office
606	BRI Unit
272	Teras BRI
41	Mobile Teras BRI

BRI Regional Office of Yogyakarta	
Total	Type of Operating Unit
33	Branch Office
35	Sub-branch office
57	Cash Office
596	BRI Unit
198	Teras BRI
33	Mobile Teras BRI

BRI Regional Office of Semarang	
Total	Type of Operating Unit
22	Branch Office
35	Sub-branch office
44	Cash Office
412	BRI Unit
174	Teras BRI
27	Mobile Teras BRI

BRI Regional Office of Surabaya	
Total	Type of Operating Unit
25	Branch Office
38	Sub-branch office
24	Cash Office
289	BRI Unit
151	Teras BRI
25	Mobile Teras BRI

BRI Regional Office of Malang	
Total	Type of Operating Unit
24	Branch Office
32	Sub-branch office
19	Cash Office
519	BRI Unit
261	Teras BRI
37	Mobile Teras BRI

COMPANY PROFILE ◀

Operating Units

BRI Regional Office of Bandar Lampung	
Total	Type of Operating Unit
13	Branch Office
15	Sub-branch office
10	Cash Office
177	BRI Unit
60	Teras BRI
18	Mobile Teras BRI

BRI Regional Office of Jakarta 1	
Total	Type of Operating Unit
26	Branch Office
54	Sub-branch office
70	Cash Office
95	BRI Unit
82	Teras BRI
10	Mobile Teras BRI

BRI Regional Office of Jakarta 2	
Total	Type of Operating Unit
32	Branch Office
63	Sub-branch office
72	Cash Office
196	BRI Unit
93	Teras BRI
21	Mobile Teras BRI

BRI Regional Office of Jakarta 3	
Total	Type of Operating Unit
36	Branch Office
54	Sub-branch office
44	Cash Office
249	BRI Unit
131	Teras BRI
28	Mobile Teras BRI

BRI Regional Office of Jayapura	
Total	Type of Operating Unit
13	Branch Office
12	Sub-branch office
11	Cash Office
81	BRI Unit
49	Teras BRI
29	Mobile Teras BRI

BRI Regional Office of Denpasar	
Total	Type of Operating Unit
30	Branch Office
27	Sub-branch office
20	Cash Office
289	BRI Unit
173	Teras BRI
40	Mobile Teras BRI

BRI Regional Office of Banjarmasin	
Total	Type of Operating Unit
30	Branch Office
31	Sub-branch office
24	Cash Office
289	BRI Unit
139	Teras BRI
53	Mobile Teras BRI

BRI Regional Office of Makassar	
Total	Type of Operating Unit
36	Branch Office
28	Sub-branch office
23	Cash Office
345	BRI Unit
156	Teras BRI
51	Mobile Teras BRI

BRI Regional Office of Manado	
Total	Type of Operating Unit
17	Branch Office
16	Sub-branch office
15	Cash Office
201	BRI Unit
57	Teras BRI
41	Mobile Teras BRI

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Operational Area, Office Network, and E-Channel



- Today, BRI serves its customers through over 10,612 operating units and 211,499 units in e-channel network across Indonesia.
- BRI operates 8 levels of offices, comprises of Head Office, 19 Regional Offices, 467 Branch Offices (including 4 Overseas Operating units), 603 Sub-branch offices, 983 Cash Offices, 5,360 BRI Units, 2,543 Teras BRI, and 636 Mobile Teras BRI.

E-Channel	2010	2011	2012	2013	2014	2015	YOY
ATM	6,085	7,292	14,292	18,292	20,792	22,792	2,000
EDC	12,719	31,590	44,715	85,936	131,204	187,758	56,554
CDM	39	89	92	192	392	892	500
E-Buzz	2	19	42	50	55	57	2
Total	18,845	38,990	59,141	104,470	152,443	211,499	59,056

COMPANY PROFILE ◀

Operational Area, Office Network, and E-Channel



Outlet	2010	2011	2012	2013	2014	2015	YOY
Head Office	1	1	1	1	1	1	-
Regional Office	18	18	18	18	19	19	-
Branch Office	413	431	446	453	461	467	6
Sub-Branch Office	470	502	545	565	584	603	19
BRI Unit	4,649	4,849	5,000	5,144	5,293	5,360	67
Cash Office	822	870	914	950	971	983	12
Teras BRI	617	1,304	1,778	2,206	2,457	2,543	86
Mobile Teras BRI		100	350	465	610	636	26
Total Operating Units	6,990	8,075	9,052	9,802	10,396	10,612	216

*Total operating units including 4 overseas operating units
Note: bank only

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MANAGEMENT DISCUSSION AND ANALYSIS

67,96%

EFFICIENCY IS AN IMPORTANT FACTOR TO MAINTAIN PROFITABILITY. BRI EFFICIENCY IS EVIDENT FROM ITS LOW OPERATING COST TO OPERATING INCOME RATIO



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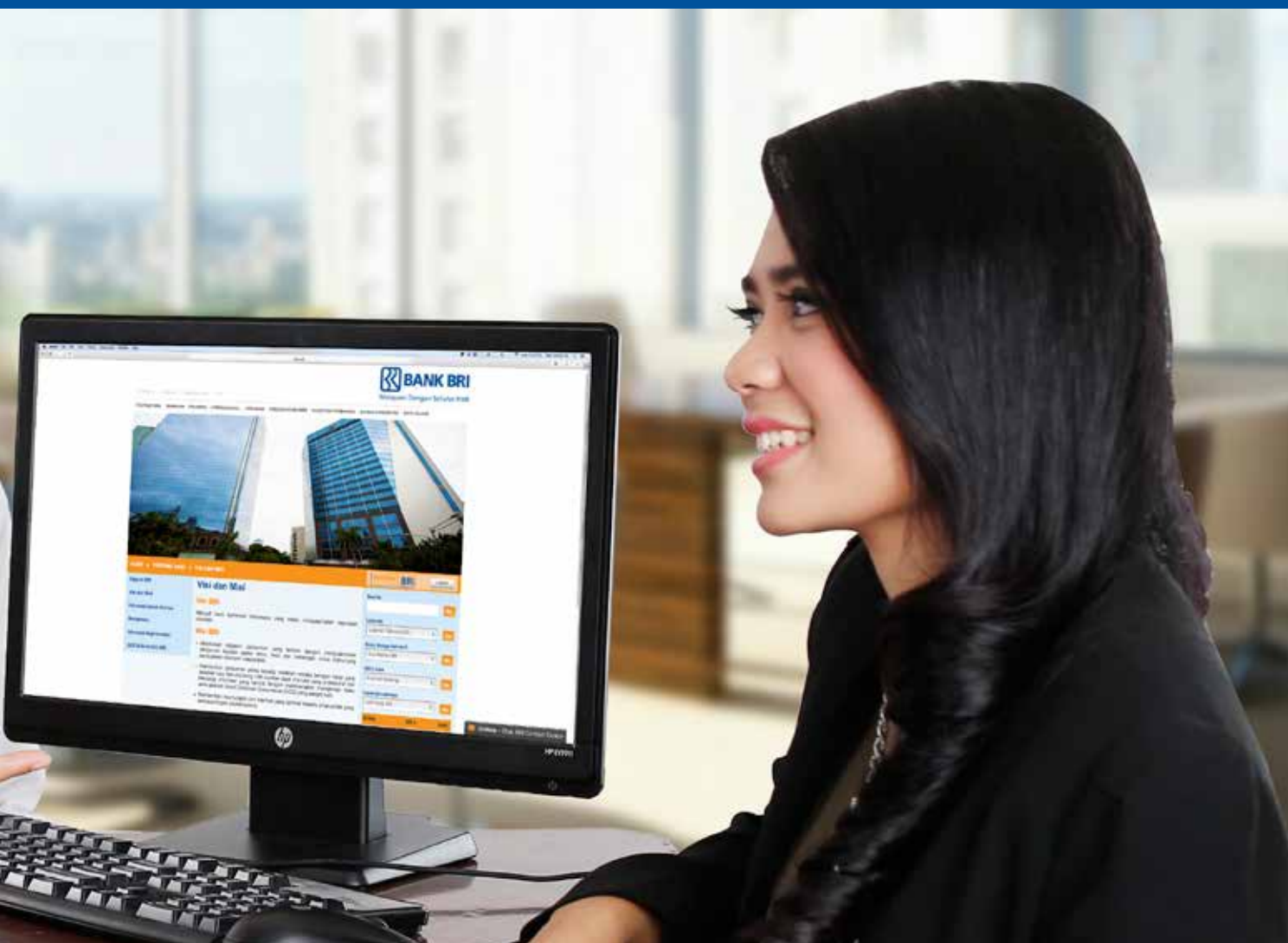
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Macro Economy & Banking Review



“

The extensive span of BRI's service networks shaped the Bank's banking service superiority. A large customer base supported BRI's capacity to realize business potentials that eventually increased the Bank's revenue derived from interest income. As a result, BRI booked a Net Interest Margin of nearly twice the industry-wide average

”

In general, the global economy in 2015 remained challenging. It was reflected from revision of GDP growth outlook in the beginning of the year. While developed nations were gradually recovering, countries in Asia experienced a slowdown with a lower demand for commodities. China raised special attention since the country's growth dropped from 7.4% in 2014 to 6.9% in 2015. As a key trading partner of Indonesia, China's economic downturn also affected Indonesia's growth, particularly in exports.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Macro Economy & Banking Review

Although the condition hasn't stable yet, developed countries such as United States showed signs of improvements. It affected domestic financial condition hence market was still volatile during 2015, anticipated the raise of Fed Fund Rate in the end of 2016. Meanwhile, other developed nations such as European countries and Japan remained vulnerable with lenient monetary policy. In addition to impacts from the conditions in these countries, the economic downturn in China, especially its government's decision to devalue the Yuan/Renminbi to maintain the competitive advantage of export products, was also a significant factor. Concerns about the Fed's change in policy and the Yuan devaluation pressured the Rupiah. On average, the Rupiah depreciated 10.89% (YoY) to a level of Rp13,795 per USD.

In responding to global economic conditions, the Indonesian government actively exercised various methods of economic stabilization by issuing several Economic Policy Packages. These packages, which were fairly effective in stimulating Indonesia's economy, covered:

- Increase of non-taxable income threshold (PTKP) from Rp24 million per year to Rp36 million per year to sustain public purchasing power

- Simplification of investment license procedures to drive Foreign Direct Investment (FDI)
- Re-launching People Business Loans (KUR) starting August 2015 to boost growth of the real sector, particularly in the Micro segment
- Tax incentives to reevaluate fixed assets, to create a room for loan expansion, especially in the Corporate segment

The 2015 economic growth stood at 4.79% (YoY), which was in line with market expectations. The economic growth was largely supported by stable domestic consumption and an increase in government spending following the accelerated implementation of the government's infrastructure projects. Although it contracted from 5.02% in 2014, this growth rate relatively better compared to other countries globally.

INDONESIAN BANKING SECTOR

Amidst the global economic uncertainty, the Banking Industry was fairly resilient. Bank Indonesia data indicated that various banking performance indicators, such as credit risk and liquidity, were well maintained. As of December 2015, the Banking industry was able to sustain the capital adequacy ratio (CAR) at 21.39%, far above the minimum requirement of 8%. Non Performing Loans (NPL) was also fairly low at around 2.49% (gross).

Complementing the government's policy packages, Bank Indonesia also exercised monetary policies to create a favorable monetary climate, namely:

- Decreased the benchmark interest rate (BI rate) by 25 bps from 7.75% to 7.50% in February 2015.
- Decreased the Primary Statutory Reserves (GWM) from 8.0% to 7.50% in November 2015 as a measure to supported the bank liquidity requirement.

Aside from Bank Indonesia, the Financial Services Authority (OJK) also issued ease policy to drive growth of banking loans, especially in terms of NPL restructuring.

In terms of an intermediary role, the banks performed well where loans grew by 10.4% and deposits grew by 7.2% (YoY). In line with the improved economic activities and positive impacts of macro-prudential policies, loans growth was projected to continue until the year's end.

The following table presents banking performance in details:

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Macro Economy & Banking Review

Commercial Banks Performance Billion Rp

Description	2015 from 2014	2015	2014	2013	2012	2014 from 2013
Capital Adequacy Ratio (%)	9.30%	21,39	19,57	18,13	17,43	7.95
Capital	21.28%	914,657	754,174	626,888	496,629	20.30%
Risk Weighted Assets	10.96%	4,276,555	3,854,234	3,458,404	2,849,997	11.45%
Core Capital Ratio to ATMR (%)	5.5%	19	18,01	16,36	15,60	10.10%
Core Capital (Tier I)	17.05%	812,590	694,198	565,774	444,545	22.70%
Risk Weighted Assets	10.96%	4,276,555	3,854,234	3,458,404	2,849,997	11.45%
Return on Assets Ratio (%)	(18.60%)	2,32	2,85	3,08	3,11	(7.45%)
Profit before Tax	(7.01%)	133,521	143,591	137,162	119,512	4.69%
Operating Expenses/ Operating Income (%)	6.82%	81.49	76.29	74.08	74.10	2.99%
Net Interest Margin Ratio (%)	27.42%	5.39	4.23	4.89	5.49	(13.39%)
Interest Income net	12.47%	308,355	274,171	243,054	207,568	12.80%
Loan to Deposits Ratio (%)	3.01%	92.11%	89.42%	89.70%	83.58 %	(0.32%)
Total Loan to Third Party non Bank	10.44%	4,057,904	3,674,308	3,292,847	2,707,862	11.58%
Total Third Party Funds	7.26%	4,413,056	4,114,420	3,663,968	3,225,198	12.29%
Liquid Assets Ratio (%)	2.83%	16,70	16,24	15,77	18,45	2.98%
Primary Liquid Assets	17.39%	736,720	686,023	589,158	616,043	16.44%
Secondary Liquid Assets	30.65%	251,623	192,598	163,506	142,989	17.79%
Total Assets	9.41%	5,919,390	5,410,098	4,773,892	4,115,003	13.33%

Source : OJK

BRI VS INDUSTRY PERFORMANCE

In the midst of intensive competition, with its large customer base and extensive service networks that covers remote areas, BRI was able to book an outstanding performance record. Several performance indicators revealed BRI's achievements in outperforming Indonesian banking industry averages, as summarized below:

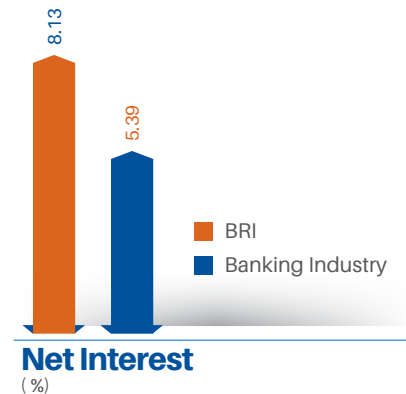
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Macro Economy & Banking Review

Net Interest Income Margin (%)

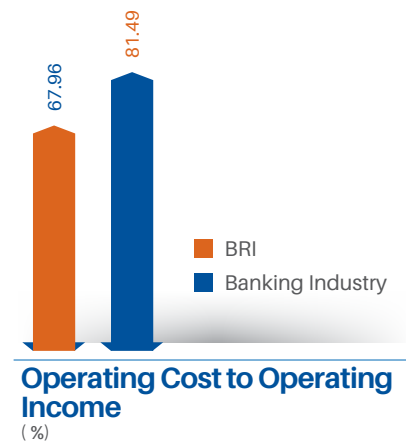
BRI's focus on loan disbursement to MSME segment created a firm loan portfolio, hence its Micro Business remains as the segment with largest composition. As a result, the Net Interest Income Margin was recorded at 8.13%, above the banking industry average.

BRI	Banking Industry
8.13	5.39

**Operating Cost to Operating Income Ratio (%)**

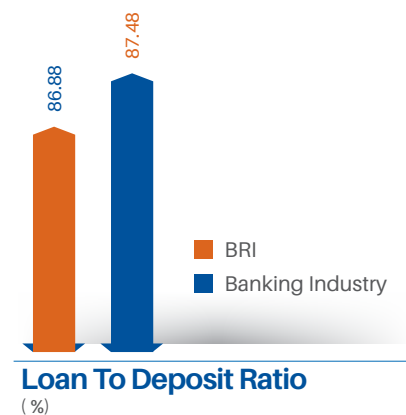
Assets productivity was challenged by the increase in credit risk. As efficiency becomes critical to maintain profitability level, the extent of service networks significantly influenced business growth and efficiency. This was evident from the lower operating cost to operation income ratio of BRI compared to industry average.

BRI	Banking Industry
67.96	81.49

**Loan to Deposit Ratio (%)**

BRI is fully committed to exercise intermediary function and strives to increase loans disbursement to support the economy. In 2015, BRI disbursed 86.88% of funds from total deposits as loans. Meanwhile, as of December 2015, the industry booked 87.48% of loan to deposit ratio.

BRI	Banking Industry
86.88	87.48



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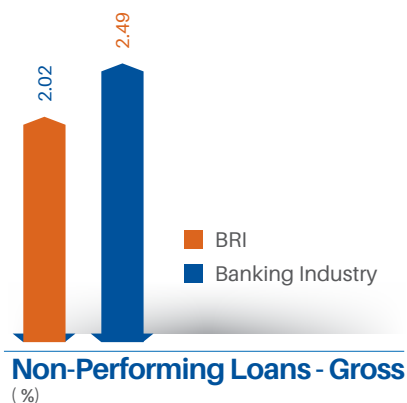
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Macro Economy & Banking Review

Non-Performing Loans - Gross (%)

BRI continuously observes prudential banking principle in carrying out its business activities. Through thorough customer selection, the Bank is able to control credit risk, as indicated by low non-performing loan ratio of 2.02% compared to 2.49% of industry average.

BRI	Banking Industry
2.02	2.49



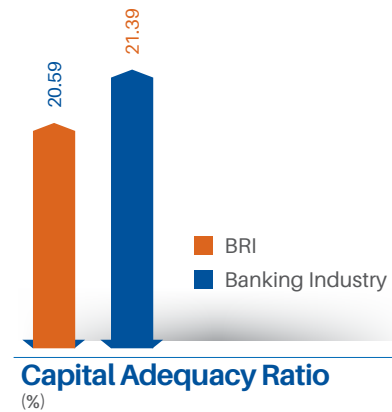
MANAGEMENT DISCUSSION AND ANALYSIS ◀

Macro Economy & Banking Review

Capital Adequacy Ratio (%)

BRI strives to maintain the capital level that aims to support business activities and business expansion initiatives. In 2015, BRI's capital adequacy ratio stood at 20.59%, or above the minimum capital requirement of 9%. As of 2015, the CAR of banking industry stood at 21.39%

BRI	Industri Perbankan*
20.59	21.39



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Business Review

BUSINESS SEGMENT

BRI divides its market into three business segments, namely Micro, Retail, and Corporate segments that in line with the Bank's vision and mission. Based on its business activities, BRI further elaborates its business segments as: Micro and Program Business, Retail Business, Corporate Business, International Business, Treasury and Capital Market Supporting Business, and Subsidiaries in Sharia, Agribusiness, and Remittance Businesses.

MICRO & PROGRAM BUSINESS



1. Micro Business
2. BRILink
3. Program Business

Micro Business is aimed at individual customers and micro entrepreneurs, while Program Business is aimed at state development programs for the community empowerment.

RETAIL BUSINESS



1. Retail, Commercial, and Medium Loans
2. Consumer Retail Loans
3. Retail Deposits Business
4. Retail Banking Services

Retail Business is aimed at the small and medium entrepreneurs, as well as consumer financing services.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Business Review

CORPORATE BUSINESS



1. State-Owned Enterprises (SOEs)
2. Private Corporations Business
3. Institutional Fund Business
4. International Business
5. Capital Market Supporting Business
6. Treasury Business

Corporate Business is aimed at the State-Owned Enterprises and Private Corporations that provides trickle-down business to the MSMEs, while Treasury is aimed at optimizing international business products, as well as treasury services and capital market supporting services for customers.

SUBSIDIARIES & ASSOCIATES



1. PT Bank BRI Syariah (BRISyariah)
2. PT Bank Rakyat Indonesia Agroniaga Tbk (BRIAGRO)
3. BRI Remittance Co.Ltd
4. PT Asuransi Jiwa Bringin Jiwa Sejahtera (BJS)

The business activities of Subsidiaries create synergy for the Bank that includes sharia banking services, agribusiness services, and remittance services.

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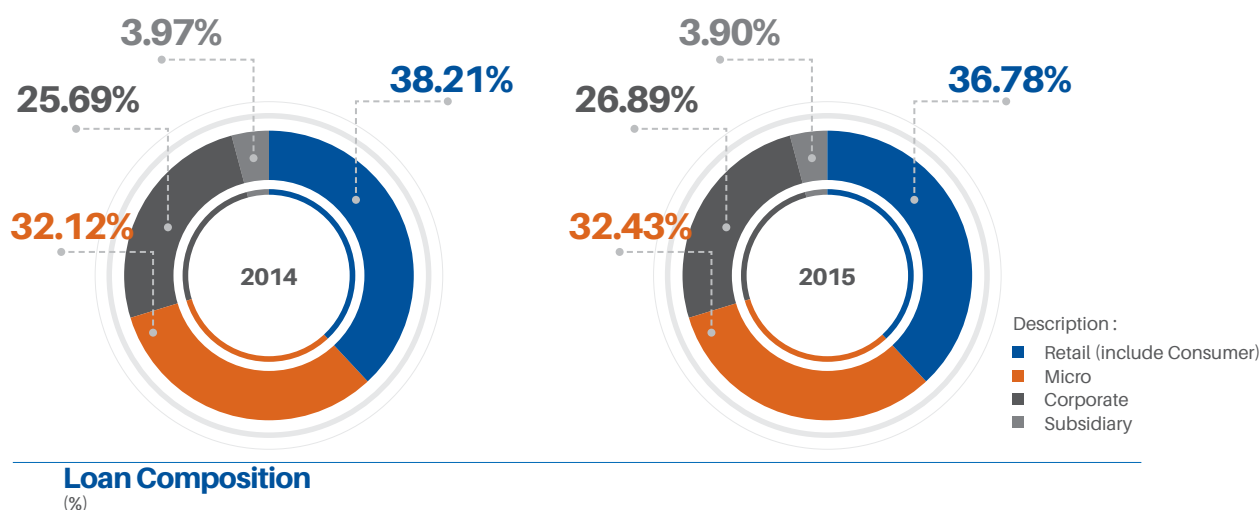
Business Segment



The journey, endeavors, and spirit of BRI in 2015 were orchestrated toward achieving the strategic objective of becoming The Biggest National Payment Bank, by Harnessing Technology to Reach Across the Archipelago, and Realizing the Nawa Cita in Building the People's Economy. The efforts to bring about these goals were supported by advanced technology, product innovation, and continuous services

BRI focuses its business on micro, small, and medium enterprises sector. In 2015, micro and medium loans accounted for around 70% of BRI's total loan portfolio. Under the Corporate and SOEs segment, loan disbursement serves two purposes; to capture business potential and to generate trickle-down business for micro, small, and medium enterprises, through supply chain and cross-selling activities in the Corporate and SOEs segments.

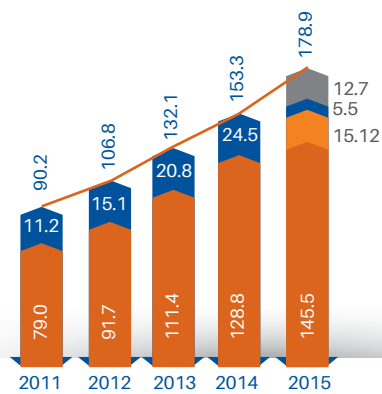
The following discussion describes the progress of each business segment in BRI. Data presented is bank-only data.



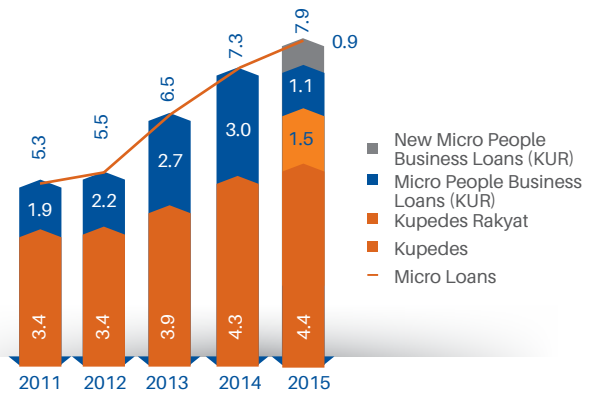
MANAGEMENT DISCUSSION AND ANALYSIS

Business Segment

MICRO BUSINESS

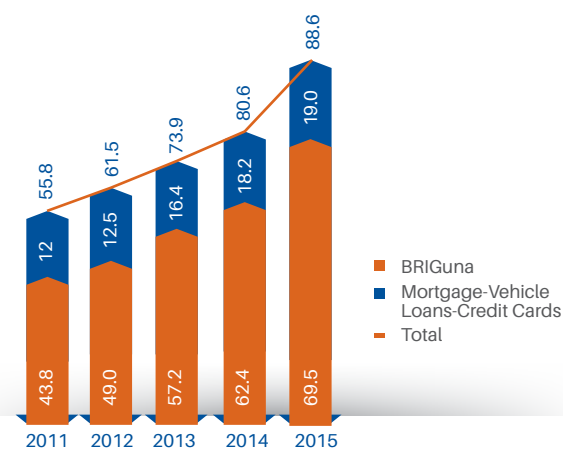


Micro Loans
(Rp trillion)



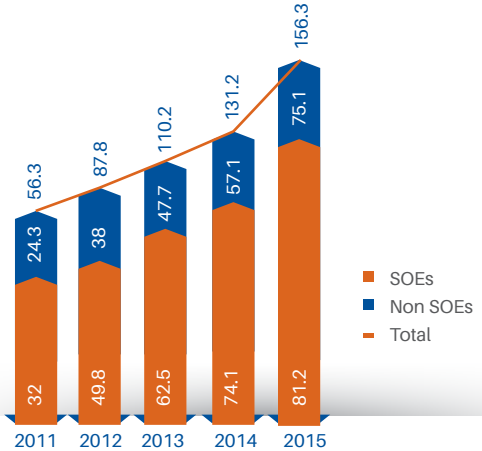
Micro Borrowers
(Rp million)

CONSUMER RITEL LOANS



Total Loans
(Rp trillion)

CORPORATE LOANS SOEs & NON SOEs



Total Loans
(Rp trillion)

Bank only

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Micro & Program Business



1. Micro Business

The total micro loans outstanding, including People Business Loans (KUR) rose by **16.67%** to **Rp178.94 trillion**

▲ The number of Micro Business loan customers increased to

7.85 million
customers

▲ Deposit customers in Micro Business rose to over

43 million
customers

▶ Micro KUR Loans contributed **Rp12.67 trillion** to **900 thousand customers**

▶ Net NPL of Micro Business was still well-maintained at **1.13%**

▲ **15.58%**

Total deposits in Micro segment grew to **Rp192.12 trillion**

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Micro & Program Business

The Micro segment is BRI's leading business segment. In this segment, BRI provides banking services to individual customers – loans and deposits to support the growth of micro businesses. BRI consistently positions MSMEs, especially the Micro business segment, as a business development focus.

Prioritizing the micro segment is also driven by BRI's superiority in MSME loan disbursement, enabled by the Bank's comprehensive infrastructure and strong implementation. BRI has reliable banking information and technology systems, professional human resources, a complete tiered monitoring system, large micro customer base, and over three decades of experience in commercially serving the MSMEs sector.

Consistent service quality enables BRI to continuously maintain its reputation as the world's best micro banking institution. By implementing marketing methods tailored to the characteristics of micro customers, and with a strong commitment to good corporate governance, BRI is able to create a resilient and loyal customer base in both deposits and lending.

To respond to competition in the Micro Business segment, BRI employs intensification and extensification strategies for deposits and lending:

- **Intensification Strategy**
An intensification strategy is an inward strategy whereby the Bank optimizes the potential of existing debtors/customers by utilizing the databases of certain programs. The purpose of this strategy is to boost volume and grow the loyalty of existing debtors/customers.
- **Extensification Strategy**
An extensification strategy is an outward strategy to acquire new debtors/customers by utilizing the databases of certain programs.

MICRO BUSINESS PRODUCTS

KUPEDES and People Business Loans (KUR) are BRI's two leading loan products. On deposits, BRI leading product is SIMPEDES.

- KUPEDES is a business and consumptive loan product that offers loan ceilings of up to Rp200 million. KUPEDES has competitive interest rates and is accessible for customers from any economic sector. This product primarily targets micro businesses and individual customers that fit with the products' requirements.
- The KUR Mikro product is a financing facility for micro start-ups. KUR Mikro is disbursed with assurance from Government loan insurance companies, Jamkrindo and Askrindo. A newly launched government program in 2015,

KUR Micro offers loan ceilings up to Rp 25 million. Beginning in August 2015, the new KUR Micro replaced a previous program that was terminated in December 2014.

- SIMPEDES has been serving customers for more than three decades. Until now, SIMPEDES is still the largest contributor to Micro Funding. Customers of SIMPEDES also receive ATM cards that can be used in other domestic banking networks, supported by 24-hour Internet Banking and mobile banking services.

MICRO BUSINESS NETWORK

All products and services of Micro Business are served through the BRI Micro network. The network is connected online and consists of conventional outlets, or Micro operating units, namely BRI Unit, Teras BRI, and Mobile Teras BRI, which are the sub-outlets of BRI Units; and e-channels ATM and Mobile Banking.

BRI added 179 new micro outlets in 2015. Network expansion is detailed in the following table:

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Micro & Program Business

Micro Outlet	2013	2014	2015	YoY
BRI Unit	5,144	5,293	5,360	67
Teras BRI	2,206	2,457	2,543	86
Teras Mobile	465	610	636	26
Total	7,815	8,360	8,539	179

True to its commitment to develop services for customers, BRI innovated by developing Teras BRI Kapal to serve communities in Thousand Islands regency. Teras BRI Kapal seeks to penetrate the market in the Thousand Islands, grow SIMPEDES deposits, and acquire Micro Loan customers in six islands within the Thousand Islands.

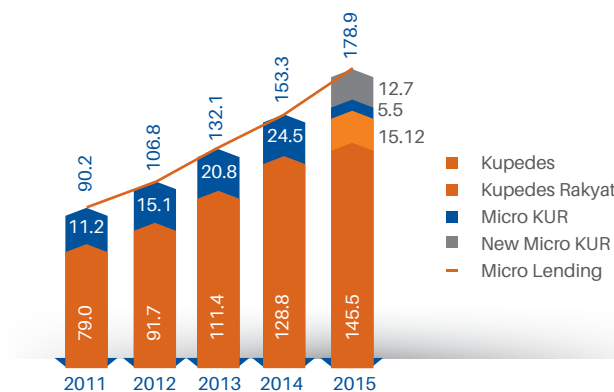
MICRO BUSINESS DEVELOPMENT 2015

The Micro business development strategies carried out in 2015 included:

- New network opening
 - Addition of 179 conventional outlets in new locations, primarily Teras BRI
 - Addition of mobile and e-channel outlets
- New marketing appointments:
 - Account officer
 - Marketing or sales person
- KUPEDES feature adjustment to better compete with other banks by increasing loan ceiling from Rp100 million to Rp200 million in early 2015
- New product launch of Kupedes Rakyat, as substitute for the previous KUR Micro product that was terminated in December 2014. Kupedes Rakyat has the same features as the previous KUR Micro, including loan insurance that covers up to 80% of loan loss. BRI no longer focuses on this product since the new version of KUR Micro was launched by the Government in August 2015.

MICRO BUSINESS PERFORMANCE

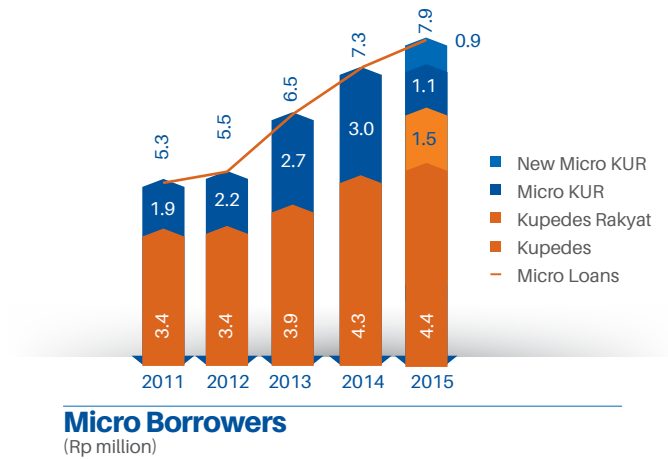
- Loans Outstanding Growth
Until the end of 2015, BRI booked significant growth in this segment. In terms of loans, the outstanding of Micro loans including KUR grew by 16.67 compared to Rp153.34 trillion in 2014 to Rp178.94 trillion. The growth in loans outstanding was accompanied by growth in the number of customers increasing by 569,790 to 7.85 million customers in 2015.



Micro Loans
(Rp trillion)

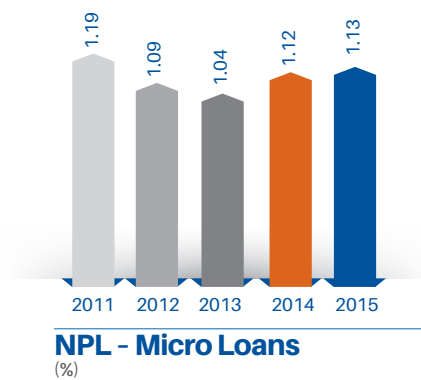
MANAGEMENT DISCUSSION AND ANALYSIS ◀

Micro & Program Business



2. Loan Quality

Micro loans is the segment that is most resilient to economic shocks. This is due to the segment's diversified risk enabled by a large customer base and extensive network that is present in more than 8,000 service points. In 2015, gross NPL was stable at 1.13% compared to 1.12% in 2014.



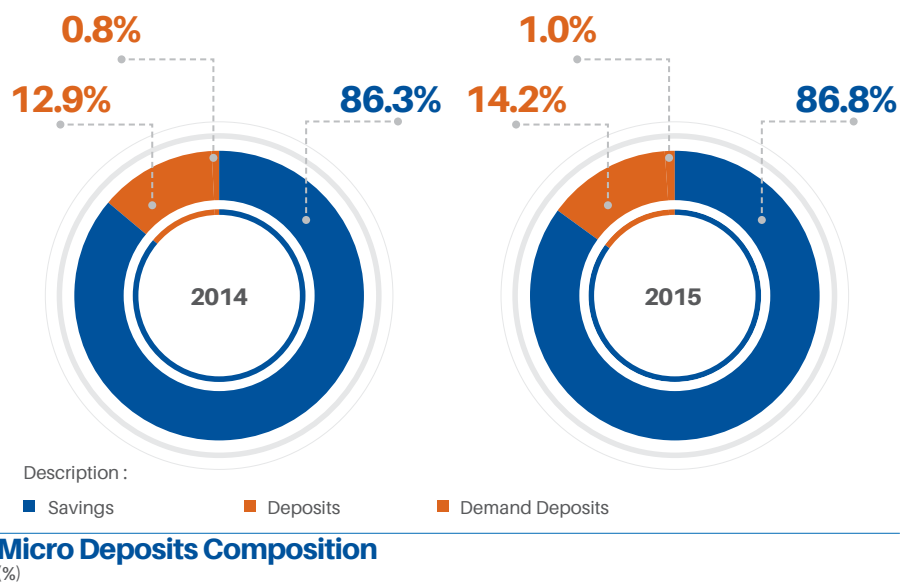
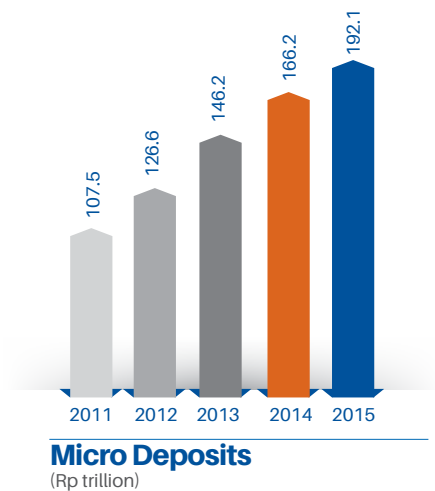
3. Deposits Outstanding

In terms of deposits, BRI also recorded 15.58% growth in deposits to Rp192.13 trillion compared to Rp166.16 trillion in 2014. Deposits from savings was the largest contributor to the Micro segment's third party funds and accounted for 84.81% of the portfolio.

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Micro & Program Business



MANAGEMENT DISCUSSION AND ANALYSIS ◀

Micro & Program Business

MICRO BUSINESS STRATEGY 2016

Recognizing the ample potential of micro business and the promising net interest profitability, there have been more banks entering the segment. However, with its vast network that extends to wide areas, BRI is confident that it will be able to maintain its position as the Bank with the largest market share in this segment. To that end, BRI has prepared a number of initiatives:

- In human capital development, BRI plans to recruit new account and sales officers to push for the achievement of KUR Mikro disbursement target that increased from Rp17 trillion in 2015 to Rp61 trillion in 2016.
- Business processes for micro loans have been enhanced by adopting and optimizing LAS Mobile technology. The implementation of this system will enable account officers to be more flexible when analyzing loan applications.
- Continuing the “grebeg pasar” or “grebeg komunitas” marketing programs. As below the line strategies, these programs are suitable for the Micro segment.

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Micro & Program Business



2. BRILink

Transaction value in 2015
rose to

Rp35.85 trillion

Transaction volume increased to

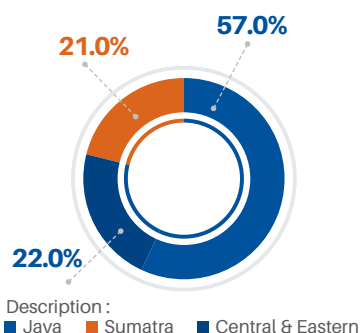
65.87 million
at the end of 2015 from **1.06 million**
transactions in 2014

Transaction value in 2015
grew by

35.84%
compared to **Rp973.16**
billion in the same period last
year

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Micro & Program Business

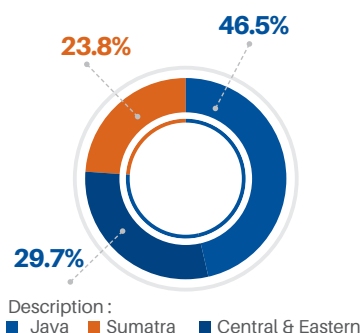
**Agent - Distribution**

Java was dominating the BRILink Agent distribution (57,0%)

Number stated above are bank only

Challenge for banking industry in Indonesia to provide services for people is Indonesia's vast territory and its archipelago condition. For BRI, this is an opportunity for future business growth. To realize this potential, BRI established the innovative BRILink.

In accordance with government's aspiration stated in Point 7 of the "Nawa Cita" aimed to realize economic self-reliance by performing strategic domestic economic sectors and implementing "Laku Pandai" Program, initiated by the Financial Services Authority (OJK) based on POJK No. 19/POJK.3/2014.

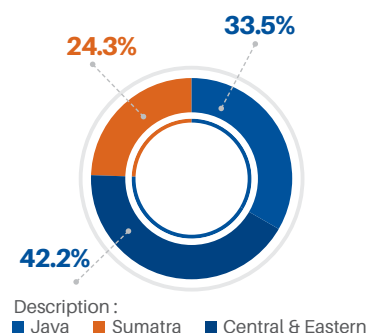
**Total Transactions - Distribution**

In line with the Java domination on the BRILink Agent distribution

BRILINK PRODUCTS AND SERVICES

BRILink works by using an agent system, where BRI works with BRI customers who act as agents that provide real-time and online banking services for the community. As a business model, BRILink offers fee sharing (50/50) with the agents. BRILink products and services include BRI Mini ATM and T-Bank or BRI electronic money that uses a customer's mobile phone number as the account number. Through a BRILink agent, customers can perform transaction banking such as deposit and withdraw money, pay BRI's loan installment, transfer to other bank account, purchase phone voucher, electricity voucher and other services.

The Laku Pandai program is an activity to provide banking services and/ or other financial services outside of bank's network through cooperation with third party and support by technology. Not all BRILink agents are Laku Pandai agents; of 50,259 BRILink agents

**Transactions Volume - Distribution**

Sumatra was dominating transaction volume (42.2%)

at the end of 2015, 41,753 people were also Laku Pandai agents. In general, a BRILink Laku Pandai agent may provide banking services as any other BRI offices, such as open Tabunganku savings accounts without administration fee; accepting applications and providing referrals for KUPEDES and KUPEDES Rakyat applicants.

BRILINK PERFORMANCE**1. Transaction Growth**

BRILink Performance continued to grow, from 1.06 million transactions volume in 2014 to 65.87 million transactions in 2015. Transaction value in 2015 also grew to Rp35.85 trillion, or represented a 36.85% growth from Rp973 billion in the same period last year.

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Micro & Program Business

2. Service fees

Supported by BRILink's performance, BRI booked 4.45% increase in Fee Based Income (FBI) after sharing fee 50% or Rp19.97 billion.

BRILINK STRATEGY 2016

Acknowledging the substantial business potential, BRI aims to recruit 25,000 new agents, expecting to have 75,000 agents by end of 2016. This is part of BRI's efforts to expand delivery channels and to reach customers in all segments.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Micro & Program Business



3. Program Business

Program loans
outstanding stood
at **Rp9,49 triliun**,
disbursed to more than
76.226 debtors

▲ BRI has the largest market share of
People Business Loans (KUR)

71.2%

▲ Retail KUR accounted for

64%

of total program loan
disbursement

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Micro & Program Business

BRI always supports the government's efforts to build and drive the economy, especially the Micro, Small, and Medium Enterprises (MSME) segment. Program Business is a dedicated segment to complement the government's development programs, especially in food resiliency, plantation revitalization, biofuel energy, and banking access for MSME

PROGRAM BUSINESS

The main product of program business is loans, or Program Credit. Program Credit is channeled for MSME's productive activities – in the form of working capital or investment. A large portion of the Credit Program is subsidized credit. The subsidy can be given for interest rates or a subsidy provided as government funds. Credit may also involve credit channeling, sourced from BRI with risks borne by the fund owner.

PROGRAM BUSINESS PRODUCTS

Food Credit

BRI started Food Loans, in March 2011. This Working Capital and/or Investment loan targets production, home industry, and trade in the food and agriculture sectors, which includes crops, horticulture, plantation, livestock farm, fishing,

and fish farm businesses. This program supports food sovereignty and maritime programs from the government.

Micro Business Retail Loans (KUR) 2015

BRI relaunched micro business retail loans, or Retail KUR, in August 2015. KUR provides working capital and investment for productive activities. The new Retail KUR offers loan plafond from Rp20 to Rp500 million and is disbursed to small businesses in the agriculture, fisheries, processing, trade and services sectors. KUR is insured by the government through Askrindo and Jamkrindo.

Kredit Ketahanan Pangan dan Energi (KKP-E)

KKP-E provides working capital and investment to the support Food Security and Biofuel Energy Plant Cultivation programs. KKP-E is sourced from BRI's commercial funds with government-subsidized interest rates.

KKP-E offers a number of loan packages, namely KKP-E for Smallholders Sugarcane Businesses, KKP-E for Food Crops, KKP-E for Horticulture, KKP-E for Food Production, KKP-E for Livestock Farming, KKP-E for Fisheries, and KKP-E for Agriculture Machinery. For KKP-E Sugarcane,

loans is provided as working capital and disbursed to farmers for sugarcane cultivation via farmers' group or famers' cooperatives that cooperate with a Business Partner/ Sugar Factory. The government terminated this program on 31 December 2015.

BUSINESS DEVELOPMENT IN 2015

In 2015, aside from working with the government, BRI also developed other strategies to capture trickle-down business potential. To that end, the Corporate Partnership Program was put in place and focusing on cooperative-based partnership development.

PROGRAM BUSINESS PERFORMANCE

1. Loan Outstanding Growth

Loan disbursement to approximately 71,000 debtors in 2015 generated loan outstanding amounting to Rp9.30 trillion. In terms of product composition, the largest contributors to loans portfolios are Retail KUR (64%) followed by Food (10%) and Non-KUR (25.8%). In non-KUR loans, the largest contributors are KKP-E Livestock Farming (64%), KKP-E Agriculture (7.3%), KKP-E Fisheries (6%), and other schemes (23%).

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Micro & Program Business

2. Market Share

In terms of market share, BRI's People Business Loans (KUR) has the largest market share at 71.2%. The combined limit of BRI KUR amounting to Rp16.21 trillion was disbursed to 920,999 debtors/customers. Micro KUR, with a total loan limit of Rp13.41 trillion, was disbursed to 906.756 debtors and positioned BRI as the Bank with 95.1% national market share. Going forward, BRI will continue to drive KUR disbursement and maintain its position as having the largest market share across all KUR products. Having various competitive advantages compared to other KUR-disbursement banks, BRI is confident of its market leadership.

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Retail Business



Outstanding retail loans
amounted to

Rp213.74 trillion
or up **9,54%**

Total funding stood at

Rp256.69
trillion
or grew by **22.14%**

Commercial and Medium Retail
Loans amounted to **Rp193.18**
trillion or grew by

^10.22%

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Retail Business

The profitable potential of Retail segment has led banks to enter this segment and it create a fierce competition since the products in this segment have similar features. To distinguish itself in the market and in Indonesia's banking industry, BRI needs to create added value for customers. Harnessing the Bank's long-standing experience in the banking sector, and supported by sophisticated technology, BRI has made its mark as the segment's leading player.

Through Retail Business, BRI serves customers of Commercial and Medium Retail Loans that finances small and medium enterprises (SME), disburse consumer loans, credit cards, third party funds, and provides e-banking, wealth management, and other consumer business services.

In terms of funding, BRI collects retail deposits in savings, demand deposits, and time deposits accounts. BRI also operates the BRI Prioritas service, which provides a series of exclusive services for affluent customers and high networth individuals. Aside from collecting funds, BRI Prioritas also aims to drive non-interest income in the retail segment. Through the Bank's activities in the retail segment, in 2015 BRI booked retail deposits amounted to Rp256.69 trillion, or up by 22.14% compared to Rp210.16 trillion in 2014.

RETAIL BUSINESS PERFORMANCE 2015

In 2015, total retail loans outstanding stood at Rp213.74 trillion, or up 9.54% from Rp195.13 trillion in 2014. Retail loans contributed Rp23.87 trillion to 2015 income, or represented contribution growth of 10.99% compared to Rp21.51 trillion in 2014.

RETAIL BUSINESS SEGMENTATION IN 2015

Retail Business is grouped into three synergized products, namely:

- Commercial and Medium Retail Loans
- Consumer Retail Loans
- Retail Deposits Business
- Retail Banking Services Business

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Retail Business

1. Commercial and Medium Retail Loans



Commercial and Medium Retail Loans are part of retail segment and have a significant contribution to BRI's loan portfolio. Accounting for 24% of the total portfolio, this sub-segment offers two products to support customers' business activities:

1. **Retail Commercial Loans** offers working capital and investment loans for small-scale business players with credit limits from Rp100 million to Rp5 billion.
2. **Medium Commercial Loans** offers working capital and investment loans for medium-scale business players with credit limits from Rp5 to Rp50 billion.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Retail Business

COMMERCIAL AND MEDIUM RETAIL LOANS STRATEGY 2015

Amidst tough competition, BRI stepped up its services and defined a number of strategies to increase loan disbursement in the Commercial and Medium Retail segment. The strategies included:

1. Trickle-down business optimization using a new scheme, namely product marketing to suppliers and distributors of SOEs and other companies that already become BRI's existing customers
2. In terms of maintaining loan quality, BRI exercised the following steps:
 - Improved risk profile analysis and credit risk mitigation as early warning signs.
 - Assigned 100 Account Officers to 100 Branch Offices with highest NPL rates. The success of this program is discussed further under Credit Risk in the Risk Management sub-chapter.

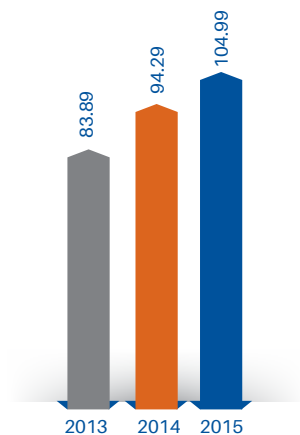
RETAIL AND MEDIUM LOANS PERFORMANCE**1. Loans Growth**

Macro economic conditions that heavily impacted business players in this segment led to slowing loan growth in the medium segment. Until the

end of 2015, BRI disbursed a total of Rp134.7 trillion of Commercial and Medium Retail Loans, or increased by 7.5% from Rp125.3 trillion disbursed in 2014.

Commercial Retail Loans

Commercial Retail Loans occupied the largest position in the Commercial Retail and Medium Loans portfolio. Despite a global market slowdown, Commercial Retail Loans still grew by 11.35% to Rp104.99 trillion from Rp94.29 trillion in 2014.

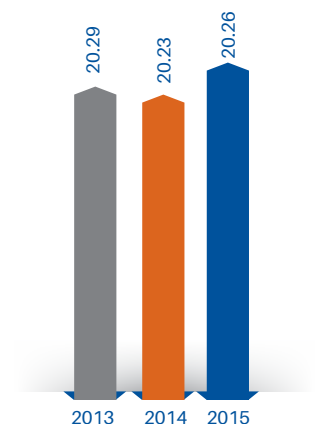


Commercial Retail
(Rp trillion)

Commercial Medium Loans

BRI disbursed Commercial Medium Loans, or working capital and investment loans with a limit of between Rp5 billion to Rp50 billion, at a total

of Rp20.26 trillion in 2015, or slightly increased by 0.15% from Rp20.23 trillion in 2014.



Commercial Medium
(Rp trillion)

2. Loan Quality

Through strong risk management strategy implementation, among others the acceleration of restructuring process, BRI was able to control NPL. Until the end of 2015, the NPL ratio of Retail and Medium Commercial segment stood at 2.48%, representing a slight decrease from 2.68% in 2014.

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Retail Business

COMMERCIAL AND MEDIUM RETAIL BUSINESS STRATEGY 2016

To drive the expansion of Commercial and Medium Retail Business in 2016, BRI plans to carry out the following activities:

1. Restructure Medium Loans Business Organizations at the Regional Office level by establishing a Regional Business Center. With this re-organization, medium loan disbursement will be supervised directly by Corporate Business. This step allows the Bank to optimally seize the potential for synergy among these businesses. The Bank also expects to see a transfer of expertise that will improve loan quality management, especially in certain economic sectors. This re-organization has been piloted in Medan and Surabaya Regional Offices.
2. Improve Medium Loans standards and analysis guidelines to increase loan quality in the Medium segment.
3. Review loan approval authority as part of Business Processes to Streamline and improve Service Level Agreements (SLA) in loan underwriting procedures.
4. Create leading sector business profiles in regional level to assist marketing officers to determine target market.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Retail Business

2. Consumer Retail Loans

BRIGuna booked

▲ **11.82%**
growth to **Rp67,93 trillion**Mortgages outstanding amounted
to **Rp15.74 trillion** or up▲ **9.29%**

Vehicles loans outstanding stood at

Rp1.64 trillionCredit Cards outstanding rose by **9.35%** to**Rp1.19** trillion

BRI Consumer Loans Business is a business segment that focuses on accommodating the consumptive needs of customers. This segment shows stable growth from year to year.

CONSUMER RETAIL LOANS PRODUCTS

BRI offers a various types of loans, deposits and other financial products to improve this segment's performance and services namely:

BRIGuna Loans

A multi-purpose loan, BRIGuna is one of BRI's leading products for fixed-income customers. BRIGuna has three products:

- BRIGuna Karya, which targets active employees who have fixed income
- BRIGuna Umum, which targets employees since they are still active until retire
- BRIGuna Purna, which targets pensioners

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Retail Business

Mortgages (KPR) and Apartment Loans (KPA)

Loans for residential ownership, homes or apartments, targeting professionals, entrepreneurs, and fixed-income customers. BRI Mortgages offers flexibility in various aspects, including the loan period, competitive interest rates, secured ownership certificates and other conveniences that potential debtors will find as added value to the product.

Vehicle Loans (KKB)

KKB BRI is offered to meet customers' needs to own vehicles. Cooperating with a Brand Holding Sole Agent (ATPM), dealers and multifinance companies, BRI is able to provide the best service with a competitive interest rate. KKB BRI also offers a non-down payment feature that links KKB BRI with BRI deposit products.

Credit Cards

Initially launched in 2006, BRI Credit Cards offers transaction convenience for customers. Presently, BRI has a number of credit card options, including BRI Standard, Gold, Platinum, Infinite, Corporate, Business, Touch, and Co-Branding credit cards. BRI Credit Cards also provide e-statement and SMS PIN facilities.

CONSUMER RETAIL LOANS STRATEGY 2015

To enhance BRI's competitive edge in the Consumer Loans segment, and to realize sustainable growth, starting three years ago BRI initiated continuous development strategies, including:

1. **BRIGuna product development**, which introduced a number of changes from interest rates that were changed from flat to annuity, extension of tenor, increase in debtor age requirements, and severance insurance.
2. **Joint Marketing with Corporate Business Division** for BRIGuna products, namely the Home Ownership Program/HOP, Car Ownership Program/COP and Motorcycle Ownership Program/MOP.
3. **Engaged more than 450 housing projects** across Indonesia through unique joint marketing and promotional programs that were tailored to the characteristics of prospective debtors in each project area.

4. **Introduced PINs for EDC purchases**; BRI has introduced six-digit PINs for all credit cards issued by the Bank, pursuant to Bank Indonesia Regulation No. 14/2/PBI/2012 and Letter No. 14/7/DASP effective as of 1 January 2015 that required credit card transactions in Indonesia to use six-digit PINs.

5. **BRI Infinite Credit Card Launch** to accommodate the premium segment, especially high net-worth individuals. The Infinite Credit Card is one level above the Platinum Credit Card.

CONSUMER RETAIL LOANS PERFORMANCE 2015

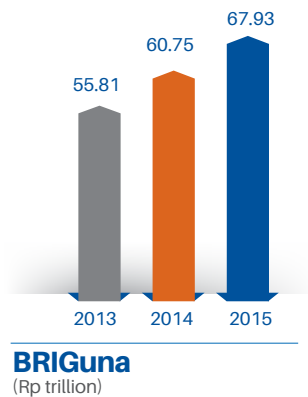
These efforts were proven successful in driving the growth of BRI consumer loans. In 2015 BRI booked significant growth in terms of new loans acquisition and loans outstanding following the implementation of special delivery channels and online business process.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

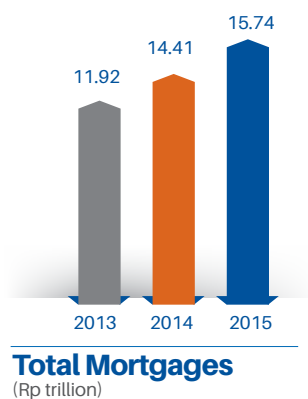
Retail Business

BRIGuna Loans

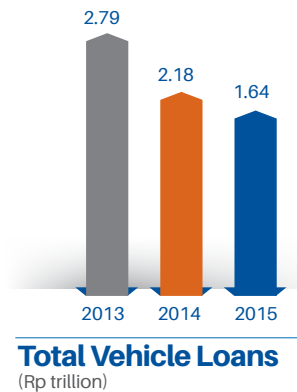
Through three products, BRIGuna recorded 11.82% growth to Rp67.93 trillion compared to 2014. Taking into account customer characteristics, BRIGuna had the lowest risk profile. In 2015, the BRIGuna NPL rate stood at 0.97%, which represented a slight decrease from 0.99% in 2014.

**Mortgages (KPR) and Apartment Loans (KPA)**

Mortgages outstanding as of December 2015 amounted to Rp15.74 trillion, or grew by 9.29% compared to 2014. Propelled by this growth, BRI accounted for 4% of the Mortgage market share nationally.

**Vehicle Loans (KKB)**

KKB outstanding as of December 2015 was at Rp1.64 trillion. To drive KKB disbursement, BRI will continue to develop innovative features and schemes to seize the market potential. BRI will also increase effectiveness and efficiency in KKB expansion.

**Credit Cards**

Until the end of 2015, BRI had issued 941,605 cards, which placed BRI as the credit card issuer with 5.4% market share of the national credit card market. Aside from increasing the volume of cards issued, in 2015 BRI also added 56,554 units of electronic data capture (EDC) machines. With this addition, BRI now has 187,758 EDC units. In line with the increase in EDC, during the same period the total outstanding of BRI Credit Cards also improved by 9.35% to Rp1.19 trillion compared to 2014. In

terms of sales volume, sales settled using BRI credit cards amounted to Rp4.17 trillion and there was a total of Rp26.75 trillion sales completed using BRI EDC machines.

Consumer Retail Loans Strategy 2016

To increase the growth of Consumer Retail Loans, aside from continuing marketing strategies with Corporate Division, BRI will implement the following initiatives:

1. Develop comprehensive and integrated systems, including processing, collateral management, collection, monitoring and reward management to improve quality and speed of service.
2. Enhancement of the Dunning System, i.e. a consumer credit collection system by phone from the Collection Center, and to apply a Collection strategy of:
 - Merging the Regional Collection/Sub-Regional Collection of Consumer Credit at each Regional Office to ease control of consumer credit quality
 - Dunning database development
 - Complaint Handling System refinement

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Retail Business

3. Retail Deposits Business

Total Deposit reached **Rp642.77** trillion with Retail Savings amounted to

▲ Rp256.68 trillion
or represented **22.14%** growth

In funding activities, BRI offers a variety of deposit products that provide added value and convenience for customers. As a Bank that strongly reinforce the principle of prudential banking and good corporate governance, BRI assures the security of customers' funds. All funds deposited with BRI are insured under a Deposit Insurance program according to pursuant regulations.

DEPOSIT PRODUCTS

BRI's deposit products that provide added value and convenience for customers are Savings, Demand Deposits, and Time Deposits products:

BritAma

A leading savings product to capture the third party fund market share especially in urban areas. BritAma is designed for customers who seek ease and convenience in banking transactions. This product offers various interesting features that allow transactions to be performed via ATM and EDC units conveniently from anywhere in the world. BritAma also has sub-

products to cater to the specific needs of customers, namely BritAma Valas (foreign currency), BritAma Bisnis (business needs), and BritAma Rencana.

Haj Savings

Haj savings is specifically designed for customers who need saving to undertake the Haj. This product helps customers to prepare for their regular and special Haj Funds (BPIH/Haj Plus). Deposits can be made on line through all of BRI's operating units. The system is connected host-to-host through a switching application with the Ministry of Religious Affairs..

BRI Junio

BRI Junio is a savings product especially created for children and teenagers aged up to 17 years old. BRI Junio represents our commitment to introduce banking to children, as early as possible, and to nurture saving habits. The BRI Junio savings product offers attractive features for young savers, namely the BRI Card Private Label Limited Edition, where BRI cards can display characters e.g. Superman, Tweety, or Tom and Jerry.

GiroBRI

Demand deposits is one of BRI's products to collect low-cost funds from the market. GiroBRI is available in various currencies, Rupiah and other foreign currencies, and equipped with a Debit Card facility as well as a BRIVA (BRI Virtual Account), making it convenient for customers to deposit or reconcile the transaction records.

DepoBRI

DepoBRI is a time deposit where customers can choose deposit periods from 1, 2, 6, 12, 18 to 24 months with competitive interest rates.

RETAIL SAVINGS BUSINESS STRATEGY 2015

To enhance customer experience, BRI is committed to continuously improve service quality, among others by developing new features for the Bank's e-channels. In addition, BRI also increased the number of Automated Teller Machines (ATM) for cash deposits and withdrawals. Combining the services, BRI also has Cash Recycling Machines (CRM). BRI

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Retail Business

also added Electronic Data Capture (EDC) units and expanded the network of EDC merchants to ensure easy and practical transactions for BRI debit cardholders. Conventional networks were also expanded, and presently BRI operates 10,612 operating units, 22,792 BRI ATMs, and 187,758 BRI EDCs.

PERFORMANCE OF DEPOSITS PRODUCTS

Until the end of 2015, BRI raised third party funds (TPF) amounted to Rp642.77 trillion; Savings accounted for Rp267.6 trillion; Demand Deposits at Rp113.0 trillion, and Time Deposits contributed Rp262.2 trillion. These figures indicated that BRI's low-cost funds was predominantly at 59.2%. Compared to the previous year's performance, Savings and Demand Deposits grew by 15.1% and 26.8%, respectively. Conversely, compared to 2014, Time Deposits declined by 6%. In total, BRI TPF grew by 7.1%.

Demand Deposits in particular experienced notable growth in 2015, which reflected the result of marketing activities for the product, ranging from Demand Deposits acquisition and maintenance to the Giro Point program. Other than for demand deposits, BRI also carried out marketing activities for savings products, such as the "Dobel Untung BritAma", a marketing program whose winners were drawn from each of BRI's Regional Offices.

Description	2013	2014	2015
Savings	210,003.64	232,413.72	267,607.04
Demand Deposits	78,016.73	89,075.58	112,988.72
CASA	288,020.37	321,489.30	380,595.76
Time Deposits	198,346.00	278,915.07	262,178.25
TPF	486,366.37	600,404.37	642,774.01

RETAIL SAVINGS BUSINESS DEVELOPMENT STRATEGY 2016

In 2016, BRI will maintain its focus on low-cost funds from demand deposit and savings products. To acquire low cost funds, the strategies are:

- Accelerate growth of retail demand deposits by optimizing cross-selling potential with Commercial and Medium Retail Credit Business
- Launch digital campaign and digital marketing for retail savings

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Retail Business

4. Retail Banking Services Business

Fee-based income from e-banking reached

Rp1.62 trillion
or up **34.43%**

BRI Wealth Management services booked **Rp98.29 billion** of fee-based income, or grew by

▲ 23.86%

E-BANKING SERVICES

E-banking services is one of the rising stars in BRI's banking services business. With a CAGR of 21.46% since 2011, e-banking services contributed 22.1% to BRI's total fee-based income generated in 2015. As part of the Bank's efforts to realize the strategic goal of becoming The Biggest National Payment Bank, e-banking features are being continuously developed.

E-Banking Features and Services

e-Pay

e-Pay is BRI's online electronic payment that is practical and secure. Users of e-Pay can transact with the Bank's online merchants partner.

- **e-Pay Benefits**
For customers, e-pay is a quick and secure way to make transactions that eliminates the step of manual confirmation from customers to merchants. e-Pay is available for regular customers and customers with Tbank accounts.

- **e-Pay transaction growth**
e-pay performance in 2015 jumped by 406% from the previous year, from 11,814 transactions in 2014 to 59,829 transactions in 2015.

BRIZZI

BRIZZI is launched to support the National Non-Cash Movement initiated by Bank Indonesia. The purpose of this program was to educate and socialize banking products that could support non-cash transactions in Less Cash Society (LCS).

BRILink

In 2015, harnessing the latest technology developments, BRI launched BRILink and Tbank. BRILink performed by agents or third parties that also BRI's existing micro customers.

BRILink agents are third parties who cooperate with BRI to provide banking services under BRILink. They are also subject to Bank Indonesia and the Financial Services Authority regulations. By the end of 2015, BRI had 50,529 BRILink agents.

Mobile Banking and Internet Banking (soft token)

Mobile Banking or Internet Banking enables customers to perform financial transactions through their mobile handsets and Internet connection.

- **Benefits of BRI Mobile Banking and Internet Banking**
BRI Mobile Banking and Internet Banking BRI use soft token technology. The token is sent via SMS or data connection. Using soft tokens, customers can do transactions with BRI at any time and from any place, securely and actively.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

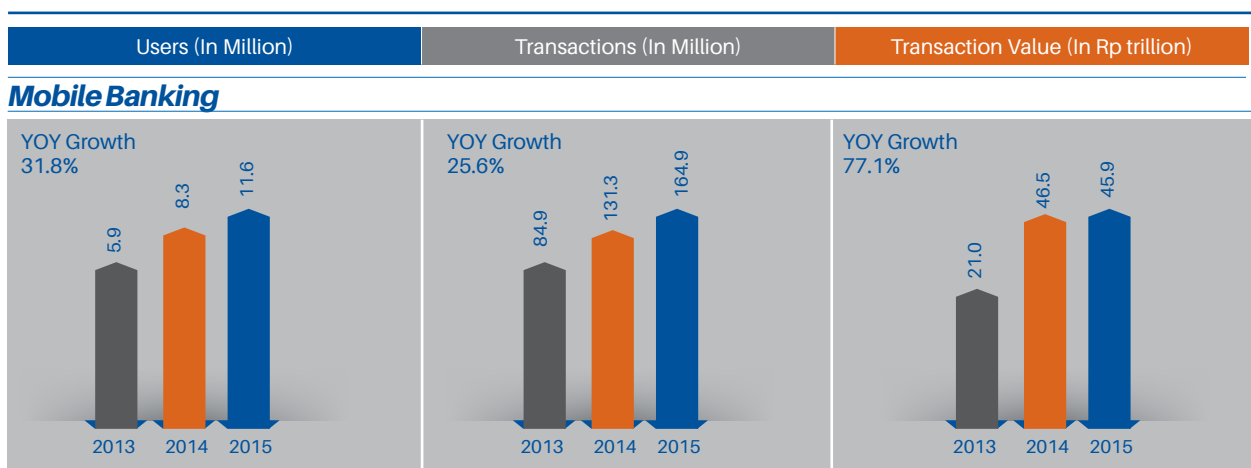
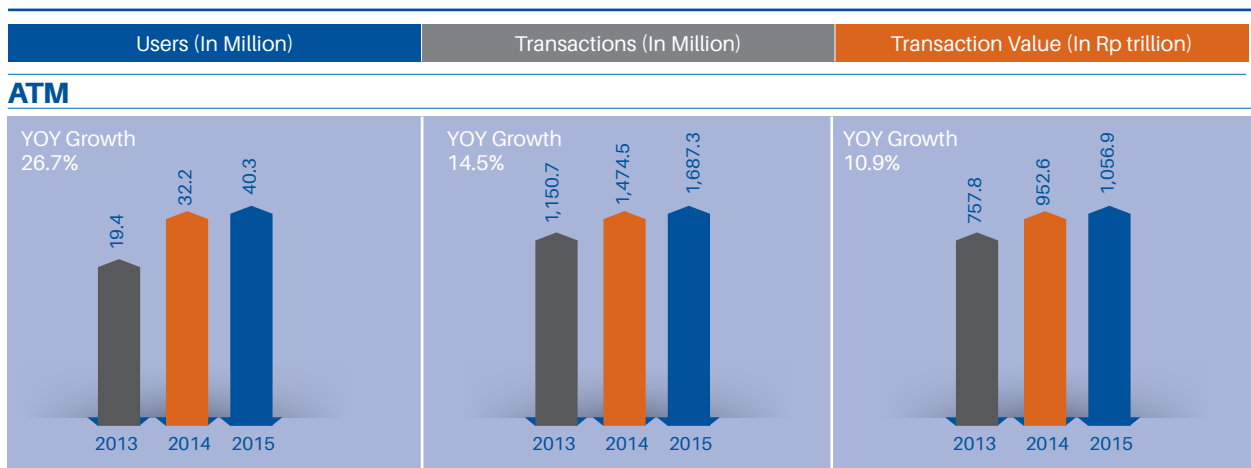
Retail Business

- **Mobile Banking Services and Internet Banking**
 1. Deposit inquiries and transaction records
 2. Intra and inter-bank transfers and RTGS
 3. Bills payment, e.g. phone, credit card and electricity
 4. Communication with Customer Service using the inbox facility available on Internet Banking

BRI expects to increase the number of Mobile Banking and Internet Banking users by tapping into BRI's vast database of deposit customers.

E-Banking Business Performance 2015

There has been continuous improvement from year to year of e-banking business derived from ATMs, Mobile Banking, and Internet Banking transactions in terms of the number of users, transaction volume and transaction value, as shown by the following charts:



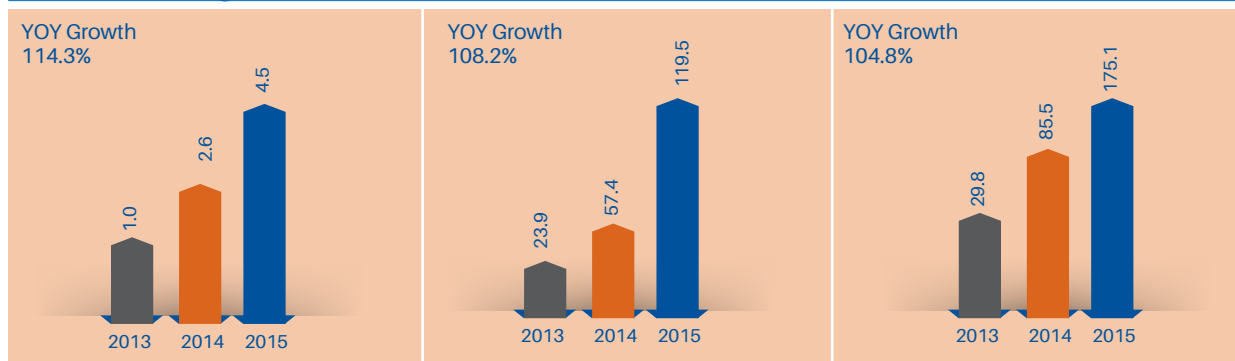
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Retail Business

Users (In Million)	Transactions (In Million)	Transaction Value (In Rp trillion)

Internet Banking



E-Banking Development Strategy

E-banking business development is carried out by expanding e-channels, innovating with features and products, and creating promotional activities to stimulate purchase intentions.

WEALTH MANAGEMENT SERVICES

BRI Wealth Management services is delivered through BRI Prioritas, a premium service provided for affluent and high net-worth individuals packaged as a "One Stop Financial Services Solution".

Wealth Management Products and Services

BRI Prioritas products and services include conventional banking products, investments, and bancassurance, with various service innovations and product bundling. The products available through this channel are:

- Indonesia Retail Government Bonds (ORI)
- Mutual Funds

- Sukuk
- Pension Savings (DPLK)
- Bancassurance Products

Wealth Management Development Strategy 2015

Wealth management services are accessible via 18 Prioritas Service Centers (SLP) located in various major Indonesian cities, as well as 100 Prioritas Lounges located in BRI branch offices throughout Indonesia.

SLP and Prioritas Lounges are organized under a tiered and monitoring mechanism and are managed by a Prioritas Banking Assistant, Prioritas Banking Officer, and Prioritas Banking Manager. All staff members are experienced and certified according to the competence standard required by regulators.

The key pillars of BRI Prioritas are Product and Services, Human Capital, Outlets, Marketing and Sales, and Sales Management. In the first pillar, BRI Prioritas provides

services, both conventional and non-banking assistance such as financial planning, investment, bancassurance, and pension planning consultation. In addition, BRI Prioritas also arranges privileges for travel, lifestyle, concierge, and education.

Wealth Management Performance 2015

With the wide distribution of Prioritas outlets, Prioritas Service Centers, and Prioritas Lounges and with more certified marketing officers available, in 2015 BRI Prioritas customers grew by 22.87% to 32,100 customers, and 26.34% volume growth managed by the Bank to Rp48.9 trillion. Further, in 2015 BRI Prioritas also booked Rp98.29 billion of fee-based income, representing a surge of 148.31% compared to 2014 performance.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Retail Business

Description	2013	2014	*2015
Wealth Management (Billion)	27,813	38,677	48,864
Total Customers (CIF)	19,730	26,092	32,060
Fee Based Income - FBI (million)	32,040	39,585	98,294

Wealth Management Development Strategy 2016

To improve services and to achieve better growth performance, in 2016 BRI will increase the number of BRI Prioritas certified marketing officers as well as Prioritas Service Centers, and Prioritas Lounge. BRI will also engage more partners to expand product variety.

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Corporate Business



“

Through the Corporate Business segment, BRI creates, develops, and markets integrated banking products and services, including loan facilities, fund management, and banking services. The Bank focuses on businesses that can bring synergy with other segments and thereby supports the growth of fee-based income.

”

BRI Corporate Business is a dedicated segment that caters to the needs of institutional/corporate customers, Government and non-government owned. Supported by BRI's large network in and outside the country, the Bank can consistently provide integrated and superior banking solutions.

CORPORATE BUSINESS PRODUCTS AND SERVICES

Under this segment, BRI provides, among others, cash management, Host-to-host, Payroll, corporate cards, consumer credit for employees, One Gate Payment, e-Hospital, and BRIVA (BRI Virtual Account). BRI also offers a credit facility with special scheme, cash

and non-cash, as a solution that addresses business complexity of national and multinational companies. This includes a credit facility to vendors, sub-contractors, suppliers, distributors, and business partners.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Corporate Business

CORPORATE BUSINESS MARKETING STRATEGY

To grow corporate business, the Bank implemented trickle-down business and cross-selling/integrated marketing strategies. The execution of these strategies focused on businesses that had the potential to propel BRI's sustainable growth in other segments, and where BRI can build synergy to create business opportunities for the Bank's MSME segment. This synergy was expected to support the development of the MSME sector, recognized as the national economy backbone, and at the same time to boost the Bank's fee-based income.

CORPORATE BUSINESS SEGMENTATION

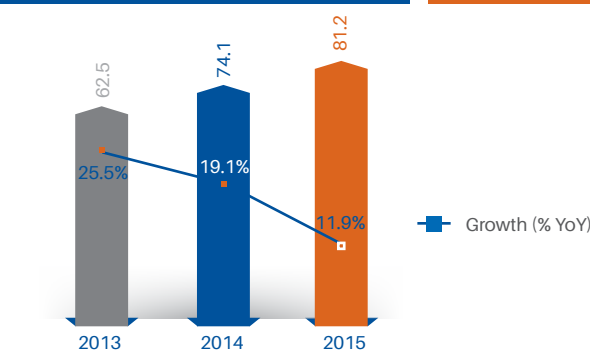
Corporate Business targets large companies with loan value from over Rp50 billion to the ceiling of the Legal Lending Limit (LLL). Corporate Business has a number of sub-segments, namely:

- State-Owned Enterprises
- Private Corporations
Private Corporate business focuses on two primary economic sectors:
 - Agribusiness Credit
 - General Business Loans (Non-Agribusiness)
- Institutional Fund Business

1. State-Owned Enterprises (SOEs)

Total outstanding of SOEs loan grew by 11.9% (YoY) to

Rp81.2 trillion



SOE Corporations
(Rp trillion)

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As a State-Owned Enterprise, BRI has a responsibility to support the government's programs and partake in the country's economic development, while still growing its profitability and observing good corporate governance.

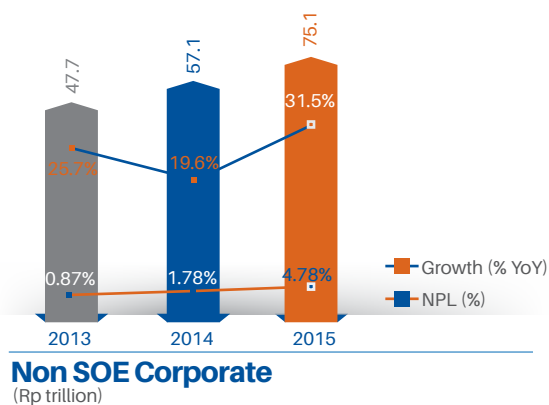
Taking into consideration business potential and low risk-weighted assets, BRI focuses on potential SOEs and their subsidiaries – where the parent SOE is the majority shareholder – namely SOEs sectors of food and oil and gas, infrastructure, energy, logistics,

and transportations, or the core sectors of the Master Plan for the Acceleration and Expansion of Indonesia's Economic Development (MP3EI).

2. Non-SOE Business (Private Corporations)

Total Outstanding of Non-SOE Corporate loan grew by **31.5%** (YoY) to

Rp75,10 trillion
in 2015



AGRIBUSINESS

Loan disbursement to companies in the agribusiness sector targets agricultural activities in the widest sense – on farms and off farms, from upstream to downstream. In addition, BRI also disburse loan to farmers using a plasma nucleus pattern.

On-farm financing entails agricultural cultivation activities in plantations, forestry, livestock farming, and fisheries sectors. Meanwhile, off-farm financing targets businesses or enterprises that produce agricultural equipment and supplies, such as nurseries, agro-chemicals, pesticide,

agricultural machinery, and livestock feed.

Agribusiness credit primarily targets export commodities that have a competitive advantage and can generate multiplier effect to MSMEs.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Corporate Business

Preferred commodities include palm, rubber, and their derivative products. For livestock farming, the preferred commodities are poultry, dairy cows, beef cattle, and shrimp farming, while industry and trade sectors include pesticide, oleo-chemicals, coconut processing, sugar, rice, and others.

Loan Disbursement Performance

In 2015, BRI disbursed agribusiness loan of Rp27 trillion, or up 17% from the previous year of Rp23 trillion.

GENERAL BUSINESS

General Business is BRI's business segment targeting non-SOE and non-agribusiness companies. General Business loan is disbursed to corporation customers engaged in non-agribusiness industries. Customers are segmented by their industry sector, namely oil and gas and energy, and non-oil and gas business.

Oil and gas and energy businesses cover power plant, sea transportation, contractors and

other supporting services related to oil and gas and energy.

Non-oil and gas business consists of basic industry, manufacturing, trade, property, construction, transportation, infrastructure, business services, mining and other businesses.

Loan Disbursement Performance

In 2015, BRI disbursed general loan of Rp47.10 trillion. The total disbursement rose by 34.29% from Rp35.14 trillion in the previous year.

3. Institutional Funding Business

To develop corporate business, BRI focuses not only on growing assets, but also on growing the amount of funds placed with the Bank using cross-selling or integrated marketing strategies. To optimize the full potential of corporate customers, BRI established an institutional funding business in order to provide specific services to corporate customers, both government and private institutions.

To boost the funding base and to meet BRI's target, one of the activities under the institutional funding business is optimizing the management of funds sourced from the State Budget and disbursed through Ministries or Government Institutions, both local and national; educational institutions, public service agencies (BLUs), hospitals,

national enterprises, multinational companies, and financial services institutions, such as the pension fund.

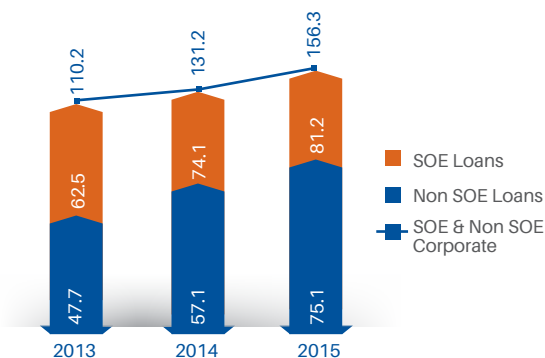
CORPORATE BUSINESS PERFORMANCE 2015

In the past several years, BRI Corporate Business has been continually growing. The segment has become one of the key segments that supports business expansion and elevates the Bank's competitive position. Loan disbursed to corporate customers generated a multiplier effect as expected and opened opportunities for other banking services, especially with respect to value chain business with the companies' employees. To continue providing superior banking services, BRI continuously enhances and develops product features, service quality, supporting technology, and human capital competence.

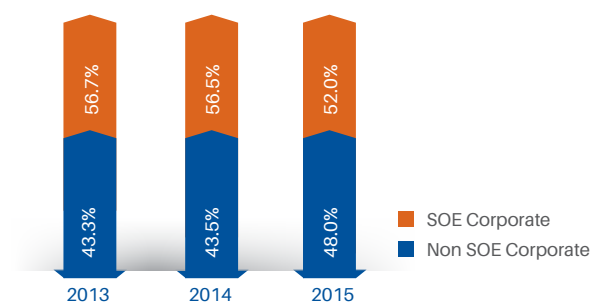
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Corporate Business



Outstanding Growth of Corporate Business
(Rp trillion)



Loan Portion of BRI Corporate
(Rp trillion)

1. Loan Disbursement

- Amidst unfavorable economic conditions in Indonesia, total corporate loans outstanding (SOE and non-SOE) grew by 19.1% (YoY) to Rp156.3 trillion in 2015. This was due to the growth of SOE loans to Rp7.09 trillion and non-SOE loans to Rp17.98 trillion.
- The growth was contributed mainly by withdrawing credit facility of existing customers. Aside from currency depreciation of the Rupiah against the US Dollar.

2. Loan Quality

- In line with the national economic downturn, the level of BRI Corporate Loans' NPL rose from 0.77% in 2014 to 2.30% in 2015. The declining performance of some customers, especially non-SOEs in mining and high-end property business sectors, contributed to the increase in NPL.

3. Revenue Contribution

- Aligned with the growth of BRI Corporate loans outstanding, the revenue of Corporate Business segment also surged, grew by 53.19% from Rp2.94 trillion in 2014 to Rp4.5 trillion in 2015.
- The contribution of Corporate Business revenue in 2015 to total income of the year rose to 6.37% from 4.84% in 2014. At the same time, there was also an increase in allowances for loan reserves due to the increase in NPL.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Corporate Business

CORPORATE BUSINESS DEVELOPMENT STRATEGY 2016

To stimulate and boost the performance of Corporate Business in 2016, BRI has defined the following growth strategies with a number of key areas of emphasis:

1. Apply a selected growth strategy in loan disbursement to ensure that BRI targets not only corporate customers with robust business performance, but also customers that can produce a multiplier effect, e.g. opportunities for other banking services to enter the businesses' value chains. The purpose is to optimize business synergy, especially with the MSMEs segment.
2. Improve credit quality with adherence to prudential banking principles, applied in credit approval process, and optimize monitoring functions and perform consistent periodic reviews.
3. Augment the transaction volume of existing customers to support growth of low-cost funds.
4. Continuously develop and refine product features, service quality, supporting technology, and human capital competency in order to provide superior end-to-end banking services.

4. International Business

BRI continues to grow its international business segment to position the Bank as a leading foreign exchange bank that continuously prioritizes the satisfaction of customers, exporters, importers, and other companies and their overseas business partners. To cater to this segment's needs, the Bank provides trade finance, remittance, money-changer, and other international business products and services.

INTERNATIONAL BUSINESS PRODUCTS AND SERVICES

Trade finance products and international banking services include:

1. Letter of Credit (LC) and local LC (SKBDN) Issuance
2. Refinancing LC and non-LC
3. Post-shipment Financing
4. Forfaiting
5. Risk Participation
6. Standby-LC, Guarantee and Counter Guarantee
7. Trust Receipt (TR)

8. Documentation and Clean Collection
9. Money Changer
10. Interbank Banknote Transactions
11. Remittance

INTERNATIONAL BUSINESS NETWORK

1. Four overseas units in New York, the Cayman Islands, Hong Kong, and Singapore.
2. Bringin Remittance Company office in Hong Kong and several Remittance Representatives that carry out direct marketing in other countries, such as Malaysia, the UAE, and Saudi Arabia.
3. Cooperation with 50 remittance counterparts in 10 countries. With this network of counterparts, and the support of over 11,000 operating units as well as real-time online systems throughout Indonesia, BRI is capable of providing vast, reliable, and trustworthy remittance services in Indonesia.

4. Cooperation with over 1,300 Correspondent Banks backed by nostro accounts in 14 foreign currencies.

INTERNATIONAL BUSINESS STRATEGY 2015

Business development efforts in general include international business policy updates, relationship building with domestic and overseas correspondent banks, quality enhancement of marketing units throughout Indonesia, the opening of overseas branch offices, marketing programs, IT system revitalization, and human capital competency building.

Specific development measures that the Bank carried out in 2015 to develop International Business were:

1. Opened an overseas operating unit, the BRI Singapore branch office in July 2015

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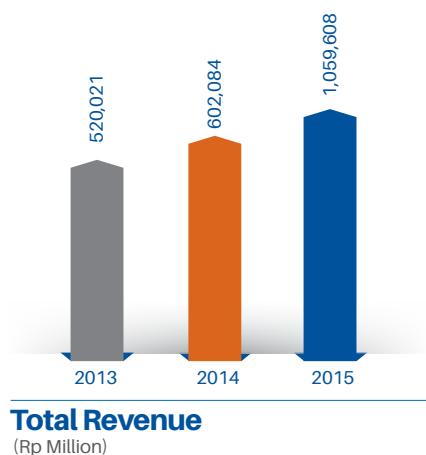
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Corporate Business

- Enhanced trade finance processing centralization performed by Trade Processing Center (TPC)
- Various promotional programs related to International Business services, including:
 - Annual reward program, "Mudik Bareng" from BRIfast Remittance
 - Enlarged partnership with other national banks, local banks, associations of haj and umrah (minor haj) agents, and foreign exchange traders as a way to enhance BRI's money changer services

INTERNATIONAL BUSINESS PERFORMANCE 2015

The International Business segment is one of the Bank's fee-based income sources, the segment that supports loan expansion in the Corporate segment, and the segment that provides short-term funds. In terms of fee-based income, International Business has been one of BRI's significant contributors with rapid growth in the past 3 (three) years.

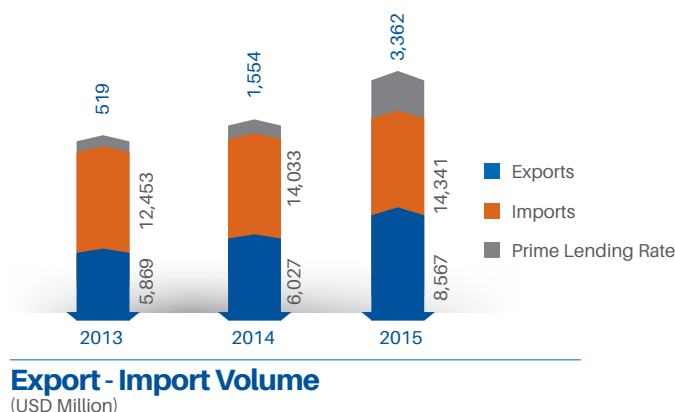


By service type, International Business performance in 2015 was as follows:

Trade Finance

1. Growth of transactions

In 2015, export-import transaction volume was amounted to USD22,908 million, or grew by 14.20% YoY from USD20,060 million in 2014.



MANAGEMENT DISCUSSION AND ANALYSIS ◀

Corporate Business

BRI booked Trade Finance transaction volume growth of 14.20% YoY from USD20 billion in 2014 to USD22.9 billion in 2015. To increase the Trade Finance transaction volume, BRI continuously improves human capital quality by applying international trade finance certifications for employees in the segment. In regional offices with significant trade finance potential, BRI assigns dedicated marketing officers to penetrate the market and to maintain service quality. In addition, these marketing officers also engage in joint marketing programs with corporate marketing officers, focusing on expanding the customer base of exporters.

2. Trade Finance Fee-Based Income

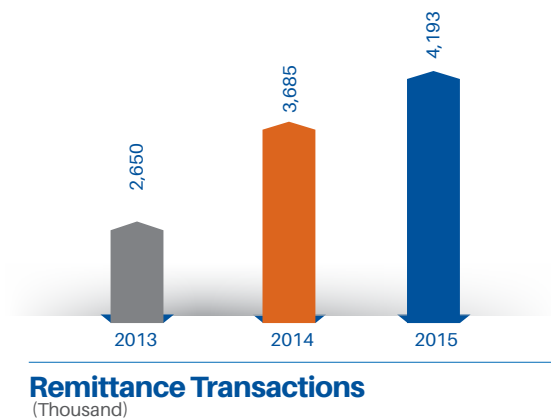
With Trade Finance volume growth, in 2015 BRI booked Rp548.1 billion of fee-based income.

Remittance**1. BRIFast Remittance**

BRI's remittance product is BRIFast Remittance, in which the Bank cooperates with financial institutions around the world, both banks and non-banks. The BRI Remittance service is equipped with a credit-to-account feature and cash pick-up; the features allow customers the flexibility to choose between transferring funds to BRI account or having the cash picked up from any BRI operating unit. In addition, BRIFast Remittance is also capable of providing real-time online services, which ensures the convenience, security, and speed of remittance as needed by customers.

2. Transactions Growth

BRI remittance transactions grow consistently. In 2015, the transaction volume grew from 3.68 million transactions in 2014 to 4.1 million transactions in 2015. This performance demonstrated the success of BRI's strategy to boost remittance services. BRI also expanded cooperation with correspondent banks and remittance counterparts.

**3. Remittance Business Strategy 2016**

The ASEAN Economic Community, started at the end of 2015, opened new business opportunities for BRI's Remittance segment. To strengthen Remittance business and improve service quality, including by using technology innovations to develop BRIfast Remittance Vversion 2 to meet customers' needs.

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Money Changer Business Performance

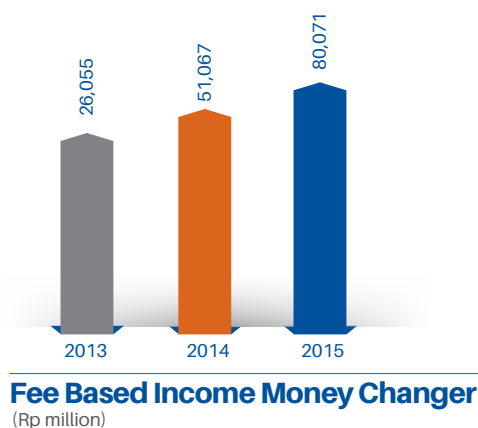
The BRI Money Changer business accommodates real time, online money exchange in various foreign currencies, including USD, SGD, AUD, CAD, EUR, GBP, CHF, SAR, CNY, JPY, THB, HKD, and MYR. BRI Money Changer offers competitive rates and is continuously up to date with global exchange rates.

To market and develop a Money Changer Business, BRI has designated a Banknote Dealer responsible to determine and negotiate exchange rates, carry out inventory management, exercise monitoring function, and provide assistance to other BRI operating units where Money Changer Business is available.

To meet banknote liquidity needs and related to inventory management for BRI and third party needs, BRI also actively conducts banknotes exports and imports using the Bank's cooperation with Correspondent Banks in several countries.

Fee-Based Income Growth

In 2015, BRI booked Rp80.1 billion of fee-based income from its money changer business. This figure rose by 56.80% compared to Rp51.1 billion in 2014.



Overseas Units Performance

The ASEAN Free Trade Area (AFTA) opens up the Indonesian market and at the same time stimulates Indonesia's trade activities. This poses an opportunity for BRI to step up the quality and quantity of its International Business transactions. In addition, the start of the ASEAN Economic Community (AEC) in 2015, which will later in 2020 cover the banking industry, fits with the Bank's mission to broaden its presence in ASEAN. Thus, in July 2015, the Bank officially launched BRI Singapore Branch (BRIS).

1. Overseas Units Network

Until the end of 2015, BRI had 4 (four) overseas offices, namely BRI New York Agency (BRINYA), BRI Cayman Islands Branch (BRICIB), BRI Singapore Branch (BRIS), and BRI Hong Kong Representative Office (BRI HKRO).

2. Overseas Units Products and Services

As the extension of BRI's in overseas, the four overseas provide services in trade loans, fund raising, commercial loans, risk participation, remittance, and USD settlement services.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Corporate Business

3. Overseas Units Assets and Income Growth

To grow asset portfolios, BRINYA actively offers loan financing to global companies in the United States and to Indonesian companies that have trade relations with the US companies. BRINYA also supports development projects of the Indonesian Government by providing an Overseas Financing scheme, demonstrating BRI's support for government efforts. BRI New York Agency has been consistently growing, although assets in 2015 dropped by 46% to USD 783 million and profits stood at US\$15 million.

BRI Cayman Islands Branch (BRICIB), a supporting unit to BRINYA, was also able to boost its performance in assets and liabilities. BRICIB assets grew by 44.62% from USD 706 million as at the end of 2014 to USD 1,021 million in 2015, recording total loans outstanding of USD 296 million and generating net profits of USD4.9 million in 2015.

Aside from BRINYA and BRICIB, BRI also operates a representative office in Hong Kong (Hong Kong Representative Office, HKRO). BRI HKRO, located in Asia's financial center, is tasked with collecting information on investment and business opportunities, developing bilateral trade relationships, and promoting Indonesian products and export-import activities. BRI HKRO is also building a customer base for remittance business and oversees BRI's subsidiary in Hong Kong, BRI Remittance Company (BRC).

BRI Singapore Branch (BRIS) is established to strengthen BRI's international business, especially in Asia Pacific. BRIS is capable of handling treasury, trade finance, loans, payments, and wealth management services.

INTERNATIONAL BUSINESS STRATEGY 2016

Moving forward in 2016, the strategy that BRI plans to undertake to grow its International Business are as follows:

1. Open the BRI operating unit in Timor Leste and to promote the status of BRI Hong Kong Remittance Office. The new Overseas Units and the status of BRI Hong Kong Remittance Office are expected to contribute to the growth of International Business, capture opportunities, and to serve customers' business needs.
2. Implement ISO standards for Trade Processing Center (TPC)
3. Implement BRIfast Remittance Version 2 to improve remittance services.
4. Expand cooperation by engaging more correspondent banks, both domestic and overseas.

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Corporate Business

5. Capital Market Supporting Business

Seeking to seize business potential in the capital market sector, BRI also develops and provides competitive capital market products and services, supported by professional staff members. Various choices of investment in Indonesia give customers flexibility to select money and/or capital markets for their investments.

BRI Capital Market Supporting Services are designed to bridge customers who want to invest in the capital market. Beyond facilitating the investment itself, Capital Market Supporting Services also assists customers, especially corporate customers, in financing activities by issuing securities in the capital market.

CAPITAL MARKET SUPPORTING SERVICES PRODUCTS

BRI Capital Market Supporting Services offer:

1. Custodian Service

BRI has become a Custodian Bank since 1996 after got licence from BAPEPAM Letter of Bapepam Chairman No. KEP-91/PM/96 dated 11 April 1996. BRI offers various asset management services, including money market instruments such as time deposits/on call deposits, Bank

Indonesia Certificates, and fixed income instruments such as government and corporate bonds as well as equity shares traded domestically and overseas.

BRI Custodian Service

1. Safekeeping custody services and portfolio valuation of securities and other commercial papers
2. Settlement handling and clearing
3. Income collection including tax payment
4. Corporate Action and Proxy Services
5. Information and reporting services
6. Mutual funds and Pension Fund custodian services
7. Online stock brokerage BBRI
8. Custodian services for asset securitization, covering the Collective Investment Contract of Asset-Backed Securities (KIK EBA) and Asset-Backed Securities as a Letter of Participation (EBA SP)
9. Global custodian services for global securities placement, where BRI Custodian is a direct member of Euroclear

Benefits of BRI Custodian Services

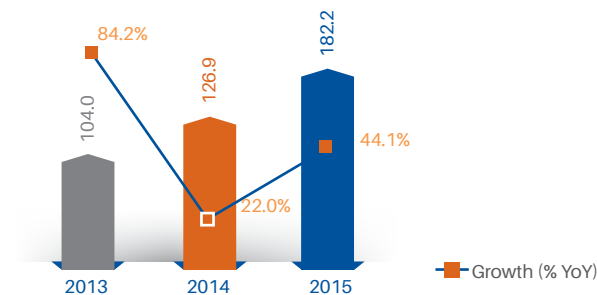
1. **Customized**
BRI's custodian services can be adjusted to customers' needs.
2. **One Stop Services**
Single-window services through dedicated Relationship Officer are available for customers' convenience.
3. **Competitive Fees**
Service fees are associated with the scale of services.
4. **Reliable**
Reliable IT systems, backed by solid and experienced team members in accounting, tax, reporting, settlement, and compliance.
5. **Experienced**
BRI Custodian Service has been operating since 1996 and has been managing various types of safekeeping funds, mutual funds, unit links, discretionary funds, and asset-backed securities.
6. **Global Network**
BRI Custodian Service is a part of the international center securities Depository Euroclear network and is capable of performing global securities transactions.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

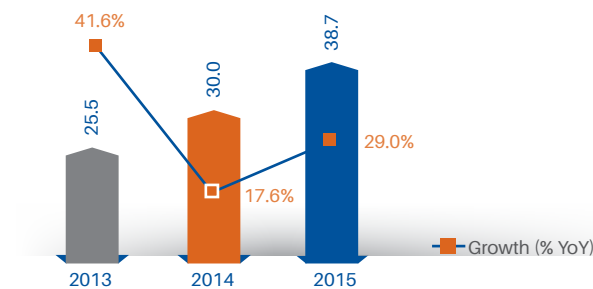
Corporate Business

BRI Custodian Service Assets Performance and Fee-Based Income

In the past 5 (five) years, BRI Custodian Service has been consistently achieving growth in assets management and fee-based income, as shown by below charts:



Assets Management
(Rp trillion)



Fee Based Income
(Rp billion)

In 2015, BRI Custodian Service became the first custodian service to manage EBA SP issued by Sarana Multi Finance (SMF). Going forward, BRI Custodian Service is committed to continue improving service quality for individual and institutional customers, exercising prudential principles, and integrating operational systems to deliver comprehensive services to customers.

2. Financial Institution Pension Funds

BRI Financial Institution Pension Funds (BRI DPLK) is a juristic entity founded and incorporated by PT Bank Rakyat Indonesia (Persero) Tbk by BRI Board of Directors Decree No. B.140-DIR/KUI/TRY/03/2004 dated 26 March 2004. BRI DPLK Fund products are:

BRI DPLK Plan Investment

BRI DPLK offers two pension plans, namely the Defined Contribution Plan (PPIP) and Pension Plan for Severance Compensation (PPUKP). The PPIP program of BRI DPLK Fund is designed for employees, individuals, or groups/companies in which the funds are deposited directly into individual accounts and each employee is the rightful owner of the fund. Meanwhile, PPUKP is a company's reserves in case severance takes place and funds are deposited by an employer into the employer/company's account.

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Product Benefits

1. Secure

Pension funds are managed by Bank BRI, a reputable state-owned bank in Indonesia. All transactions (deposits, withdrawals, pension benefit payments) are done by overbooking to increase transaction security.

2. Largest Networks

BRI's conventional and non-conventional networks are available throughout Indonesia, ensuring customer convenience when making transactions.

3. Diverse and Prudent Investment

BRI DPLK exercises prudence when placing funds. Customers can choose between six investment options:

- Money Market DPLK
- Fixed Income DPLK
- Equity DPLK
- Combination DPLK
- Sharia Money Market DPLK
- Sharia Balance DPLK

4. Optimum Return

BRI DPLK could generate optimum return for the past years.

5. Modern Management

BRI DPLK investment management now adopts mutual funds management (unitized) with daily calculations of Net Asset Value (NAV).

6. Transparent

The results of investments are published in national newspapers Bisnis Indonesia, Investor Daily, and Seputar Indonesia, and on www.infovesta.com. All customers receive a quarterly Investment Portfolio Report.

7. Vast Cooperation Experience

BRI has experience in cooperating with more than 150 leading corporations in Indonesia.

8. Low-Cost

There are no registration fees and low administration fees.

9. Easy Balance Inquiry and Top-Up

Balance inquiries and top-ups can be easily performed at any time through BRI e-channels (ATMs, Internet Banking and Mobile Banking)

Marketing Strategy 2015

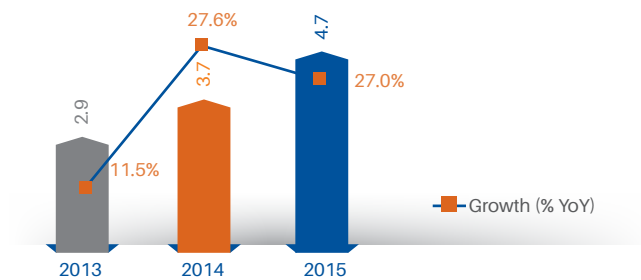
BRI conducted various marketing, socialization, and education programs on its products and services to individuals, community groups, companies, and formal and non-formal professions throughout Indonesia. Educational programs in particular were part of BRI DPLK efforts to support the OJK's financial literacy program. BRI Pension Fund also launched new Sharia investment Options at the end of 2015.

BRI Pension Funds Performance 2015

1. Economic slowdown and the sluggish performance of regional and international stock markets in 2015 also put pressure on Indonesia's capital market. Despite that, BRI Pension Fund remained solid and generated optimum return:
 - BRI Money Market DPLK return of 9.72%
 - BRI Fixed Income DPLK return of 9.41%
 - BRI Equity DPLK return of -13.98%
2. Assets Management Performance
As of 31 December 2015, BRI DPLK assets management stood at Rp4.69 trillion, rose by 26.76% compared to the same period last year. In terms of participant numbers, as of 31 December 2015, there were 131,703 participants, or 18.50% higher than the previous year. Corporate participants accounted for 150 accounts, or rose by 35.14% compared to the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

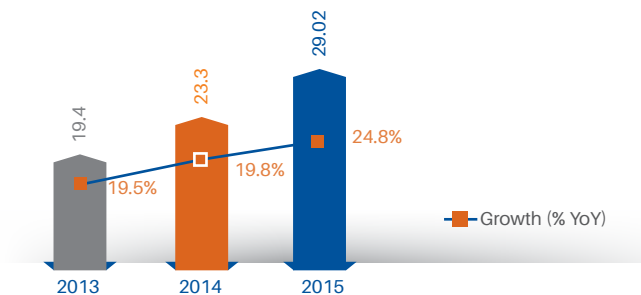
Corporate Business

**Assets Management**

(Rp trillion)

3. Fee Based Income Performance

As of 31 December 2015, BRI DPLK contributed Rp29.02 billion of fee-based income to BRI as its founder, or up 24.82% compared to the same period in 2014.

**Fee Based Income**

(Rp billion)

BRI DPLK Business Strategy 2016

BRI DPLK has a vision to become the market leader in the Pension Fund industry. It seeks to generate optimum return through prudent investment management and to have diverse participants from all layers of society - individuals working in the formal and non-formal sectors, living in urban to remote rural areas.

By optimizing its network that covers areas throughout Indonesia, BRI DPLK will continue to develop product innovations and services to cater to the needs of customers and create added value for them. BRI DPLK will develop pension fund products with insurance and set-up with a dedicated BRI DPLK website.

3. BRI Trust and Corporate Services

BRI was the first bank licensed by Bank Indonesia, by Letter No.15/19/DPB1/PB1-3 dated 12 February 2013 and reaffirmed by Letter No.15/30/DPB1/PB1-3 dated 19 March 2013, to deliver Trust Service in Indonesia. BRI utilized this opportunity by providing Trust and Non-Trust Services.

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Trust Services

Trust Services manage customers' financial assets placed in BRI for and on behalf of the customer. This activity refers to Bank Indonesia Regulation No.14/17/PBI/2012 dated 23 November 2012 concerning Bank Business Activities in the form of Trusts. Meanwhile, non-trust services is for holding customers' assets.

BRI is strongly committed to provide the best Trust services to its customers. BRI also supports the government to receive Foreign Exchange generated from Exports. As a Bank with the largest network in Indonesia, supported by e-channel facilities, BRI is able to provide optimum services for Trustee customers in terms of transaction settlement speed and ease of transaction anywhere in Indonesia.

BRI Trust Service features Payment Agents, Lending Agents, and Investment Agents; while Non-Trust Service features Paying Agents, Escrow Agents, and Security Agents.

Benefits of BRI Trust Service

- **Independent**
With experienced and professional human capital, BRI Trust Service is reliable, independent, and have no conflict of interest.
- **Control enhancement**
Customers' account and fund management by BRI Trust Service as the third party increases control and enables easy monitoring by various parties.
- **Transaction Certainty**
By entrusting account and fund management, customers' transactions take place on time, in accurate amounts, and to accurate account.
- **Simple and Efficient**
BRI Trust Service takes over the burden of administrative processes and account management monitoring, thereby customers benefit from the efficient work and simplified business process.
- **Periodic Reports as Needed**
Clarity in fund transaction is an important thing for business decision making process. BRI Trust Service is able to provide reports that meet customer's needs.
- **Comprehensive Investment Portfolio Management**
BRI Trust Service as an Investment Agent is supported by professional brokers and dealers that experienced in managing customer's investment portfolio management.

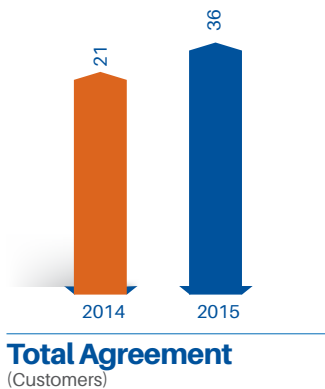
Trust Service Marketing Strategy 2015

BRI Trust and non-Trust Services is not only serve financial transactions in oil and gas projects with Production Sharing Contracts (PSCs) under the assistance of the Upstream Oil and Gas Regulatory Special Task Force (SKK Migas) and non-PSC projects.

Moreover, BRI Trust and non-Trust Services are also available for other sectors, such as infrastructure, energy, trade, and the chemical industry. Not only serving direct customers, BRI Trust Service also supports BRI's loan business, especially infrastructure, energy, and syndicated financing.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

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**BRI Trust Service Strategy 2016**

In 2016, BRI will optimize marketing and customer targeting activities, focusing on existing customers with the potential to use Trust and Non-Trust services.

4. Trustee Business**BRI Trustee Products and Services**

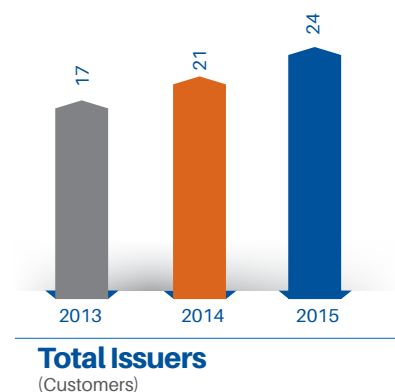
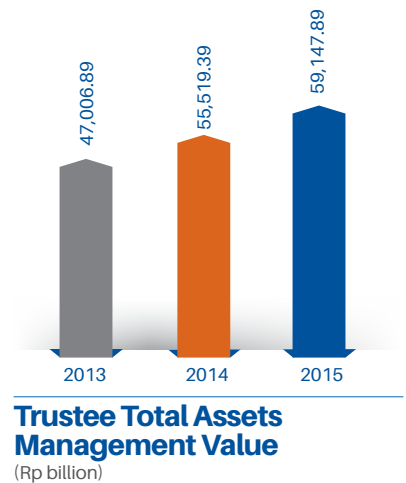
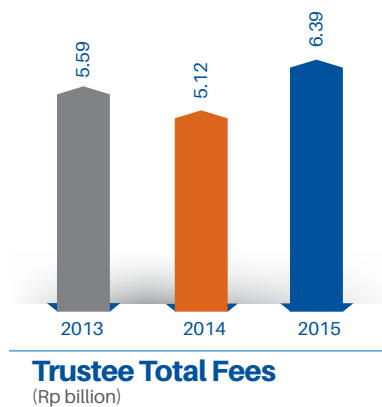
A trustee is the party representing the interests of a debt security holder in and outside of court. BRI Trustee services comprise Trusteeship, Monitoring Agents, Collateral Agents, and Paying Agents.

Presently, BRI provides Trusteeship services for Debt Security Issuance, predominantly Shelf Registration of Bonds or Sukuk

and Medium Term Notes (MTN). BRI Trustee also offers services for issuance other than shelf registration.

Benefits of BRI Trustee

BRI is highly experienced in carrying out trusteeship activities, operating since 1996. The Bank was licensed by the Finance Minister by virtue of Decision Letter No. 1554/KMK.013/1990 dated 6 December 1990 and is registered with Bapepam, under Trustee Register No. 08/STTD-WA/PM/1996 dated 11 June 1996.

BRI Trustee Assets Management and Fee-Based Income Performance 2015**BRI Trustee Business Strategy 2016**

BRI markets its trusteeship services directly, to listed companies, and indirectly to underwriters as well as to other supporting professions of the capital market.

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Corporate Business

5. BRI Syndicated Agent Service

BRI provides a Syndicated Agent Service for syndicated loans for certain government (SOE) and non-government projects in coordination with relevant business divisions. Currently, BRI manages 28 existing and new customers.

BRI Syndicated Products and Services

Syndicated Agent Services include Facility Agents, Collateral Agents, and Escrow Agents. As an Agent for a Syndicated Facility, BRI actively partakes as a syndicated loan arranger by coordinating with arrangers from other banks.

Benefits of BRI Syndicated Agent Service

- Effective and efficient; single party facilitation ensures effective and efficient administrative and operational processes of a syndicated loan.
- Independent; services are provided to meet the needs of all syndicated parties involved, without conflicts of interest.
- Experienced; experienced in handling syndicated loans for various business sectors, including infrastructure, plantations, property, telecommunications, power plants, and textiles since 1996.

- Committed; BRI is highly committed in providing funding from members of syndicated services, ensuring debtors to obtain optimum financing/capital.
- Accurate reporting; BRI provides reports as needed by syndicated members.
- Strong capital; backed by its strong capital, BRI is able to fulfill debtors' financing needs

BRI Syndicated Agent Service Fee-Based Income Performance 2015

In 2015, BRI Syndicated Agent Service generated fee-based income of Rp14.11 billion.

Syndicated Agent Business Strategy 2016

The Bank will focus on corporate customers, synergizing the service with the Corporate Business segment.

- DPLK BRI assets management grew by 27.0% at year's end to Rp4.7 trillion

CAPITAL MARKET SUPPORTING SERVICES STRATEGY 2016

- Develop a one stop service for investment services help desk, including custodian services, DPLK, Trusteeship, Trust, and Corporate Services.
- Promote custodial services for global commercial papers (global custody).
- Expand sales network for BRI Pension Investment and initiate a joint market with related divisions.

CAPITAL MARKET SUPPORTING SERVICES PERFORMANCE 2015

- Capital Market Supporting Services generated fee-based income of R74.86 billion in 2015, booked 11.4% growth
- Total bonds issuance managed by BRI as Trustee until the end of 2015 amounted to Rp59.15 trillion, increased by 6.5%
- BRI assets management under Custodian Service rose by 43.58% and reached Rp182.2 trillion in value as of the end of 2015

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Corporate Business

6. Treasury Business

Treasury Business entails asset and liability management of banking books and trading books. Specific discussions with respect to risks associated with asset and liability management in banking book portfolios are presented under the Market Risk discussion in the Risk Management Chapter.

To support services for corporate customers, BRI continues to develop Treasury products and services. BRI continuously enhances its product features and the competence of human capital across all operating units.

TREASURY MANAGEMENT 2015

Liquidity Management and Funding Diversification

In managing liquidity and diversifying fund sources, BRI has issued Negotiable Certificates of Deposits (NCD) amounting to Rp1.88 trillion in value, Rp3 trillion Senior Bonds, and USD550 million of Club Loans. The details of these issuances are available in the Bonds Summary chapter.

BRI places liquid assets with Bank Indonesia's instruments, such as Bank Indonesia Term Deposit, Bank Indonesia Certificate, and Bank Indonesia Securities with reverse repurchase agreement, and Negotiable Certificate of Deposits. The Bank manages investment structure by balancing its liquidity with optimum investment return. The Money Market Group

consistently applies the strategy that optimizes the availability of short-term liquidity excess whilst taking into account the Bank's liquidity risk.

Aside from placement with Bank Indonesia instruments, which are low risk, BRI also places assets with government and corporate securities that yield higher returns while being prudent with the risks. Until December 2015, BRI had 32 Master Repo Agreements (MRA) with other banks, including 8 pioneer banks, 18 local banks, and 6 foreign banks.

TREASURY MANAGEMENT PERFORMANCE 2015

Liquidity Management and Funding Diversification

Through the strategies, BRI was able to:

1. Maintain liquidity stability and lower the cost of funds in 2015 by applying efficient interest rates. This was shown from BRI cost of funds (COF) that declined by 23 bps from 2014 to 4.64%.
2. Optimize non-TPF funding sources to mitigate mismatches, reprise risk, and maturity gaps in long-term financing.
3. Maintain liquidity ratio, e.g. LRR, Net Open Position, Loan to Deposit Ratio and Cash Ratio in accordance with Bank Indonesia and Financial Services Authority regulations as well as BRI's internal regulation (Treasury Policy).

Transaction Services for Customers

Fluctuations of the rupiah exchange rate against foreign currencies often raise concerns among business players that engage in export and import activities. To minimize market risk related to this fluctuation, and to meet customers' needs to make transaction in foreign currencies, BRI offers foreign currency sale and purchase transactions and hedging services.

1. Hedging Services

BRI offers comprehensive services, including providing market and currency updates via email and SMS blasts. BRI provides tailored hedging solutions for customers by analyzing customers' transactions and financial conditions to ensure that hedging solutions match with customers' risks.

BRI has a number of hedging products that customers can utilize, among others Forex Forward, Forex Par Forward, Forex Swap, Cross Currency Swap, and Interest Rate Swap (which allow customers to perform hedging against exposures that could arise due to exchange and interest rate volatility).

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Corporate Business

2. Hedging Marketing Strategy

BRI organizes a Hedging Clinic to promote hedging products intensively. The Hedging Clinic opens opportunities for other business units to discuss and to learn more about BRI's hedging products. BRI also seeks to increase customers' foreign currency transactions and expands Treasury product coverage through Treasury Regional Areas available in various locations.

TREASURY BUSINESS STRATEGY 2016

1. Balanced pricing strategy will be prioritized to maintain a sound balance sheet. Optimum assets management and effective and efficient liability financing are expected to boost quality assets growth, therefore maximizing net interest income.
2. The Funding Mix strategy remains one of the key funding strategies to raise TPF and non-TPF. Low-cost funds and time deposits are the main sources to meet short-term funding needs from TPF, taking into account effective and efficient pricing. Long-term funding needs could be sourced from non-TPF, such as the issuance of bonds, MTN, and NCD that can be exercised according to business needs.
3. Carry out optimal asset allocation strategy for borrowing and non-borrowing assets, such as securities portfolio optimization and inter-bank instruments. Pricing is determined to generate optimum yield. This strategy has three specific aspects:
 - Enhance yield by re-aligning BRI's non-loan earning assets portfolio to financial instruments with higher yield, prioritizing principles of prudence.
 - Joint marketing with related BRI operating units for ORI and Sukuk Ritel.
 - Perform trading for arbitrage, market making, and proprietary, whilst maintaining prudence and trading limits.
4. Launch BRlefx Mobile to improve foreign currency transaction service quality. A web-based application available for Android and iOS platforms, BRlefx Mobile enables online foreign currency transactions any time, from any location. This application also allows customers and BRI marketing officers in regional offices to make real time transactions with the Treasury Division at the Head Office.
5. Develop currency option products for customers.
6. Improve integrated treasury product marketing to meet customers' needs, e.g. hedging transactions by utilizing BRI's operating and e-channel networks.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

PT BANK BRI SYARIAH (BRISYARIAH)



Generated profit after tax at **Rp121.18 billion** in 2015, which was a significant growth from **Rp2.82 billion** in 2014

▲ Assets grew by
19.12%
to **Rp24.23 trillion** from **Rp20.34 trillion** in 2014

▲ Third Party Funds (TPF) rose by
17.59%
to **Rp19.62 trillion** from **Rp16.71 trillion** in 2014

▲ Financing was up
6.47%
to **Rp16.61 trillion** as of the end of 2015 from **Rp15.60 trillion** in 2014

FitchRatings BRISyariah Long Term Rating:
AA+ (idn)

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Subsidiaries and Associates Performance Review

SHARE OWNERSHIP

PT Bank BRI Syariah (BRISyariah) is a subsidiary of BRI that is the majority shareholder with 99.99% share ownership.

CORPORATE CHRONOLOGY

Bank BRISyariah was established following the acquisition of PT Bank Jasa Arta on 19 December 2007. Subsequent to the issuance of Bank Indonesia permit No. 10/67/KEP. GBI/DpG/2008 dated 16 October 2008, on 17 November 2008 PT Bank Jasa Arta was changed into PT Bank BRISyariah and transformed into a commercial bank that conducts business based on sharia principles. At this point, BRISyariah was still a Sharia Business Unit under BRI.

In line with the growth of Indonesia's economy and sharia banking industry, BRI recognized the potential of sharia market in the context of banking industry, and thereafter decided to strengthen the

positioning of the Sharia Business unit. On 19 December 2008, a spin-off deed was drawn up to become effective as of 1 January 2019. This corporate action had strategic value and reflected genuine support from the parent entity to the operational activities of Bank BRISyariah. As a result of the spin-off, BRISyariah business activities grew more robust and services became more complete. BRISyariah has also been able to optimally capture opportunities and market potential, hence supporting BRI's overall performance.

COMPANY PROFILE

2015 marked the seventh year of BRISyariah operations. Throughout that time, BRISyariah has been successfully delivering outstanding performance. In terms of assets, BRISyariah is the third largest sharia bank nationally and continues to thrive in assets, financing, and third party funds. Focusing on the middle to lower segment, BRISyariah envisions of becoming

the leading modern retail bank offering sharia banking products and services. In 2015, aside from intensifying its synergy with BRI network, BRISyariah also expanded its services by launching BRISmart. With this launch, BRISyariah became the first sharia bank providing the Laku Pandai service.

COMPANY MANAGEMENT

BRISyariah is led by 5 Directors, guided by 5 Commissioners and 2 supervisors from Sharia Supervisory Board. Management composition is as follows:

BOARD OF COMMISSIONERS	
Indra Kesuma	President Commissioner
Hermanto Siregar	Independent Commissioner
Komaruddin Hidayat	Independent Commissioner
Anggito Abimanyu	Commissioner
Eko Bambang Suharno	Commissioner
BOARD OF DIRECTORS	
Mochammad Hadi Santoso	President Director
Indra Praseno	Director
Wildan	Director
Pardiman	Director
Agus Katon Eko S.	Director
SHARIA SUPERVISORY BOARD	
Didin Hafidhuddin	Chairman
Gunawan Yasni	Member

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

PRODUCTS AND SERVICES

BRISyariah products and services are important to the company's success in leading the market. With a special focus on retail, fundamental products, and services, BRISyariah is the largest contributor of funding and financing.

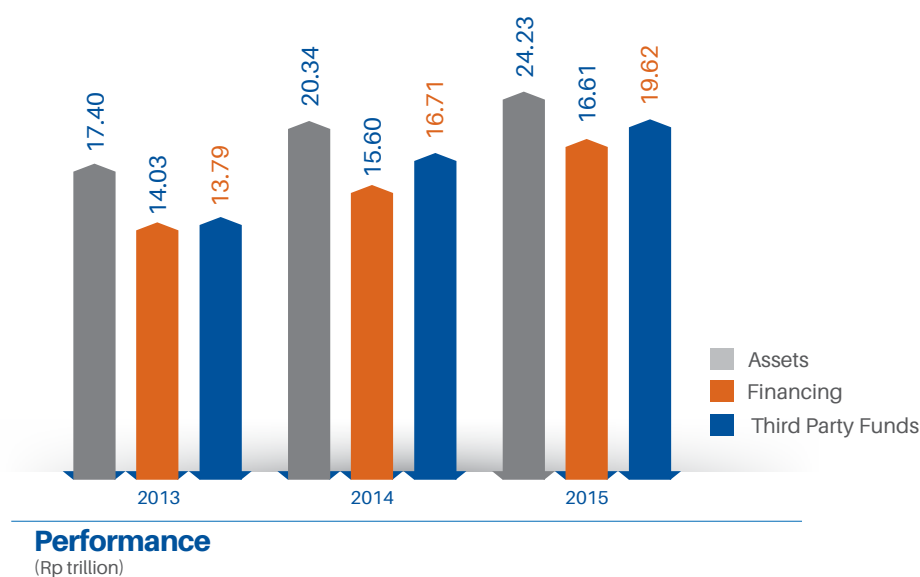
BRISyariah offers the following banking products:

1. Customer Deposits:
Faedah BRISyariah iB Savings Account, Impian BRISyariah iB Saving Account, Haji BRISyariah iB, Saving Account, BRISyariah iB Time Deposit, and BRISyariah iB Demand Deposit
2. Financing products
 - a. Micro Financing:
Mikro 25 BRISyariah iB, Mikro 75 BRISyariah iB, and Mikro 500 BRISyariah iB
 - b. Consumer Financing:
BRISyariah iB Mortgage, Mortgage BRI Sejahtera, BRISyariah iB, Multi-Purpose Loan, BRISyariah iB, Employee Benefit Program BRISyariah iB, Gold Financing BRISyariah iB, Pawn BRISyariah iB, Vehicle Loan BRISyariah iB, Multi-Purpose BRISyariah iB for Pensioners, Umrah BRISyariah iB
3. SME Partnerships
4. Commercial Financing

FINANCIAL PERFORMANCE

In 2015, BRISyariah booked significant growth despite a slowdown in the sharia banking industry in general. BRISyariah's assets grew by 19.12% to Rp24.23 trillion in 2015 compared to Rp20.34 trillion in the previous year; third party funds rose by 17.59% to Rp19.62 trillion in 2015 from Rp16.71 trillion in 2014; while financing grew by 6.47% to Rp16.61 trillion in 2015 from Rp15.60 trillion in 2014.

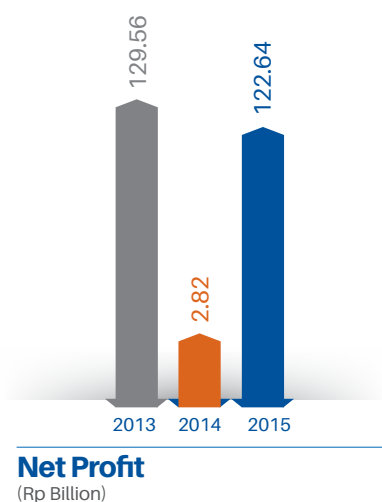
BRISyariah also recorded notable growth in profit after tax, which amounted to Rp122.64 billion in 2015 from Rp2.82 billion in 2014.



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The success of BRISyariah in delivering exceptional performance was inseparable from the past implementation of various initiatives. Consistently and continuously, BRISyariah has been developing distribution channels and introducing innovative products that meet market needs – two important elements in BRISyariah’s performance excellence. In addition to that, BRISyariah is also supported by its growing human capital in quantity and competency that was another important variable in BRISyariah’s business growth in 2015.

BRISyariah office network also grew; by the end of 2015, BRISyariah operated 52 branch offices and 208 sub-branch offices. Alternative distribution channels were established, among others Sharia Channeling Office (“KLS”).

Presently, 675 KLS units are embedded into BRI office network. BRISyariah also optimized the support of e-channel network with 504 ATMs, 1,116 EDCs, and mobile BRIS with growing features. With the launch of BRIS Internet Banking on 14 December 2014, followed by Laku Pandai on 12 December 2015, BRISyariah continues to have a strong market presence.

In terms of human capital, at the end of 2015 BRISyariah employed a total of 2,997 employees, a 9.02% increase from 2,749 employees in 2014. Employees assigned at the Head Office are focused on supporting banking operations through policy making, operational procedure formulation, and information technology development, while human capital at branch offices are focused on build strong sales organization.

BRISyariah is also a foreign exchange bank effective as of 27 December 2013. BRISyariah is also one of the banks appointed to receive deposits for haj funds in 2013-2017 by virtue of Religious Affairs Ministry Regulation No. 30 of 2013 dated 12 April 2013 concerning the appointment of BPS BPIH (Haj Funds Deposit Receiving Banks). As one of the BPS BPIH, BRISyariah is expected to continue tapping business potentials by synergizing with BRI as a transit bank in haj funds management and reaching out to a wider market.

RISK MANAGEMENT

BRISyariah risk management comprises all of the bank’s business and operational activities in compliance with regulatory standards and requirements. Risk management is performed continually and consists of identification, measurement, monitoring, and control activities according to the three lines of defense concept, which segregates responsibilities between a risk taking unit as the first line, with compliance and risk management units as the second line, and internal audits as the third line of defense.

The risk level of BRISyariah has been stable at level 2 (low to moderate). Risk level assessments consider 10 risk types according to regulations and were last carried out in 2015. This risk level indicated BRISyariah’s capability to manage its risks amidst banking growth and macro economic challenges in 2015. Risk management activities are consistently performed and the BRISyariah targets to achieve level 1 risk in the upcoming period.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

AWARDS

For its strong performance, BRISyariah received the following awards and recognitions in 2015:

1. **Digital Brand of The Year 2015**
Second Place, Savings in Islamic Commercial Banks Category - Infobank - 26 March 2015
2. **2015 Banking Services Excellence**
 - a. 3rd Best Customer Services Islamic Commercial Bank - Infobank - 04 June 2015
 - b. 3rd Best Overall Performance Islamic Commercial Bank - Infobank - 04 June 2015
3. **Customer Loyalty Award 2015**
As The Net Promotor Score (NPS) Excellence for Sharia Banking Category - SWA - 25 Februari 2015
4. **Indonesia Middle Class Brand Champion 2015**
 - a. Customer Choice 2015, Sharia KPR Product Category - SWA, MCI, Inventure - 11 June 2015
 - b. Customer Choice 2015, Sharia Savings Product Category - SWA, MCI, Inventure - 11 June 2015
5. **Indonesia Wow Brand 2015**
Bronze Champion, Savings Account Islamic Bank Category - Markplus - 10 September 2015
6. **Indonesia Service Excellence Award 2015**
Bronze Champion, Islamic Bank Regional Category for Sulampapua, Java, Bali, Kalimantan, Sumatra, - Markplus - 10 September 2015
7. **Marketing Award 2015**
Predicate Excellent, Marketing Campaign Category - Marketing Magazine
8. **2015 Satria Brand Award**
Sharia Bank Category - Suara Merdeka

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Subsidiaries and Associates Performance Review

PT BANK RAKYAT INDONESIA AGRONIAGA TBK (BRIAGRO)



Booked **35.48%** growth
in net profit after tax to
Rp80.49 billion

▲ Loans grew by 28.76%
to

Rp6.04 trillion

▲ Third party funds up 31.80%
to

Rp6.86 trillion

Assets grew by **30.93%**
to **Rp8.36 triliun** from
Rp6.39 triliun in 2014

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

SHARE OWNERSHIP

PT Bank Rakyat Indonesia Agroniaga Tbk (BRIAGRO) is a subsidiary of BRI that is the majority shareholder with 87.23% share ownership. Dana Pensiun Perkebunan owns 9.10% shares and the public owns 3.67% shares.

SHARELISTING CHRONOLOGY

- **1989:** PT Bank Agroniaga established on 27 September with Dana Pensiun Perkebunan (Dapenpun) as the majority shareholder, focusing on the agribusiness sector.
- **2003:** PT Bank Agroniaga listed its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange and became PT Bank Agroniaga, Tbk with ticker code AGRO. It enhanced its status as a foreign exchange bank in 2006.
- **2011:** On 3 March, BRI acquired shares of Bank Agro and became the Controlling Shareholder with 88.65% ownership.
- **2012:** Post acquisition, on 10 October BRI reinforced its synergy with Bank Agro and changed the company's name into PT Bank Rakyat Indonesia Agroniaga Tbk, or BRIAGRO.

COMPANY PROFILE

As a national foreign exchange bank, the vision of BRIAGRO is to focus its banking services on agribusiness financing, such as plantations, fisheries, agriculture, and the processing of related products.

COMPANY MANAGEMENT

BOARD OF COMMISSIONERS	
Bambang Soepeno	President & Independent Commissioner
Achmad Fachmi	Independent Commissioner
Roswita Nilakurnia	Commissioner
Zainuddin Mappa	Commissioner
BOARD OF DIRECTORS	
Heru Sukanto	President Director
Mustari Damopoli	Director
Zuhri Anwar	Director
Sahala Manalu	Director
Sudarmin Sjamsoe	Director

OPERATIONAL NETWORK AND HUMAN CAPITAL

Until the end of 2015, BRIAGRO operated 16 branch offices and 17 sub-branch offices in Greater Jakarta, Surabaya, Medan, Pekanbaru, Bandar Lampung, Jambi, Bandung, Semarang, Rantau Prapat, Makassar, and Balikpapan. BRIAGRO also has in place 3 cash offices and 35 owned-operated ATM networks.

In 2015, BRIAGRO was supported by 398 employees with diverse educational backgrounds valuable for the bank's core business.

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Subsidiaries and Associates Performance Review

MARKETING STRATEGY

Addressing tough competition in the banking industry to raise third party funds, BRIAGRO came up with an initiative to develop and market savings and time deposit products that fit the customers' needs.

BRIAGRO launched "Ayo Bergoyang" program to acquire and retain customers of Savings and Time Deposit products with direct prizes. For the placement of fresh funds, according to the amount and placement period, customers are eligible to win direct prizes.

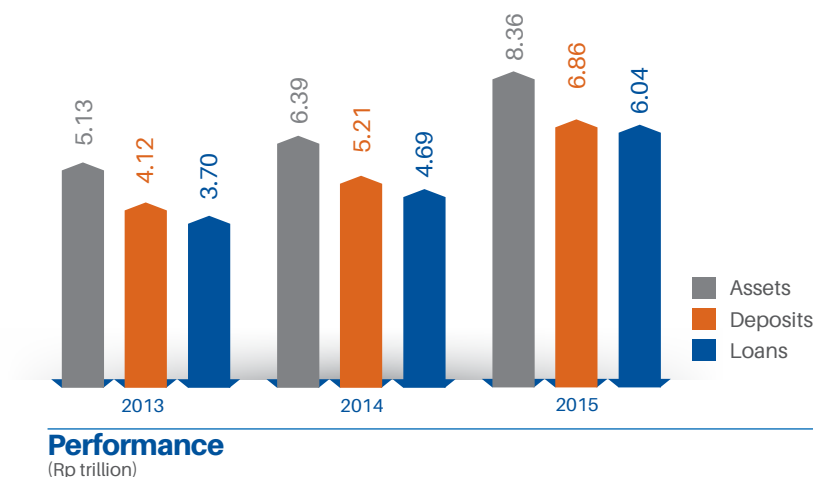
PRODUCTS AND SERVICES

BRIAGRO Infiniti Savings is a savings product for customers that prefer to choose interest rates. BRIAGRO designed the Infiniti Savings product specifically so that customers may benefit from optimum returns and enjoy the flexibility of savings products. Synergizing with its parent company, BRIAGRO also enhanced a facility for customers to use their ATM cards across the entire BRI ATM network.

FINANCIAL PERFORMANCE

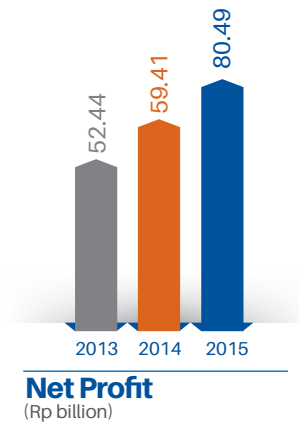
BRIAGRO recorded a satisfying performance in 2015. Despite unfavorable economic and agribusiness sector conditions, BRIAGRO was able to grow its assets by 30.93% from Rp6.39 trillion in 2014 to Rp8.36 trillion. BRIAGRO also increased the volume of credit it disbursed by 28.76% to Rp6.04 trillion. This success was complemented by 31.80% growth of third party funds, amounting to Rp6.86 trillion. At the end of the year, BRIAGRO's net profit after tax amounted to Rp80.49 billion, or up 35.48%.

With the increase in profits, BRIAGRO was able to maintain return on assets (ROA) at 1.55%. In terms of capital adequacy, BRIAGRO's CAR stood at 22.12%, higher than 19.06% in 2014, with LDR at 87.15%.



MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

**RISK MANAGEMENT**

Risk management is important for BRIAGRO to carry out business with measurable risk levels. External and internal banking environments are growing rapidly, increasing the complexity of banking business risks, especially in terms of banking products and services, and augmenting risk exposure as well as bank's risk profile.

BRIAGRO risk management is performed continually and consists of identification, measurement, monitoring, and control activities according to the three lines of defense concept, which segregates responsibilities between a risk taking unit as the first line, with compliance and risk management units as the second line, and internal audit as the third line of defense.

At the end of 2015, based on assessments of 8 risk types as required by the regulator, BRIAGRO recorded level 3 risk (moderate). This indicated that BRIAGRO risk management was fairly good and was in line with business growth and macro-economic challenges in 2015. BRIAGRO will continue improve its risk management in subsequent years to achieve level 1 risk (low).

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Subsidiaries and Associates Performance Review

BRI REMITTANCE CO.LTD



▲ Assets grew by
Rp886 million

▲ Total assets amounted to
Rp5.83 billion

Remittance transactions grew by **48.52%** to **Rp135.97** billion from **Rp91.55 billion** in the previous year

▲ Booked net profit of
Rp462.18 million.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

SHARE OWNERSHIP

Following acquisition on 11 October 2012 from BRI Pension Fund, BRI became the controlling shareholder of BRI Remittance Co. Ltd (BRC) that owns 100% of BRC shares. Prior to the acquisition, BRIIngin Remittance Company Limited was established on 7 April 2005 in Hong Kong, with 100% share ownership by PT BRIIngin Jiwa Sejahtera (BJS), a subsidiary of Dana Pensiun BRI.

COMPANY PROFILE

BRC's core business is Remittance, namely fund transfers from an originator to a beneficiary. BRC is committed to serve Indonesian migrant workers in Hong Kong by providing flexible, accurate, secure, and reliable remittance services.

BRC ran several outlets in IMW in Causeway Bay, Sugar Street, Tsuen Wan and Yuen Long. BRC implemented BRIFAST from BRI that is integrated online with more than 10,000 BRI operating units. The integration of BRI Remittance system with BRI operating units is a competitive advantage of BRI Remittance, which speeds up remittance services to and from Hong Kong.

COMPANY MANAGEMENT

BOARD OF DIRECTORS	
Gigieh Perkasa	Executive Director
Roby Firmansjah	Non-Executive Director

PRODUCTS AND SERVICES DEVELOPMENT 2015

- Launch of BRI Remittance Android Application available via Google Play Store in August 2015.
- Cooperated with Asia Telecom for payment gateway to serve customers that domiciled far from BRC outlets. This service is now available at more than 900 7-Eleven outlets in Hong Kong.
- With these developments, customers can easily receive instructions through BRI Remittance Android Application and make payments via 7-Eleven outlets, therefore increasing remittance transactions will be continue.

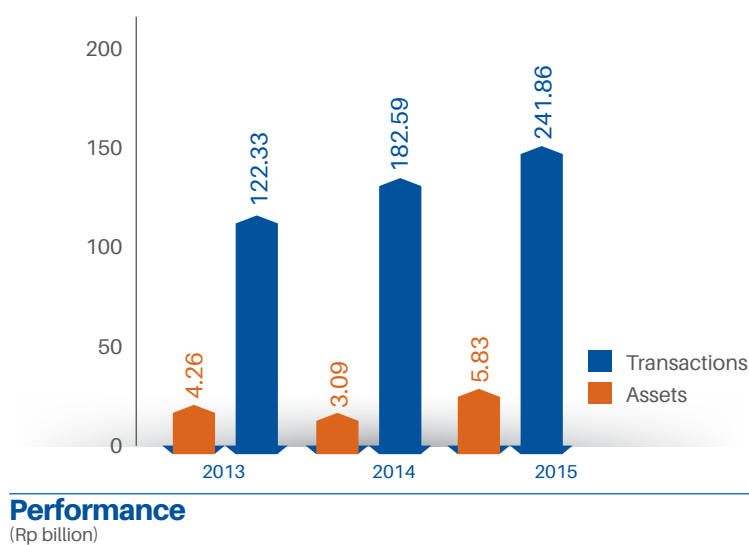
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FINANCIAL PERFORMANCE

In 2015, BRC assets stood at Rp5.83 billion or grew by 17.91% from Rp4.95 billion last year, while net profits stood at Rp462.18 million. This growth was driven by an increase in remittance transactions by 48.52% from Rp91.55 billion to Rp135.97 billion.



BRC RISK MANAGEMENT

BRC business activities are exposed to liquidity risk, interest rate risk, and exchange rate risk. To address these risks, BRC applies risk management and mitigation policies, which include continuous risk identification, measurement, monitoring, and control. BRC consistently monitors its entire business activities to meet its targets.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

PT ASURANSI JIWA BRINGIN JIWA SEJAHTERA (BJS)



Through EGMS on 14 December 2015, BRI acquired shares of PT Asuransi Jiwa Bringin Jiwa Sejahtera

▲ Total acquisition value was equal to
1.69 times
of book value

▲ Until the end of 2015,
41
conventional sales offices were established

Total assets stood at
Rp5.04
trillion

▲ Until end of 2015, BJS operated
11
sharia sales offices

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SHARE OWNERSHIP

PT Asuransi Jiwa Bringin Jiwa Sejahtera was established by BRI Pension Fund on 28 October 1987. The EGMS on 14 December 2015 approved Bank BRI acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera or BJS shares with acquisition value equal to 1.69 times of book value as of June 2015.

Following the acquisition from BRI Pension Fund, BRI became the controlling shareholder of PT Asuransi Jiwa Bringin Jiwa Sejahtera with 91.00% share ownership. Yayasan Kesejahteraan Pekerja (YKP) of Bank BRI owns the remaining 9.00% shares.

COMPANY PROFILE

BJS, or Bringin Life, was initially established to meet the needs and to complete services for BRI customers – especially small loan customers – by providing Credit Life Insurance. Bringin Life is now expanding its market and services outside BRI by offering insurance to the general market, individuals and groups.

COMPANY MANAGEMENT

BOARD OF COMMISSIONERS	
Ali Mudin	President Commissioner
M. Ridwan Rizqi R. Nasution	Independent Commissioner
Sony Harsono Widyo Santoso	Commissioner
BOARD OF DIRECTORS	
Nandi Hamaki	Acting President Director
Sugeng Sudibjo	Director

OPERATIONAL NETWORK AND HUMAN CAPITAL

In 2015, BJS operated 41 conventional sales offices and 11 sharia sales offices located in a number of Indonesian cities: Jakarta, Bekasi, Tangerang, Bogor, Bandung, Tasikmalaya, Cirebon, Tegal, Purwokerto, Semarang, Surakarta, Yogyakarta, Surabaya, Kediri, Jember, Sidoarjo, Malang, Denpasar, Gianyar, Lampung, Medan, Pekanbaru, Jambi, Palembang, Batam, Makassar, Kendari, Manado, Palu, Balikpapan, and Banjarmasin. BJS also had 6 service channeling office (SCO) in Jakarta, Bandung, Semarang, Yogyakarta, Surabaya, and Malang.

In its 27th year, BJS is now widely known as the leading National Life and Health Insurance provider with 1,875 sales officers ready to help customers with financial planning suitable with their needs.

PRODUCTS AND SERVICES DEVELOPMENT 2015

BJS has a wide range of insurance products to meet different market needs, which are: AJK, Individual insurance, Corporate insurance, DPLK, Sharia, Bancassurance, and Micro insurance. Seeing ample opportunity in the insurance business, in 2015 BJS focused on developing Life Insurance, Health, Pension Fund, Personal Accident, Annuity, and Retirement plans.

MANAGEMENT DISCUSSION AND ANALYSIS ◀

Subsidiaries and Associates Performance Review

FINANCIAL PERFORMANCE

Financial Highlights (Rp Million)	2014	2015	YoY
Balance Sheet			
Total Assets	4,629,821	5,038,764	8.8%
Total Investments	4,010,172	4,272,640	6.5%
Total Non Investments	619,649	766,124	23.64%
Liabilities	3,475,992	3,687,571	6.09%
Equity	1,153,829	1,351,193	17.10%
Profit/Loss Statements			
Insurance Premium Income – Gross	1,887,238	2,419,916	28.2%
Earn from Investments	371,671	205,123	(44.81%)
Insurance Premium Expenses	(1,480,497)	(1,726,609)	16.6%
Operating Expenses	(445,461)	(386,042)	(13.34%)
Net Profit	401,809	409,824	1.99%

RISK MANAGEMENT

Risk management system in BJS is applied through organs and activities that ensure monitoring effectiveness and through various preventive measures to avoid any losses that could disrupt business activities. Risk management function in BJS is implemented through:

1. Financial transaction monitoring by implementing the Know Your Customer principle
2. Monitoring of the company's internal activities by the Internal Control Unit
3. Establishment of committees with respect to the company's investments

BUSINESS DEVELOPMENT STRATEGY

As BJS' new shareholder, BRI is confident to bring BJS as Indonesia's Biggest Number of Policy Holders and the Biggest Micro Insurance Provider within the next 3 years. To that end, BRI focuses on two strategies:

1. Harnessing BRI's competitive advantages, which include brand awareness, customer base and networks as well as established bancassurance business model.
2. Internal revamp to boost the company's competitiveness through better products, IT use, and implement prudence principles in each operational process.

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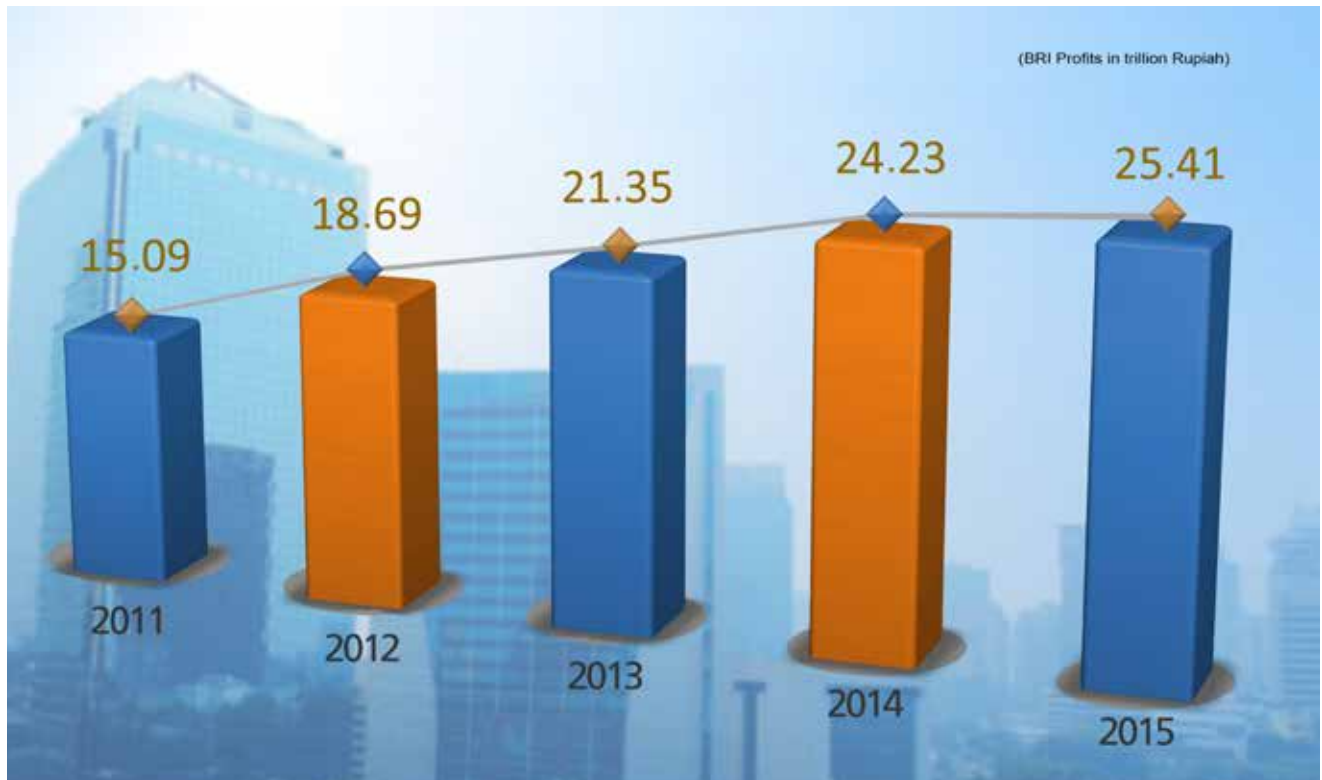
Subsidiaries and Associates Performance Review

LIST OF SUBSIDIARY ADDRESS

Company Name	Address
1. PT Bank BRISyariah	Jl. Abdul Muis No. 2-4 Jakarta Pusat 10160, Indonesia Phone : +6221-3450556, 34502227 Fax : +6221-2316064 Website : www.brisyariah.co.id
2. PT Bank BRI Agroniaga Tbk	Plaza Agro, Jl. HR Rasuna Said Blok X2 No. 1, Jakarta 12950, Indonesia Phone : +6221-5262570 Fax : +6221-5262559, 5262653 Website : www.briagro.co.id
3. BRI Remittance Company Limited	Lippo Centre, Tower 11, 89 Queensway, Admiralty, Hong Kong Phone : +852-25271318 Fax : +852-28613693 Website : www.briremittance.com
4. PT Asuransi Jiwa Bringin Jiwa Sejahtera	Graha Irama Lt.2,5,7,11 & 15, Jl. HR Rasuna Said Blok X-1 Kav 1 & 2, Jakarta 12950, Indonesia. Phone : +6221- 5261260, 5261261 Fax : +6221- 5261258, 5261472 Website : www.bringinlife.co.id

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Financial Review



“

In 2015, BRI sustained its position as the Bank with the largest profits since 2005. BRI's consolidated net income in 2015 increased by 4.9% from Rp24.23 trillion in 2014 to Rp25.41 trillion.

”

This sub-chapter presents analysis and discussion on BRI's financial performance. The presentation of financial performance complies with the Indonesian Statement of Financial Accounting Standards (SFAS) as well as the Accounting and Reporting Guidelines for the Indonesian Banking Industry. At the end of this analysis, BRI also presents a brief overview on the performance of its subsidiaries, as an integral and inseparable part of the Bank's financial performance.

The content of the following analysis refers to BRI Consolidated Financial Statements audited by Purwantono, Sungkoro dan Surja (PSS-EY) Public Accountant Firm, in accordance with Independent Auditor Report No. RPC-250/ PSS/2016 dated 29 January 2016, which concluded that BRI's consolidated financial statements have been presented fairly in all material respects. BRI's Audited Consolidated Financial Statements are attached to this Annual Report.

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INCOME STATEMENTS

Although economic condition was not favorable, BRI was able to record robust financial performance. The 2015 performance was achieved by several indicators, among others loan quality that outperformed the industry average, an increase in loans outstanding, stable loan composition, and lower cost of funds.

Last year, BRI also upheld its position as the bank with the largest profits – a reputation that has been maintained since 2005. In 2015, BRI booked an increase of 4.9% in consolidated net income from Rp24.23 trillion in 2014 to Rp25.41 trillion.

Income Statements	In Million Rp			Growth (%)	
	2013	2014	2015	2013-2014	2014-2015
Interest Income	57,720,831	73,065,777	83,007,745	26.58	13.61
Profit Sharing - Sharia	1,740,253	2,056,436	2,426,292	18.17	17.99
Less: Interest Expenses	(15,354,813)	(23,679,803)	(27,154,270)	54.22	14.67
Interest Income and Profit Sharing - Net	44,106,271	51,442,410	58,279,767	16.63	13.29
Other Operating Income	8,348,459	9,299,140	12,409,041	11.39	33.44
Allowance for Written- Off Impairment Losses on Financial and Non-Financial Assets - Net	(3,947,875)	(5,721,905)	(8,891,305)	44.94	55.39
(Expense) Reversal for Net Estimated Commitment and Contingencies - Net	191	(175)	(844)	(191.62)	382.29
Reversal for Net Allowance for Impairment Losses on Non-Financial Assets - Net	1,309	2,721	(8,056)	107.87	(396.07)
Less: Other Operating Expenses	(22,380,778)	(26,715,275)	(31,275,696)	19.37	17.07
Operating Income	26,127,557	28,306,916	30,512,907	8.34	7.79
Non-Operating Income - Net	1,782,489	2,497,196	1,981,111	40.10	(20.67)
Income Before tax	27,910,066	30,804,112	32,494,018	10.37	5.49
Tax Expenses	(6,555,736)	(6,577,511)	(7,083,230)	0.33	7.69
Net Income Before Extraordinary Items	21,354,330	24,226,601	25,410,788	13.45	4.89
Net Income	21,354,330	24,226,601	25,410,788	13.45	4.89

Income Statements	In Million Rp			Growth (%)	
	2013	2014	2015	2013-2014	2014-2015
Net Income	21,354,330	24,226,601	25,410,788	13.45	4.89
Other Comprehensive Income - Net After Tax	(1,437,676)	254,919	(538,658)	(117.73)	(311.31)
Comprehensive Income of the Year	19,916,654	24,481,520	24,872,130	22.92	1.60

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INTEREST INCOME

BRI's efforts to keep and maintain loan quality and portfolio composition, predominantly occupied by Micro Loans, drove the growth of interest income (including sharia profit sharing) by 13.7% from Rp75.12 trillion in 2014 to Rp85.43 trillion in 2015.

Loans and securities were the largest contributors to interest income with 86.7% and 7.1% contributions, respectively. The contributions were also reflected in their positions in the Bank's portfolio, where loans and securities respectively accounted for 74.3% and 25.2% of Earning Assets. The following table presents the composition of interest income in detail:

Interest Income	In Million Rp					
Component	2013		2014		2015	
	Million Rp	%	Million Rp	%	Million Rp	%
Loans	52,117,514	87.65	65,930,652	87.76	74,106,341	86.74
Government Bonds (Recapitalization Bonds)	163,117	0.27	245,878	0.33	242,511	0.28
Securities	2,684,034	4.51	3,458,555	4.60	6,045,007	7.08
Placements with Other Banks and Bank Indonesia	1,330,426	2.24	1,372,015	1.83	1,174,692	1.38
Demand Deposits with Bank Indonesia	190,842	0.32	222,584	0.30	247,729	0.29
Others	1,234,898	2.08	1,836,093	2.44	1,191,465	1.39
Sharia	1,740,253	2.93	2,056,436	2.73	2,426,292	2.84
Total Interest Income	59,461,084	100	75,122,213	100	85,434,037	100

In 2015, the position of interest income from earning assets other than loans rose by 23.3% or amounting to Rp11.33 trillion. While this particular component recorded significant growth, the contribution of interest income from loans was relatively stable at 86.7% in 2015 from 87.8% in the previous year. This was due to higher interest income from earning assets other than loans and the stable composition of high-yield loans.

To maintain interest income growth in 2015, taking into account the economic sluggishness, BRI's strategy was to carry out consistent expansion in the micro segment, maximizing business potential of the corporate segment through selective loan disbursement especially in the energy, infrastructure, and agribusiness sectors.

To drive sustainable growth of net interest income, BRI also improved asset quality by adopting stricter credit risk mitigation steps and accelerating the process to resolve non-performing loans (NPL) by way of loan restructuring or loan settlement.

INTEREST EXPENSES

Interest expenses in 2015 grew by 14.7% year-on-year (YoY) from Rp23.68 trillion in 2014 to Rp27.15 trillion. This growth was far lower than the 2014 increase of 54.22% YoY and in line with contracted growth of Third Party Funds from 23.41% in 2014 to 7.50% in 2015.

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Interest Expenses	In Million Rp					
Component	2013		2014		2015	
	Million Rp	%	Million Rp	%	Million Rp	%
Time Deposits	9,435,407	61.45	16,743,689	70.71	18,929,633	69.71
Savings	2,255,230	14.69	2,612,080	11.03	2,897,531	10.67
Demand Deposits	1,266,686	8.25	1,283,499	5.42	1,260,610	4.64
Deposits From Other Banks and Other Financial Institutions	188,156	1.23	460,538	1.94	911,961	3.36
Securities Issued	99,948	0.65	212,714	0.90	558,479	2.06
Securities Sold with Repurchase Agreements	-	-	83,881	0.35	239,564	0.88
Borrowings	222,277	1.45	123,615	0.52	335,113	1.23
Subordinated Loans	220,786	1.44	215,292	0.91	3,225	0.01
Others	901,733	5.87	949,671	4.01	1,004,984	3.70
Sharia Expenses	764,590	4.98	994,824	4.20	1,013,170	3.73
Total Interest Expenses Income	15,354,813	100	23,679,803	100	27,154,270	100

The lower increase in Interest Expenses was also due to an increase in Low Cost Fund composition from 52.5% to 57.8%, improved banking liquidity, and the lowered BI Rate that changed from 7.75% to 7.50% in February 2015. Taking these dynamics into account, the cost of funds also dropped by 4.38% in 2014 to 4.24% in 2015.

In its medium and long-term strategies, BRI aims to maintain its low-cost fund ratio above 55% of the total Third Party Funds. This is to be achieved by focusing on transaction

banking business that targets the Corporate segment (Wholesale Funding). Therefore, at the end of 2015 BRI established a new unit, Transaction Banking Division.

NET INTEREST INCOME

At the end of the financial year 2015, BRI booked Rp58.28 trillion of net interest income, or grew by 13.3%, though lower compared to net interest income growth in 2014 at 16.63%. As clarified above, the notable growth of net interest income was driven by a lower increase in interest expenses, due to an increase in the low-cost fund ratio.

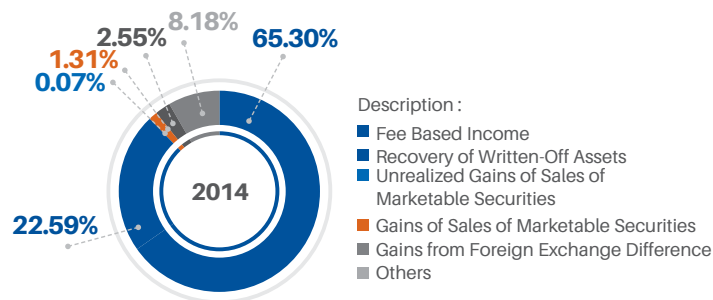
OTHER OPERATING INCOME

Other Operating Income rose by 33.4% in 2015, from Rp9.29 trillion in 2014 to Rp12.41 trillion in 2015. Based on the other operating income structure, fee-based income was the main driver with 59.3% contribution.

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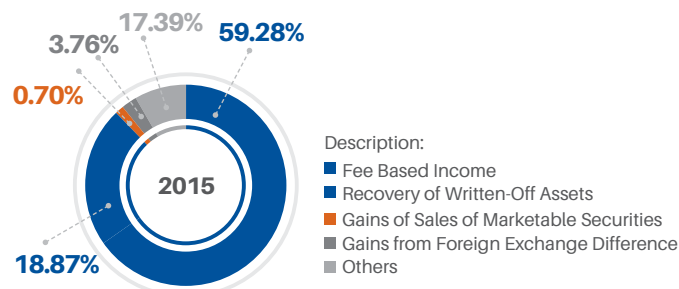
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Other Operating Income	In Million Rp					
Component	2013		2014		2015	
	Million Rp	%	Million Rp	%	Million Rp	%
Fee Based Income	4.862.438	58.24	6.072.460	65.30	7.355.973	59.28
Recovery of Written-Off Assets	1.948.158	23.34	2.100.676	22.59	2.341.945	18.87
Unrealized Gains of Sales of Marketable Securities and Government Recapitalization Bonds - Net	-	-	6.400	0.07	-	-
Gains of Sales of Marketable Securities and Government Recapitalization Bonds - Net	78.252	0.94	121.575	1.31	86.485	0.70
Gains from Foreign Exchange Difference - Net	477.524	5.72	237.304	2.55	467.167	3.76
Others	982.087	11.76	760.725	8.18	2.157.471	17.39
Total Other Operating Income	8.348.459	100	9.299.140	100	12.409.041	100



Other Operating Income Composition

(%)



Other Operating Income Composition

(%)

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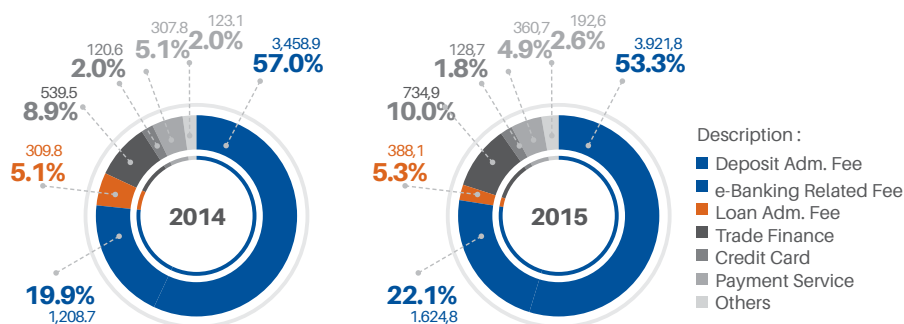
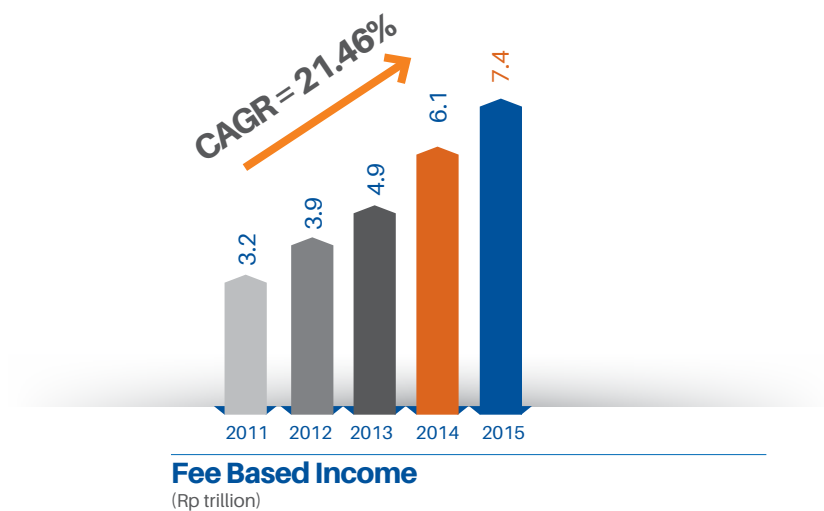
FEE-BASED INCOME

As of 31 December 2015, BRI booked 21.14% YoY growth of fee-based income (FBI). The FBI contribution to total income has also been continuously increasing in the past five years; in 2015, the contribution grew by 7.63% amounting to Rp7.35 trillion from 7.37% contribution in 2014 amounting to Rp6.07 trillion.

FBI's largest contribution in 2015 derived from deposit administration fees, which accounted for 53.3% or Rp3.92 trillion of total FBI – a slight decrease from 57.0% in 2014. This decrease was offset by 22.1% increase in e-banking contribution amounting to Rp1.62 trillion in 2015, from 19.9% or Rp1.21 trillion in 2014.

Currently, FBI's contribution to total income is less than 10% as BRI has raised substantial income

from interest. To drive FBI, BRI will also develop its service business and make it one of the Bank's main sources of income. To this end, and aligned with the Bank's vision of becoming the biggest national payment bank, the strategy is, among others to retain a focus on e-banking services in the Retail segment, and develop Transaction Banking services in the Corporate segment (wholesale).



Other Operating Income Composition

(Rp billion/%)

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RECOVERY OF WRITTEN-OFF ASSETS (RECOVERY INCOME)

The domestic economy in 2015 was quite volatile. However, BRI succeeded in increasing recovery income by 11.5% YoY from Rp2.10 trillion in 2014 to Rp2.34 trillion in 2015, therefore maintaining a recovery rate at 30-33%.

Aside from recovery income derived directly from customers, BRI also generated recovery income of Rp1.45 trillion from lending insurance companies that insured micro business loans under KUR and Kupedes Rakyat products. This income was recognized under Non-Operating Income.

OTHER OPERATING EXPENSES

Realizing the limited room for business growth in 2015, BRI strengthened its focus on operational efficiency and on operating expense increases. At the end of 2015, BRI booked other operating income of Rp31.27 trillion, or up 17.07% compared to Rp26.72 trillion in 2014. This was due to the following factors:

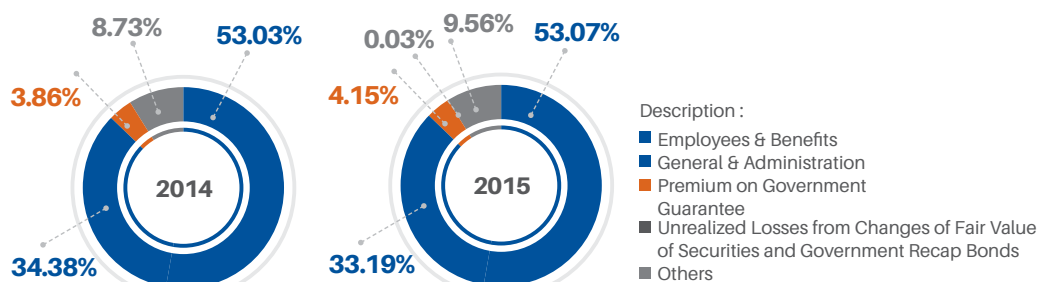
- Disbursement of Kupedes Rakyat and micro business KUR loans, where the Cost of Insurance for Credit Loss was booked as Other Operating Expense. The expense for new KUR insurance premiums, disbursed starting mid August 2015, was payable by the loan disbursement bank.
- OJK premium rose from 3 bps in 2014 to 4.5 bps in 2015.
- Employee expenses with respect to social and health security coverage BPJS started in 2015. This expense item was applicable to all employees – permanent, contract, and outsourced, totaling 130,000 employees.

Other Operating Expenses	In Million Rp					
Component	2013		2014		2015	
	Million Rp	%	Million Rp	%	Million Rp	%
Employees and Benefits	12,231,994	54.65	14,166,422	53.03	16,599,158	53.07
General and Administration	7,518,886	33.60	9,184,155	34.38	10,380,547	33.19
Premium on Government Guarantee	911,957	4.07	1,030,657	3.86	1,296,475	4.15
Unrealized Losses from Changes of Fair Value of Securities and Government Recap Bonds - Net	13,208	0.06	-	-	10,945	0.03
Others	1,704,733	7.62	2,334,041	8.73	2,988,571	9.56
Total Other Operating Expenses	22,380,778	100	26,715,275	100	31,275,696	100

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Other Operating Expenses Composition

(In %)

PRE-PROVISIONING OPERATING PROFIT

Pre-Provisioning Operating Profit (PPOP) indicates a bank's ability to yield operating profits (profitability). As of 31 December 2015, BRI booked PPOP of Rp17.07 trillion, up 15.83% from Rp28.36 trillion in 2014.

PROVISIONING (CREDIT COST)

BRI realized that loan quality was a challenge, and would remain so in the subsequent year (2016), which was reflected in the increase of Non-Performing Loans (NPL) ratio from 1.78% in 2014 to 2.10% in 2015. To maintain prudence, BRI opted to increase the allowance for credit loss. Consequently, the credit cost rose by 55.59% from Rp5.72 trillion in 2014 to Rp8.90 trillion in 2015, or annual credit cost at around 1.6% to 1.7%. With this increase in provisioning, BRI was able to maintain the NPL coverage ratio at approximately 150% at the end of 2015.

INCOME TAX

In line with the increase of income, in 2015 BRI's tax income grew by 7.69% to Rp7.08 trillion. In accordance with the applicable regulations, BRI applied the requirement of a flat tax tariff at 20%.

PROFIT FOR THE YEAR

Taking into account the income tax, profit for the year in 2015 was Rp25.41 trillion, up 4.89% from Rp24.23 trillion in 2014.

NET INCOME

In 2015, BRI booked net income of Rp25.41 trillion, or up 4.89% from Rp24.23 trillion in 2014. This growth of net income showed healthy banking performance considering the challenging economic conditions in 2015 coupled with a deficit in the state budget as well as pressure from the global economy.

OTHER COMPREHENSIVE INCOME (EXPENSES)

BRI's other comprehensive expenses in 2015 amounted to Rp538.6 billion. This was due to unrealized losses of securities and government recapitalization bonds not available for sale totaling Rp1.26 trillion.

TOTAL COMPREHENSIVE INCOME

Taking the comprehensive expenses into account, BRI's total comprehensive income in 2015 amounted to Rp24.87 trillion, rose by 1.60% from the 2014 position of Rp24.48 trillion.

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FINANCIAL POSITION

ASSETS

Summary of Balance Sheet	Assets Composition			In Million Rp	
	2013	2014	2015	Growth (%)	
				2013-2014	2014-2015
Cash	19,171,778	22,469,167	28,771,635	17.20	28.05
Current Account with Bank Indonesia	40,718,495	51,184,429	61,717,798	25.70	20.58
Current Account and Placements with Other Banks - Net	45,742,003	72,615,882	58,570,756	58.75	(19.34)
Marketable Securities - Net	66,039,800	133,700,040	132,999,555	102.45	(0.52)
Government Recapitalization Bonds	4,511,419	4,303,596	3,815,958	(4.61)	(11.33)
Loans	448,344,856	510,696,841	581,094,544	13.91	13.78
Allowance for Impairment Losses -/-	(15,418,096)	(16,162,795)	(17,514,435)	4.83	8.36
Investments - Net	222,851	251,573	269,130	12.89	6.98
Fixed Assets - Net	3,972,612	5,917,470	8,039,280	48.96	35.86
Derivative Receivables - Net	4,981	536	-	(89.24)	(100)
Acceptance Receivables - Net	3,679,684	6,525,688	5,163,471	77.34	(20.87)
Deferred Tax	2,188,506	1,688,872	1,983,774	(22.83)	17.46
Other Assets	7,004,037	8,792,891	13,514,846	25.54	53.70
Total Assets	626,182,926	801,984,190	878,426,312	28.09	9.53

In 2015, BRI's assets grew by 9.5% from Rp801.98 trillion in 2014 to Rp878.43 trillion in 2015, in line with 8.5% increase in cost funds.

ASSETS COMPOSITION

Assets growth was mainly driven by the increase in loans outstanding from Rp510.70 trillion in 2014 to Rp581.09 trillion. With this growth, loan composition in Gross Earning Assets rose from 70.1% to 74.3%.

To enhance assets productivity, other than supported by Rp57.8 trillion of cost funds, the growth of Rp70.4 trillion in loans outstanding derived from the re-allocation of non-loan Earning Assets.

LOANS

In 2015, BRI booked loans outstanding of Rp70.40 trillion, achieving year-on-year growth of 13.8%. Loan growth was primarily contributed by the Micro segment amounted to Rp24.37 trillion and Corporate segment at Rp25.05 trillion. This was in line with BRI's commitment to develop micro and small businesses also maximize the potential business related to domestic infrastructure projects.

While Corporate segment booked significant year-on-year growth of 19.09%, BRI's loan portfolio was relatively similar to the 2014 portfolio. The combined proportion of loans outstanding from Corporate

and SOE segments stood at 27.7%, indicating stable loan productivity in 2015. Meanwhile, the MSME loan portfolio to total loans was also maintained at 72.32%.

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Segment	Loans by Currency			In Million Rp	
	2013	2014	2015	Growth (%)	
				2013-2014	2014-2015
Micro + Program	142,266,742	164,054,180	188,428,179	15.31	14.86
Rupiah	142,266,742	164,054,180	188,428,179	15.31	14.86
Foreign Currency	-	-	-	-	-
Retail	181,854,338	199,828,590	219,785,772	9.88	9.99
Rupiah	171,286,336	190,408,020	212,380,275	11.16	11.54
Foreign Currency	10,568,002	9,420,570	7,405,497	(10.86)	(21.39)
Corporate	110,195,386	131,214,518	156,266,587	19.07	19.09
Rupiah	72,495,929	85,636,668	105,359,977	18.13	23.03
Foreign Currency	37,699,457	45,577,850	50,906,610	20.90	11.69
Total Non-Financing Loans and Sharia Receivables	434,316,466	495,097,288	564,480,538	13.99	14.01
Rupiah	386,049,007	440,098,868	506,168,431	14.00	15.01
Foreign Currency	48,267,459	54,998,420	58,312,107	13.95	6.03
Sharia Financing and Receivables	14,028,390	15,599,553	16,614,006	11.20	6.50
Total Loans	448,344,856	510,696,841	581,094,544	13.91	13.78

LOANS BY SEGMENT				
	2013	2014	2015	Growth (%) 2014-2015
Retail	181,854,338	199,828,590	219,785,772	9.99
Micro + Program	142,266,742	164,054,180	188,428,179	14.86
Corporate	110,195,386	131,214,518	156,266,587	19.09
Total Loans	434,316,466	495,097,288	564,480,538	14.01
Allowance for Impairment Losses	(15,171,736)	(15,886,145)	(17,162,183)	8.03
Total Loans less Allowance for Impairment Losses	419,144,730	479,211,143	547,318,355	14.21

LOANS BY TYPE				
	2013	2014	2015	Growth (%) 2014-2015
Kupedes + Program	132,131,803	152,905,930	178,759,239	16.91
Working Capital	146,719,136	166,174,398	181,546,071	9.25
Consumer	74,649,615	82,118,614	89,621,859	9.14
Investment	49,859,161	66,629,483	88,058,790	32.16
Program	10,594,551	7,259,617	7,064,037	(2.69)
Syndicated	20,308,116	19,958,889	19,384,044	(2.88)
Key Employees	54,084	50,357	46,498	(7.66)
Total Loans	434,316,466	495,097,288	564,480,538	14.01
Allowance for Impairment Losses	(15,171,736)	(15,886,145)	(17,162,183)	8.03
Total Loans less Allowance for Impairment Losses	419,144,730	479,211,143	547,318,355	14.21

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ALLOWANCE FOR IMPAIRMENT LOSSES

As discussed under Provisioning, BRI maintained NPL coverage ratio at 150%, therefore the cost of allowance for impairment losses of financial assets increased by Rp1.28 trillion or 8.03% to Rp17.16 trillion compared to 2014 position. The increase in allowance was due to, among others, the increase in loans disbursement and NPL, which was impacted by Indonesia's volatile economic conditions.

The methodology used to calculate the allowance for impairment losses is discussed further in the Risk Management chapter.

LOAN WRITE-OFF AND RECOVERY (RECOVERY INCOME)

Loan write-off is exercised as a last action after loan restructuring and other settlement options fail to recover a loan, which can be derived by economic headwind.

In 2015, BRI exercised loan write-offs amounted to Rp7.82 trillion, or increased 39.07% from Rp5.62 trillion of loans write-off in 2014. 96.6% of the write-off loans came from the Micro and Commercial Retail segments due to the implementation of the acceleration in restructuring and non-performing loans settlement program that commenced in the third quarter of 2015.

The increase in write-off loans allowed the Bank to maintain NPL of Micro segment at 1.13% and Commercial Retail at 2.90%. Moreover, the recovery income rose from Rp2.10 trillion in 2014 to Rp2.34 trillion in 2015, or increased 11.5% YoY, keeping the recovery rate at above 30%. A detailed discussion on recovery income is available under the Income Statements sub-section.

Cash and Current Account with BI

In line with the Bank's performance growth, coupled with a number of third party funding initiatives, the cash position at the end of 2015 increased by 28.05% from Rp22.47 trillion to Rp28.77 trillion. In addition, current account with Bank Indonesia rose by 20.58% from Rp51.18 trillion in 2014 to Rp61.72 trillion in 2015.

According to Bank Indonesia regulations, BRI must meet the primary reserves of 7.5%. BRI's current account with Bank Indonesia represents 9.31% of primary reserves in Rupiah and 8.43% of primary reserves in foreign currency, in accordance with Bank Indonesia requirement.

Current Account and Placement with Bank Indonesia and Other Banks

Current account with other banks and placement with Bank Indonesia and other banks declined by 19.34% from the 2014 position to Rp58.57 trillion at the end of 2015. The decrease was part of the Bank's strategy to boost assets productivity by re-allocating portfolios to higher assets yields.

Securities

The outstanding securities portfolio was relatively stable with a slight decrease of 0.52% from Rp133.7 trillion in 2014 to Rp133.0 trillion in 2015. The majority of securities held by BRI were government bonds, with Hold to Maturity (HTM) bonds accounted for 67% of the total portfolio.

Government Recapitalization Bonds

As of the end of 2015, BRI's government recapitalization bonds amounted to Rp3.82 trillion, or decreased by 11.33% from 2014 position of Rp4.30 trillion. The decrease was due to matured bonds of Rp500 billion and the fair valuation based on the market price or quoted price by securities brokers/dealers.

In details, the government recapitalization bonds held by BRI are as follows:

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Government Recapitalization Bonds by Interest Rate		In Million Rp		
Type of Interest Rate	2013	2014	2015	
Variable Rate	4,511.42	4,303.60	3,815.96	

Investments

BRI's investments in 2015 amounted to Rp269.13 billion, increased by 6.98% from the 2014 position of Rp251.57 billion. The increase was derived from an increase in carrying value of PT BTMU-BRI Finance from Rp249.63 billion in 2014 to Rp262.89 billion in 2015, as the result of accumulated net income.

Detail of BRI's investments as of 31 December 2015 were:

- PT BTMU-BRI Finance (formerly PT UFJ BRI Finance): Rp262.89 billion
- PT Kelola Jasa Artha: Rp2,560 million
- PT Bringin Gigantara (related party): Rp1,240 million
- PT Kustodian Sentral Efek Indonesia: Rp900 million
- PT Sarana Bersama Pembiayaan Indonesia: Rp536 million
- PT Jakarta Kyoei Medical Center: Rp220 million
- PT Pemeringkat Efek Indonesia: Rp210 million
- PT Yayasan Asuransi Indonesia: Rp200 million
- BPR Toelongredjo Dasa Nusantara: Rp77 million
- BPR Tjoekir Dasa Nusantara: Rp77 million
- BPR Toelangan Dasa Nusantara: Rp66 million
- PT Merapi Gelanggang Wisata: Rp50 million

- BPR Cinta Manis Agroloka: Rp35 million
- PT Sukapraja Golf: Rp25 million
- BPR Bungamayang Agroloka: Rp23 million
- PT Aplikanusa Lintasarta: Rp20 million

Measurement of investment impairment was conducted by individual valuation with the existence of objective evidence. As of 31 December 2015 and 2014, all investments were categorized as "Performing". With assurance that all investments would be recovered therefore the Bank did not set aside an allowance for impairment losses.

In 2015, BRI received payments of cash dividends from PT Sarana Bersama Pembiayaan Indonesia and PT Pemeringkat Efek Indonesia amounted to Rp391 million and Rp3 million, respectively, while in 2014 the Bank received Rp21 million in dividends from PT Pemeringkat Efek Indonesia.

Fixed Assets

To realize the vision of becoming the biggest payment bank in Indonesia, BRI continues to expand its network, which drove the increase in BRI's fixed assets in 2015 by 26.80% from Rp11.58 trillion in 2014 to Rp14.69 trillion in 2015.

At the end of 2015, the satellite development accounted for approximately 74%

of total contract value. The satellite project (BRIsat) has reached the tower alignment phase, followed by a series of tests including a vibration test, dynamic test, Compact Antenna Test Range (CATR), and final performance test. BRIsat is slated for launch between 24 May 2016 to 24 June 2016.

Other assets

Total net other assets in 2015 rose by 53.70% from Rp8.79 trillion in 2014 to Rp13.51 trillion in 2015. The growth of other assets was mainly due to a 255.05% increase in prepaid taxes from Rp724 billion in 2014 to Rp2.57 trillion, given a difference of calculation in allowance for impairment losses, which will be settled with the Directorate General of Taxation.

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LIABILITIES

Liabilities Component			In Million Rp		
Summary of Balance Sheet	2013	2014	2015	Growth (%)	
				2013-2014	2014-2015
Third Party Funds	504,281,382	622,321,846	668,995,379	23.41	7.50
Demand Deposits	79,336,951	90,052,180	114,367,088	13.51	27.00
Savings	212,996,625	236,394,994	272,470,992	10.99	15.26
Time Deposits	211,947,806	295,874,672	282,157,299	39.60	(4.64)
Liabilities Due Immediately	5,065,527	7,043,772	5,138,562	39.05	(27.05)
Deposits from other Banks	3,691,220	8,655,392	11,165,073	134.49	29.00
Securities Sold with Repurchases Agreements	-	15,456,701	11,377,958	-	(26.39)
Borrowings	9,084,913	24,986,862	35,480,358	175.04	42.00
Subordinates Loans	2,097,024	77,582	56,468	(96.30)	(27.22)
Other Liabilities	22,306,261	25,736,201	33,085,335	15.38	28.55
Total Liabilities	546,526,327	704,278,356	765,299,133	28.86	8.66

In 2015, BRI's liabilities reached a total of Rp765.30 trillion or increased by Rp61.02 trillion, with year-on-year growth of 8.66% compared to the 2014 position. As described in the foregoing assets growth's discussion, liabilities rose mainly due to an increase in Deposits of Third Party Funds at Rp46.67 trillion.

Liabilities Composition

As the Bank with the largest and widest network in Indonesia, Third Party Funds primarily occupied BRI's liabilities structure, as shown by below table:

Liabilities Structure (%)	2013	2014	2015
Third Party Funds	92.27	88.36	87.42
Liabilities Due Immediately	0.93	1.00	0.67
Deposits from Other Banks	0.68	1.23	1.46
Securities Sold with Repurchase Agreements	-	2.19	1.49
Borrowings	1.66	3.55	4.64
Subordinated Loans	0.38	0.01	0.01
Other Liabilities	4.08	3.65	4.32
Total Liabilities	100	100	100

Third Party Funds

In 2015, BRI generated Third Party Funds of Rp669 trillion, or increased by Rp46.67 trillion or 7.50% from the 2014 position of Rp622.32 trillion. BRI also noted a satisfying performance where the growth of low-cost funds at 18.5% outperformed the growth of third party funds.

Growth of low-cost funds was mainly derived from Demand Deposits and Savings, which respectively increased by Rp24.31 trillion and Rp36.08 trillion in 2015, and contributed to the increase of the Low-Cost Fund composition in the portfolio from 52.46% to 57.82%. This was in line with the Bank's strategy to lower interest expenses in order to maintain profitability by decreasing the fund expense ratio from 52.46% in 2014 to 57.82% in 2015.

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THIRD PARTY FUNDS					
Customer Deposits	2013	2014	2015	Change	Growth (%)
Demand Deposits	78,666,064	89,430,267	113,429,343	23,999,076	26.84
Demand Deposits Wadiah	670,887	621,913	937,745	315,832	50.78
Savings	210,234,683	232,722,519	268,058,865	35,336,346	15.18
Wadiah Savings	2,480,554	3,298,659	3,715,929	417,270	12.65
Mudharabah Savings	281,388	373,816	696,198	322,382	86.24
Time Deposits	201,585,766	283,457,544	267,884,404	(15,573,140)	(5.49)
Mudharabah Time Deposits	10,362,040	12,417,128	14,272,895	1,855,767	14.95
Total Customer Deposits	504,281,382	622,321,846	668,995,379	46,673,533	7.50
CASA	57.97%	52.46%	57.82%		
Time Deposits Composition	42.03%	47.54%	42.18%		

Time deposits declined by 4.6% YoY compared to the 2014 position, from Rp295.87 trillion to Rp282.16 trillion. The decrease in time deposits in Third Party Funds structure was also part of the Bank's strategy to improve interest expense efficiency to maintain net interest margin (NIM) profitability.

BRI was confident that increasing deposits through time deposits would be relatively that happened in amidst tight liquidity in the banking market since 2014. This condition was possible because BRI has the support of over 10,000 outlet throughout Indonesia.

Liabilities Due Immediately

Liabilities Due Immediately represent BRI's liabilities to other parties that due immediately as set out in the terms and conditions of agreed contracts. Transactions recognized under this account among others are tuition channeling deposits, advance payment deposits, ATMs and credit card deposits, tax payment deposits, insurance deposits, deposits for managed funds, deposits for clearing, and remittance deposits, and so forth.

At the end of 2015, BRI experienced decreasing 27.5% of Liabilities Due Immediately from Rp7.04 trillion in 2014 to Rp5.14 trillion. The decrease of Liabilities due immediately was mainly due to the termination of tuition channeling deposits through BRI in 2015 from the last position of Rp1.83 trillion in 2014.

Deposits From Other Banks and Other Institutions

As of the end of 2015, deposits from other banks and other institutions amounted to Rp11.6 trillion, increased from Rp8.66 trillion in the previous year. Deposits from other banks and other institutions comprise demand deposits, savings, time deposits, interbank call money, and deposits on call. This account is used for interbank transactions for operational and liquidity management purposes.

Borrowings

As of the end of 2015, the balance of borrowings amounted to Rp35.48 trillion. This amount increased by 42.00% from the 2014 position of Rp24.99 trillion. The increase in borrowings among others was due to:

1. USD 550 million club deal loan facility
2. Borrowings from China Development Bank Corporation of USD 1 billion for financing long term infrastructure projects and industry also for cross border transactions project between Indonesia and China.
3. USD 100 million borrowings from the Bank of Tokyo-Mitsubishi UFJ

Subordinated Loans

The total amount of subordinated loans in 2015 decreased by 27.22% from Rp77.58 billion in 2014 to Rp56.47 billion. This amount included a two-step loan obtained by BRI from the Government, which was 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).

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Other Liabilities

Other liabilities consist of derivative liabilities, acceptance liabilities, tax payables, marketable securities issued, estimated losses on commitments and contingencies, and others. In 2015, BRI issued Shelf Bonds I Tranche 1 of Rp2.99 trillion, less unamortized issuance costs of Rp5,321 as at 31 December 2015.

In 2015, other liabilities increased by 60.80% from Rp15.56 trillion in 2014 to Rp25.02 trillion.

EQUITY

Component	Equity			In Million Rp	
	2013	2014	2015	Growth (%)	
				2013-2014	2014-2015
Authorized Capital	6,167,291	6,167,291	6,167,291	-	-
Additional Paid-in Capital- Net	2,773,858	2,773,858	2,773,858	-	-
Differences Arising from Translation of Foreign Currency Financial Statements	82,083	56,468	49,069	(31.21)	(13)
Unrealized Gains (Loss) on Available for Sale Marketable Securities and Government Recapitalization Bonds - Net	(727,644)	(198,888)	(1,145,471)	(72.67)	475.94
Revaluation of Defined Benefit Program - Net	375,345	124,147	541,468	(66.92)	336.15
Treasury Stock	-	-	(2,286,375)	-	100
Total Retained Earnings	70,740,908	88,607,774	106,733,021	25.26	20.46
Total Equity Attributable to Equity Holders of Parent Entity	79,411,841	97,530,650	112,832,861	22.82	15.69
Non-Controlling Interest	162,465	175,184	294,318	7.83	68.01
Total Equity	79,574,306	97,705,834	113,127,179	22.79	15.78

At the end of 2015, BRI's liabilities and equity to support its asset stood at 87.12% and 12.88%, respectively. Total assets grew by 9.53%, liabilities rose by 8.66%, and equity was up 15.78%. These figures indicated that equity was still BRI's main source of funding for business expansion.

Equity in 2015 rose by Rp15.42 trillion or 15.8% from Rp97.71 trillion in 2014 to Rp113.13 trillion. The increase was mainly driven by an increase in retained earnings of Rp18.12 trillion or 20.5% to Rp106.73 trillion, compared to the 2014 position, pursuant to the resolution of the Annual General Meeting of Shareholders (AGMS) 2015 regarding the dividend payout ratio of 30%.

In addition, the Equity account also consist of Treasury Stock resulting from a Share Buyback program that was exercised during October 2015 to 31 December 2015. This program is discussed further under the Stock Summary. The Bank plans to use Treasury Stock for Management and Employee Stock Allocation (MESA) with the approval from the AGMS 2016.

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CASH FLOWS STATEMENTS

Cash Flows		In Million Rp		
Cash Flow Types	2013	2014	2015	
Net cash flow from (used for) operating activities	4,399,086	75,822,636	45,544,908	
Net cash flow from (used for) investing activities	(9,144,971)	(24,649,614)	(56,704,530)	
Net cash flow from (used for) financing activities	(2,579,081)	9,504,649	1,804,324	

The total cash and cash equivalents in 2015 decreased by 5.4% or by Rp9.34 trillion to Rp163.39 trillion, compared to the position at the end of 2014 or the beginning of 2015 at Rp172.73 trillion. The decrease was derived from a declining in current account and placement with other banks, which was consistent with the Bank's strategy in increasing assets productivity to maintain the net interest margin (NIM).

CASH FLOWS FROM OPERATING ACTIVITIES

Changes of cash flow from operating activities indicated BRI has a solid performance which reflected in increasing cash flow from operating activities (before assets and operating liabilities) went from Rp31.23 trillion in 2014 to Rp38.97 trillion in 2015. The Bank generated cash inflows of Rp82.59 trillion in Income Statements. Aside from interest, investment, and sharia income, BRI also gained cash income from recovery at Rp2.35 trillion as discussed in the allowance for impairment losses.

The net cash position from operating activities decreased from Rp75.82 trillion in 2014 to Rp45.54 trillion in 2015. The operating activities that largely influenced cash flows for operating activities was funding from time deposits at Rp15.57 trillion. This was in line with BRI's strategy that aimed to increase the low-cost funds ratio to maintain profitability, as discussed under the Interest Expenses sub-section.

CASH FLOWS USED FOR INVESTING ACTIVITIES

Cash flows used for investing activities in 2015 amounted to Rp56.70 trillion, or increased by 130.0% from Rp24.65 trillion in 2014. In accordance with its strategy to enhance assets productivity, BRI also booked increases in securities and government recapitalization bonds available for sale and held to maturity by Rp53.44 trillion. In addition, BRI also used cash to purchase fixed assets amounted to Rp3.28 trillion

CASH FLOWS FROM FINANCING ACTIVITIES

In 2015, BRI booked cash flows for financing activities at Rp9.58 trillion to pay Rp7.27 trillion of dividends, to buyback Rp2.29 trillion of share (treasury stock), and to repay subordinated loans of Rp21.11 billion.

However, this was offset by cash inflows from borrowings and from proceeds of marketable securities issued at Rp11.38 trillion.

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FINANCIAL RATIO

Description	Financial Ratio*		In (%)
	2013	2014	2015
Capital Adequacy Ratio	16.99	18.31	20.59
Non-Performing Earning Assets and Non-Earning Assets to Total Earning Assets and Non-Earning Assets	1.06	1.09	1.33
Non-Performing Earning Assets to Total Earning Assets	1.28	1.26	1.57
Allowance For Impairment Losses of Financial Assets to Earning Assets	2.90	2.40	2.37
NPL Gross	1.55	1.69	2.02
NPL Net	0.31	0.36	0.52
Return on Assets (ROA)	5.03	4.73	4.19
Return on Equity (ROE)	34.11	31.19	29.89
Net Interest Margin (NIM)	8.55	8.51	8.13
Operating Expense to Operating Income (BOPO)	60.58	65.42	67.96
Capital Efficiency Ratio (CER)	42.13	43.14	43.81
Loan to Deposit Ratio (LDR)	88.54	81.68	86.88
Compliance			
1. a. Percentage violation of Legal Lending Limit			
i. Related Parties	0.00	0.00	0.00
ii. Third Parties	0.00	0.00	0.00
b. Percentage of lending in access of the Legal Lending Limit			
i. Related Parties	0.00	0.00	0.00
ii. Third Parties	0.00	0.00	0.00
2. Statutory Reserves			
a. Primary Statutory Reserves - in Rupiah	8.02	8.07	9.31
b. Primary Statutory Reserves - in Foreign Currency	8.00	8.00	8.43
3. Net Open Position (NOP)	3.15	3.86	2.33

Financial ratio in general is divided into 3 sub-sections, which are:

- Ability to meet the Bank's obligations
- Productivity Ratio
- Efficiency Ratio

SOLVENCY

In the banking industry, a bank's ability to meet its short-term and long-term obligations is indicated by solvency and collectability ratios, which consist of the Liquidity Ratio, Collectibility Ratio, and Capital Adequacy Ratio.

Liquidity Ratio

Loan to Deposit Ratio (LDR)

BRI is one of the banks which business portfolio is dominated by its intermediary function in the real sector. This is shown from the Bank's proportion of loans, which is mostly in earning assets also from BRI's loan to deposit ratio that was maintained at an optimum level of 86.88%. This was aligned with BRI's strategy to increase productivity considering the LDR level was still within the range of its internal target between 85% to 92%.

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Loan to Funding Ratio (LFR)

Pursuant to OJK Regulation No 42/POJK.03/2015, BRI shall disclose its loan to funding ratio (LFR), in which the funding represents customer deposits and marketable securities issued, held by non-bank third parties and available for sale. BRI's LFR in 2015 stood at 86.57%, or slightly below the LDR. This was due to the securities issued by BRI held by non-bank third parties and available for sale which included in LFR calculation were:

- Global Bond in US Dollars at Rp6.85 trillion
- Shelf Bonds Registration Tranche 1 of Rp3 trillion

Non-Performing Loans Ratio and Asset Quality Management

Non-Performing Loans Ratio/NPL

BRI strives to maintain loan quality at a manageable level. To this end, risk management is exercised according to the Bank's procedures and continuously monitored. As a result, BRI maintained a modest level of NPL in 2015 at 2.10%.

	NPL CHANGES		In Million Rp
	2013	2014	2015
Total Loans	448,344,856	510,696,841	581,094,544
Total Performing Loans	441,045,021	510,617,269	568,910,408
Total Non Performing Loans	7,299,835	9,079,572	12,184,136
NPL (Gross)	1.63%	1.78%	2.10%

In terms of figures, BRI's NPL rose by 34.2% compared to the 2014 position; the NPL ratio was increased 1.78% to 2.10% in 2015, or rose by 320 bps. However, the NPL coverage ratio stood at 151.15%, therefore the NPL was still at an acceptable level.

The NPL ratio achievement was also a result of the management's efforts to maintain loan quality through **The Lower The Better** initiative that was started in the third quarter of 2015. This program was implemented by deploying 100 special Account Officers (AOs) to 100 branch offices with the highest NPL throughout Indonesia.

Aside from field monitoring and evaluation, the team gave recommendation to minimize credit risk, among others by:

- Accelerating loan restructuring
- Accelerating loan settlement (collateral auctions, etc.)

The program was proven successful and the management plans to continue in 2016, covering more branch offices.

NPL Coverage Ratio

This ratio describes a bank's ability to absorb losses arising from non-performing loans. As discussed earlier, the NPL Coverage Ratio stood at a strong level at 151.15% in 2015, which indicated that every Rupiah NPL was reserved at Rp1.50.

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Capital Adequacy Ratio***Capital Adequacy Ratio (CAR)**

Based on BRI's risk profile at 31 December 2015 and 30 June 2015 that stood at level 2 risk (satisfactory), the Bank's mandatory minimum CAR as of 30 December 2015 was set at 9% to less than 10%. In 2015, the total ratio of BRI's capital stood at 20.59%, increased from 18.31% in 2014. With this CAR level, BRI had met Bank Indonesia's capital adequacy ratio requirement. The increase of CAR in 2015 also indicated BRI's ability to absorb risks.

The calculation of CAR and Risk Weighted Assets (RWA) referred to several guidelines and standards, among others:

- Credit Risk calculated using Standardized Approach Basel II method, pursuant to BI Circular No.13/6/DPNP dated 18 February 2011.
- Market risk calculated using Standardized Approach pursuant to BI Circular No.14/21/DPNP dated 18 July 2012.
- Operational risk calculated using a Basic Indicator Approach pursuant to BI Circular No.11/3/DPNP dated 27 January 2009.
- CAR calculation referred to Bank Indonesia Regulation on the Capital Adequacy Requirement for Commercial Banks. CAR as of 31 December

2015 was calculated based on Bank Indonesia Regulation No. 15/12/PBI/2013, while CAR as of 31 December 2014 referred to Bank Indonesia Regulation No. 14/18/PBI/2012.

- As of 24 August 2015, RWA for Credit Risk calculation was synchronized with Financial Services Authority Regulation No. 11/POJK.03/2015 concerning Prudential Condition in order National Economic Stimulus for Commercial Banks. The regulation stipulated the calculation changes of RWA for credit risk:
 - Risk weight of residential mortgage (KPR) or apartment (KPA) or mortgage-backed loan is at least 35%
 - Risk weight for government-program Mortgage with certain requirements is at least 20%
 - Risk weight for MSME loan secured by local state-owned enterprises guarantee institutional or loan insurance is at least 50%, provided that all requirements are met

Pursuant to the references, BRI RWA for credit risk, market risk, and operational risk stood at Rp537.07 trillion, or increased by 14.71% compared to 2014 position. The increase was largely derived from

RWA for Credit Risk amounted to Rp57.23 trillion, growth of loan was Rp68.03 trillion in 2015, thus the average RWA for Credit Risk in 2015 was at 84.12%.

Profitability Ratio***Net Interest Margin(NIM)**

BRI Net Interest Margin in 2015 slightly decreased from 8.51% in 2014 to 8.13%. The decrease in NIM was among others due to the declined productivity of non-loan portfolio, driven by significant average increase of non-loan earning assets in 2015. However, BRI's NIM still reflected the Bank's strong competitiveness in the Indonesian banking industry.

Return on Asset (ROA)

At the end of 2015, BRI booked return on assets (ROA) at 4.19%, or slightly lower from the 2014 position of 4.73%. The main driver of this decrease was generated from significant increase in allowance for credit risk in 2015.

Return on Equity (ROE)

BRI is one of the banks with the highest ROE in the industry. BRI's ROE stood at 29.89%, which represented a slight decrease compared to 31.19% in 2014. Aside from flat net income growth, the ROE decrease was also due to high growth of BRI's Core Capital, from Rp82.11 trillion to Rp89.99 trillion, which mainly derived from retained earnings.

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Efficiency Ratio

Cost Efficiency Ratio (CER)

In 2015, BRI's CER reached 43.81%, or increased slightly from the 2014 CER of 43.14%. This was driven by the increase in Operating Expenses at 17.07% compared to Operating Income (Gross) that increased by 33.44%.

Operating Expense to Operating Income Ratio (BOPO)

BRI's BOPO ratio in 2015 stood at 67.96% from 65.42% in 2014. This reflected the unfavorable economic conditions, which resulted in the increase of allowance for impairment losses by 7.89%.

CAPITAL STRUCTURE POLICY

BRI manages its capital structure according to prevailing regulations. The purpose of capital structure management is to ensure sufficient capital to anticipate major risks associated with banking activities, namely Credit Risk, Market Risk, and Operational Risks. In managing its capital, BRI continuously considers the balance between return for shareholders and risk mitigation.

DESCRIPTION	BANK		
	2013	2014	2015
Core Capital (Tier 1)	65,964,040	82,108,763	89,992,393
Capital Equity Tier 1 (CET 1)	N/A *)	N/A *)	89,992,393
Additional Capital Tier 1 (AT 1)	N/A *)	N/A *)	-
Supplementary Capital (Tier 2)	3,507,996	3,597,794	20,588,224
Total Capital	69,472,036	85,706,557	110,580,617
RWA for Credit Risk after specific risk	331,161,598	381,065,044	438,295,934
RWA for market risks	2,294,988	3,326,447	2,572,131
RWA for operational risks	75,401,807	83,790,585	96,206,873
Total RWA	408,858,393	468,182,076	537,074,938
CAR Ratio	16.99%	18.31%	20.59%
CET 1 Ratio	N/A *)	N/A *)	16.76%
Tier 1 Ratio	16.13%	17.54%	16.76%
Tier 2 Ratio	0.86%	0.77%	3.83%
Tier 1 Minimum Ratio	5.00%	6.00%	6.00%
CET 1 Minimum Ratio	-	-	4.50%
Minimum CAR Based on Risk Profile	9.00%	9.00%	9.00%

*) not applicable; applied effectively in March 2015 (pursuant to BI Regulation No.15/12/PBI/2013 on Capital Adequacy Requirement for Commercial Banks)

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Pursuant to BI Regulations, the Bank's capital consists of:

1. Core Capital

The Bank's capital consists of paid-up capital, reserves disclosed as donated capital, additional paid-up capital, retained earnings (including retained earnings for specific purposes), impairment on financial instruments available for sale, and differences of the overseas unit's financial statements.

As shown by the table above, BRI's core capital in 2015 amounted to Rp89.99 trillion, increased by 9.60% from Rp82.11 trillion in the previous year due to the additional capital from retained earnings. The increase in Core Capital was far below the increase in Total Capital due to the reclassification of retained earnings for specific purpose from Core Capital account to Supplementary Capital (Tier-2).

2. Supplementary Capital (maximum 100% of Core Capital)

Supplementary capital, referring to the Bank's capital, consists of: earnings retained for specific purposes, allowances for fixed assets revaluation, general provisions for earning assets write-off, subordinated loans, and increase of financial instruments available for sale. In 2015, BRI's supplementary capital surged by 472.25% to Rp20.59 trillion.

3. Additional Supplementary Capital Allocated to Anticipate Market Risk

BRI's total capital in 2015 and 2014 was Rp110.58 trillion and Rp85.71 trillion, respectively. The Bank did not require additional capital allocated to anticipate market risk.

Pursuant to Bank Indonesia Regulation No. 14/18/PBI/2012 dated 28 November 2012, supplementary capital shall not exceed 100% of core capital. BRI's supplementary capital (Tier-2) was Rp20.59 trillion as of December 2015, or 22.8% of core capital. As such, BRI had ample room to strengthen its capital, among others by issuing subordinated bonds.

MATERIAL COMMITMENT FOR CAPITAL EXPENDITURES

In 2015, BRI carried out several number of material commitments. These commitments were mostly in Rupiah, hence the risk of exchange rates volatility was minimum. The purpose of material commitments were:

- Office building construction project amounted to Rp471.71 billion
- Four and two-wheel vehicle procurement amounted to Rp140.64 billion
- IT and e-banking infrastructure development amounted to Rp507.41 billion

The source of funding for capital expenditure was retained earnings from operating activities in the previous year, as well as from reserves provisioned of net income of previous financial years.

CAPITAL GOODS INVESTMENT

Capital goods investment was part of investment expenditure, which in general was grouped into three types:

- Investment in subsidiaries in the form of acquisition or capital injection
- Capital expenditure for IT and non-IT items

On investments with the purpose to develop subsidiaries' business, BRI acquired life insurance company Bringin Life in 2015. Totaling Rp1.63 trillion, the transaction was completed at the end of December 2015. BRI also added the capital for BRI Agroniaga amounted to Rp558.81 billion.

Meanwhile, on capital goods, BRI spent a total of Rp3.42 trillion in 2015 for the purchase of assets. This figure rose by 11.49% from Rp3.06 trillion in 2014.

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	In Million Rp		
Capital Expenditure	2013	2014	2015
Land and Buildings	402,571	610,772	1,022,807
Furniture and Inventories	116,409	216,512	184,588
Vehicles	694,558	373,015	146,285
Computers and Software	734,447	1,032,524	578,344
Leasing	-	-	-
Satellite Development	-	831,895	1,484,677
Total	1,947,985	3,064,718	3,416,701

Of the total capital expenditure, the largest increase derived from the satellite development amounted to Rp652.78 billion, and land and building at Rp412.04 billion. The increase was also due to the ground station construction for BRISat project.

2015 TARGET ACHIEVEMENT (BANK ONLY)

2015 Targets & Realization (Trillion Rp)			
Description	2014 Realization	2015 Targets	2015 Realization
Assets	778.05	861.62	846.00
Net Income	24.18	25.10	25.20
Loans	490.41	566.61	558.44
Third Party Funds	600.41	647.64	642.77
BOPO	65.42%	68.38%	67.96%
LDR	81.68%	87.49%	86.88%
NPL (Gross)	1.69%	2.04%	2.02%
NPL (Net)	0.36%	0.52%	0.52%
NIM	8.51%	8.12%	8.13%
CAR	18.31%	19.95%	20.59%

In terms of target achievement, BRI was able to meet the overall targets in 2015 as defined in the Bank's 2015 Business Plan. The total assets target was not met due to the realization of Third Party Funds and Loans were below the target. compared to targets, but this was in line with BRI's strategic adjustment, as the Bank responded to economic and market dynamics in 2015.

Economic slow down in 2015 was shown from low demand for loans. To avoid the increase in credit risk (NPL), BRI adjusted loan disbursement strategy by implementing selective disbursement. The Bank then focused on achieving efficient fund costs to maintain profitability. Therefore funding can't met its growth target but, the CASA ratio improved from 53.5% to 59.2%, and the profitability still can exceed the target.

2016 TARGETS

BRI's strategy and targets for 2016 are decided based on the consideration to Indonesia's economic condition and the Bank's capacity. Targets for 2016 are:

- Loan growth at 13% - 15%
- LDR at 85% - 90%
- Fee-Based Income growth at 20% - 22%
- Loan quality or NPL at 2.1 - 2.4%
- Capital Adequacy Ratio above 17.5%

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INFORMATION AND MATERIAL FACTS SUBSEQUENT TO THE DATE OF REPORTING PERIOD

Issuance of BRI Shelf Bonds I Tranche II of 2016

On 18 January 2016, BRI registered BRI Shelf Bonds I Tranche II of 2016 to OJK. This is a continuation of BRI Shelf Bonds I Tranche I of 2015 amounted to Rp3 trillion from the Shelf Registration totaling Rp12 trillion reported on 3 July 2015. Shelf Bonds Tranche II will be issued with principal value amounting to Rp4.65 trillion, offering a fixed interest rate and 3 (three) series:

Series	Principal Value (Rp billion)	Interest Rate	Tenor	Maturity Date
A	80.00	8.50%	370 Days	8 February 2017
B	1,108.50	9.25%	3 Years	4 February 2019
C	2,823.50	9.60%	5 Years	4 February 2021

- Series A: Principal value of Rp808,000 with a fixed rate of 8.50% per annum for tenor of 370 (three hundred seventy) days. Maturity date is scheduled for 8 February 2017.
- Series B: Principal value of Rp1,018,500 with a fixed rate of 9.25% per annum for tenor of 3 (three) years. Maturity date is scheduled for 4 February 2019.
- Series C: Principal value of Rp2,823,500 with a fixed rate of 9.60% per annum for tenor of 5 (five) years. Maturity date is scheduled for 4 February 2021.

The interest rate of BRI Shelf Bonds I Tranche II of 2016 will be paid every 3 (three) months from the date of issuance. Pefindo rated the Shelf Bonds as AAA(idn). Net proceeds from this issuance will be used for loans disbursement.

BUSINESS PROSPECT 2016

There are three key factors that will influence global economic growth in 2016, namely China's economic slowdown, pressure in the money market as the result of another raise in Federal Reserve interest rate in 2016, and low commodity demands and prices.

As we know, Indonesia's economic growth in the past two years has been mainly driven by domestic consumption from government spending also private and household sectors. In 2016, this is projected to continue, as exports and investment are yet to become the leading drivers of Indonesia's economy. In terms of growth rate, Indonesia is forecasted to grow at between 4.9% and 5.1%.

In accordance with government target to build various infrastructure projects, the government is expected to disburse substantial spending to fund the projects. Industrial sectors related directly and indirectly to those projects are expected to drive loan growth, especially in the Corporate segment. Moreover, the government is expected to control the inflation rate between 3.5% and 4.5% to support purchasing power and allow for stable growth of household consumption.

Considering the conditions, BRI is optimistic be able to grow its business in 2016. With the purchasing power of middle-income society expected to be stable, BRI is confident that it could expand retail and commercial loans markets as well as to absorb funding potential. Technology-backed services and networks, which BRI has been focusing on in the past several years, such as by increasing number of merchants and EDC units, are also expected to generate results in 2016.

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In terms of loan disbursement, the government has increased its disbursement target for KUR to Rp100 trillion, which BRI deems as another opportunity to capture in 2016. Having a vast network that is strong on two fronts of conventional and e-channel services, BRI is optimistic that it will augment penetration in the Micro Loans segment. As for the Bank's targets, in 2016 BRI plans to disburse Rp67.5 trillion in KUR, consisting of Rp61 trillion in Micro KUR, Rp6 trillion in Retail KUR, and Rp500 billion in KUR for Indonesian Migrant Workers. With 9% interest rate and government subsidy at 10%, Micro Loans is expected to grow to 17% to 18% in 2016.

MARKETING & DISTRIBUTION

Marketing Strategy 2015

In line with the Bank's strategic goal of becoming The Biggest National Payment Bank, BRI continuously enhances its marketing strategies, tailoring them to target segment characteristics, and delivered by executing more marketing communications activities and expanding its network, especially electronic-based.

Through an effective and integrated marketing strategy that targets both existing customers (to increase loyalty and purchase intention) and prospective customers (acquisition), BRI aims to reach optimum awareness levels by having the right, distinct, and relevant positioning for each target audience, and therefore increasing its brand value.

Marketing Communications

BRI consistently carries out marketing communications for products to drive the awareness, knowledge, and activation of the Bank's products, services, channels, and programs. These activities target both existing customers (to increase loyalty and purchase intention) and prospective customers (acquisition).

Through effective and integrated marketing strategy, BRI aims to reach optimum awareness level by having the right, distinct, and relevant positioning for each target audience, and therefore increasing BRI brand value.

Marketing communications activities primarily focus on the Retail Funding segment (savings products) as the entry point to products and e-banking features and the main driver of fee-based income. BRI also focuses on other segments, such as the micro, small, and medium enterprises (MSME) as the Bank's business backbone, in which BRI exercises marketing communications aimed to maintain the segment's sustainability in terms of awareness, image, and loyalty.

Meanwhile, communications strategies for the Business-to-Business (B2B) segment are more customized in order to optimally realize the value chain opportunity and market potential.

Marketing Communications Performance in 2015

In 2015, BRI implemented a number of marketing communications activities related to network development, product launches, and other operational aspects, including:

- BRI Singapore Branch opening
- Launch of Teras BRI Kapal
- Laku Pandai extension program for BRILink agents
- OJK "Jaring" program communication
- Customer education on the benefits of e-banking in BRI

Marketing Program 2015

In 2015, the highlights of BRI marketing programs were:

1. Brand Management: Maintaining brand awareness in leading segments

To maintain BRI's brand consistency across micro savings product (Simpedes), micro loan products (KUPEDES and KUR), retail savings (BRItama), and e-banking services, the Bank carried acquisition and retention programs in 2015, including:

- "Pesta Rakyat Simpedes"
- "BRI Peduli Pasar Rakyat"
- "Panen Bulanan Simpedes" and "Grebeg Pasar"
- "Double Untung" program
- "BRItama Pilih Sendiri Hadiahmu" program

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To increase brand awareness, BRI also took part in national and international exhibitions, inviting customers to be exhibition participants. BRI also organized a group travel program with customers to their hometowns (dubbed "Nge-Buzz bareng BRI") and held a microfinance seminar.

2. Distribution Channel: Increasing Access to Services by Focusing on e-Channel Network

The development and expansion of conventional and e-channel networks are part of BRI's marketing strategy, as the Bank is committed to provide ease, convenience, and the best services to customers. The infrastructure development strategy is two-pronged with extensification and intensification. Extensification refers to the opening of new operating units in new locations, while intensification refers to the optimization of business potential in existing locations.

Increase of service access to customers through e-channel networks is focused on adding ATMs, EDCs, and SMS banking expansion. Aside from aiming to expand accessibility for customers, this strategy also improves operational efficiency.

In 2015, the Bank carried out the following activities to increase access through conventional and electronic networks:

- **Conventional Network**
During 2015, BRI has launched 216 conventional operating units, hence by the end of 2015 BRI has in place a total of 10,612 networks that consist of 1 Head Office, 19 Regional Offices, 467 Branch Offices, 603 Sub-Branch Offices, 5,360 Units, 983 Cash Offices, 2,543 Teras Offices, and 638 Teras Keliling. The entire conventional operating units are spread throughout Indonesia and connected real time online.
- **e-Channel Network**
To realize the goal to become the Biggest National Payment Bank, BRI continuously develops its e-channel network. In 2015, BRI installed 2,000 new ATMs, totaling 22,792 ATMs at the end of 2015. BRI has established itself as the bank with the largest ATM network, with the most extensive coverage in Indonesia.

Other than ATMs, BRI e-channel expansion included the addition of 500 CDMs, 56,600 EDCs, and 7 Hybrid Machines. With these additions, as of December 2015, BRI had a total of 892 CDMs, 187,758 EDCs, 100 SSB (Self-Service Banking), and 8 Hybrid Machines.

- **e-Channel Innovation and Technology Development**
e-Channel innovations carried out to support business growth in 2015 were:

a. Solar-Powered ATMs

The innovative solar power supply ATM aims to overcome power insufficiency problems for BRI ATMs in remote areas. Solar panels that generate electricity allow an ATM to operate for three days, even without enough sunrays. BRI has piloted the solar power supply ATMs in four locations; Pekanbaru, Palembang, Bandar Lampung, and Jayapura.

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b. ATMs for Visually-impaired Users

ATMs for Users with Visual Disabilities reflect BRI's commitment to all customers, including those with visual disabilities. This special type of ATM is equipped with voice guidance features for users. Currently, this ATM can be used for cash withdrawals and balance inquiries.

c. Smart EDC

Smart EDC is an EDC with an Android-based Operating System (OS). The Smart EDC has a number of benefits compared to a conventional EDC, namely centralized updates with a geo-tagging function.

d. Cash Recycling Machine (CRM)

CRM is a combination of ATM and CDM. Customers can make deposits and withdrawals at one CRM machine. Similar to ATM and CDM, CRM also serves non-cash transactions. CRM is expected to increase investment efficiency, and ATM and CDM in cost efficiency management.

e. Currency Exchange Machine

Currency Exchange Machine serves the exchange of foreign bank notes to Rupiah. This machine is developed to optimize fee-based income from money changer business.

3. Product Development: e-banking service development

Customer satisfaction enhancement is part of the Bank's efforts to maintain business continuity. This is achieved, among others through product development by modification of existing features and new features introduction, by taking into account the customers needs and characteristics in different business segments. In 2015, BRI focused its product development on e-banking services to support the Bank's aspiration as the largest national payment bank.

4. Empowering the Role of Marketing Officers and Service Quality Improvement

With the addition of operating units and sustainable business development, BRI consistently nurtures the human capital competency. The objective is to ensure compliance with the Service Level Agreement (SLA), which will ensure the fulfillment of customers' expectations – even exceeded. To that end, BRI carries out the following:

- **Marketing officers recruitment**
- **Marketing officers quality improvement** - improving the competency of marketing officers to become professional business advisors for customers
- **Implementation of minimum service standards** that shall be met by all employees during interaction with internal customers (employees from different units) as well as external customers. Service standards include the Service Level Agreement (SLA) that is part of employees' individual and group performance assessments. On frontliners that interact directly with customers, the SLA makes up the key component of their Key Performance Indicators (KPI).

5. Customer Base Intensification

To increase productivity, BRI actively markets its products to SOE partners, carries out cross selling of products and services, and seizes trickle-down business from Corporate customers, both SOE and non-SOE.

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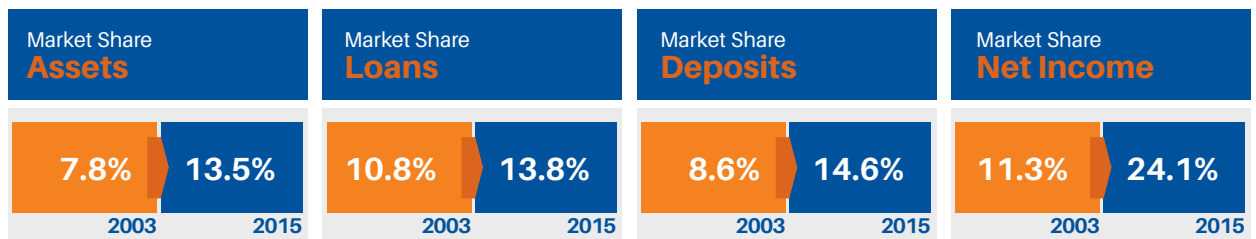
MARKET SHARE

The above marketing programs are implemented with the goal to expand BRI's market share in the national banking industry, across all of the Bank's business segments. To expand market share, BRI also actively markets its products to SOEs, carries out cross selling of products and services, and seizes Trickle Down Business from Corporate customers, SOE and non-SOE.

The Bank believes that corporate value chain (SOE and non-SOE) can yield positive impacts in terms of enhancing other segments performance by generating a trickle-down effect to retail and medium segment business. The Bank intensifies its value chain by optimizing the database of customers, third parties (dealers/developers), walk-in customers, and executing implant banking through the Home Ownership Program (HOP) and Car Ownership Program (COP).

Position and Market Share

BRI is one the banks with the largest assets in the national banking industry. In 2015, BRI's assets amounted to Rp845.99 trillion. With the assets, BRI's market share in 2015 was 13.49%. In detail, the market share of loans, deposits, and BRI's net income in 2015 are as follows:

**MARKETING STRATEGY 2016**

In 2016, BRI views that marketing communications activities will be influenced by a number of external conditions, such as the growth of middle-income segment in Indonesia that will impact lifestyles change; the implementation of ASEAN Economic Community (AEC), and digital marketing challenges where the potential of the younger segment will increase.

Overall, to realize BRI's goal by the end of 2017, which is to become "The Most Valuable Bank in Indonesia and Strong Existence in Southeast Asia", BRI's communications strategy will be focused on retail as well as commercial products and delivered through conventional and social media/digital media.

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To implement marketing communications activities, the strategy will consist of:

- Building the Integrated Marketing Communication (IMC) awareness across all levels of BRI employees to ensure the thorough and well-organized implementation of strategy (selective growth), and ensure BRI's respond to the increasingly intensive and dynamic business competition.
- Selective growth planning and implementation incorporated in marketing communications shall be supported by the optimization of internal database use (CIF) to CRM (Customer Relation Management). This way, the Bank can create a comprehensive communications strategy that can enhance customer loyalty.

DIVIDENDS AND DIVIDEND POLICY

The AGMS as the Bank's highest organ stipulates the amount of dividend payout. As discussed under the Corporate Governance chapter, for the financial year 2014, the AGMS 2015 passed a resolution of dividend payout (DPO) amounted to Rp7.2 trillion, or a ratio of 30%. The dividend payout and ratio for the previous financial years are discussed in detail on page 27.

At the AGMS held on 19 March 2015 and 26 March 2014, BRI's shareholders approved the dividend payout from profits of the year for years ended 31 December 2014 and 2013 with the following details:

	Profits of the Year 2013 (Million Rp)	Profits of the Year 2014 (Million Rp)
Dividend	6,348,045	7,272,495
Specific and General Purposes	4,443,632	2,666,581

Pursuant to SFAS No. 24 (2013 Revision) on "Employee Benefits", BRI has recognized reserve for sharing of profit in Income Statements and other consolidated comprehensive income for the year.

In the process of DPO determination, the management has the right to propose the dividend amount, taking into account sustainable business growth and capital adequacy ratio (CAR). Considering the gradual implementation of Basel III that began at the beginning of January 2015 until its full-fledged implementation in January 2019, BRI aims to maintain the CAR above 17.5% in accordance with the maximum CAR requirement under Basel III.

Retained earnings is the main source of capital addition and CAR increase, while capital is the main source that supports BRI's business growth. As such, when proposing the DPO, aside from considering the level of CAR, BRI also considers sustainable ROE for the next three years.

COMMITMENT AND CONTINGENCY

Using objective evidence, BRI measures the commitment and contingency transactions with credit risk individually. The measurement observes Bank Indonesia collectability guidelines. On commitment and contingency transactions in BRI Syariah, the assessment applies the sharia principles.

The minimum allowance for impairment losses of commitment and contingencies required by Bank Indonesia was Rp1,242 and Rp398 as of 31 December 2015 and 2014, respectively.

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Commitments and Contingencies with Credit Risk As of 31 December 2014 and 2015			
	2013	2014	2015
Commitment			
Commitment Receivables			
Current Sport and Derivative Purchase	1,180,490	836,582	6,343,775
Total Commitment Receivables	1,180,490	836,582	6,343,775
Commitment Liabilities			
Interest Receivables in Settlement			
Unused Loan Facility Granted to Debtors	79,707,332	95,360,221	111,600,420
Irrevocable L/C	18,626,470	9,209,539	15,406,791
Spot Trading and Sale of Foreign Currency	937,090	735,099	2,198,086
Others	72,679	74,780	155,372
Total Commitment Liabilities	99,343,571	105,379,639	129,360,669
Commitment - Net	(98,163,081)	(104,543,057)	(123,016,894)
Contingency			
Contingency Receivables			
Interest Receivables In Settlement	58,203	35,817	47,497
Total Contingency Receivables	58,203	35,817	47,497
Contingency Liabilities			
Standby L/C	6,656,160	7,311,903	4,225,864
Bank Guarantee	9,236,021	11,541,922	19,443,044
Others	45,322	-	-
Total Contingency Liabilities	15,937,503	18,853,825	23,668,908
Contingency - Net	(15,879,300)	(18,818,008)	(23,621,411)

DERIVATIVE AND HEDGING FACILITIES

BRI is committed to implement Risk Management system in compliance with prevailing regulations and best practices. BRI performs hedging transactions as part of the Bank's risk management activities to protect its portfolio of foreign currency denominated assets and BRI does not use or issue derivative instruments for trading purposes.

IMPACT OF INTEREST RATE CHANGES ON BANK'S PERFORMANCE

Losses could arise from changes of interest rates due to a gap between assets and liabilities, which are subject to floating interest rates. Details on the types of assets and liabilities with floating rates are presented in the Consolidated Financial Statements under the Market Risk Management sub-chapter.

The following table discloses the sensitivity of banking books to potential interest rate changes, with other variables presented on a constant basis, to BRI's income and other comprehensive income statements.

2015	
Percentage Change	Impact on Profit/Loss and Other Comprehensive Income
+/- 1 %	+/- 1,949,700
2014	
Percentage Change	Impact on Profit/Loss and Other Comprehensive Income
+/- 1 %	+/- 1,647,889

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2013

Percentage Change

+/- 1 %

Impact on Profit/Loss and Other Comprehensive Income

+/- 1,182,667

PRIME LENDING RATE AS OF DECEMBER 2015

Interest Rate	By Business Segment (P.A)				
	Corporate Loans	Retail Loans	Micro Loans	Consumer Loans	
				Mortgages	Non Mortgages
TMT December 2015	10.75%	11.50%	19.25%	10.25%	12.50%

- The Prime Lending Rate is used as a basis to determine interest rates that the Bank applies to customers. The Prime Lending Rate is exclusive of loan premium estimates, which depend on the Bank's assessment on risks to individual debtors or groups of debtors. As such, the loan interest rates payable by a debtor may differ from the Prime Lending Rate.
- Under Non-Mortgage Consumer Loans, fund disbursement via credit card and non-collateral loans (KTA) are excluded.
- Information on applicable Prime Lending Rate is available at any time from any BRI offices, and/or accessible via website www.bri.co.id

MANAGEMENT (ESOP/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.

In total, there were 569,876,000 shares exercised throughout all MSOP phases. Until the end of exercise period, there were 4.3 million unexercised shares from MSOP Tranche I; 5.2 million shares from MSOP Tranche II; and 8.8 million shares from MSOP Tranche III. The exercise of all MSOP phases was pursuant to Bapepam-LK regulation No.IX.D.4 and IDX Regulation No.1-A, attachment to BEI Board of Directors Decree No. Kep.305/BEJ/07-2004 regarding the Listing of Securities.

MSOP Phases	Total MSOP Shares	Beginning Date of MSOP	Ending Date of MSOP	Exercised Shares
Tranche I	235,294,100	10-Nov-03	9-Nov-08	230,999,000
Tranche II	235,294,100	10-Nov-04	9-Nov-09	230,047,000
Tranche III	117,647,050	10-Nov-05	9-Nov-10	108,830,000
Total	588,235,250	-	-	569,876,000

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.

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(In million Rupiah)

	Tranche I	Tranche II	Tranche III	Total
Paid-up Capital	115,500	115,024	54,415	284,938
Premium	106,837	287,559	474,490	686,886
Other Capital (Share x Option Value)	27,117	80,889	10,259	212,265
Total	249,454	483,471	633,164	1,366,089

BUY BACK SHARES

Buyback References

The Bank has obtained a permit from the OJK to exercise buyback shares of BBRI. The buyback was carried out from 12 October 2015 to 12 January 2016. In performing the buyback of shares and/or bonds, the Bank complies with the prevailing external regulations, among others:

1. Law No. 40 of 2007 on Limited Liability Company
2. OJK Regulation No. 2/POJK.04/2013 on Stock Buyback by Issuers or Public Companies in Significantly Fluctuating Market Conditions
3. 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
4. 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

Buyback Shares 2015

Total Shares	Average Buyback Price	Increase in Earnings Per Share
210,118,600 shares	Rp 10,881/shares	Rp8.8/share

*: Until 31 December 2015, the Bank has not exercised buyback shares

Buyback Program 2016

BRI exercised the buyback for three months starting 12 October 2015 to 12 January 2016, totaling 221,718 million shares. The average buyback price stood at Rp10,881. The total cost of buyback exclusive of transaction costs was Rp2.419 trillion. The initial buyback target was Rp2.5 trillion. BRI buyback shares should not exceed 20% of total paid-up capital and shares outstanding should be at a minimum 7.5% of paid-up capital. 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.

The last transaction took place on 7 January 2016. A report to OJK was administered on 13 January 2016. The buyback shares are to be used in MSOP/ESOP (Management Stock Option/ Employee Stock Option). Another purpose of buyback is to strengthen the Jakarta Composite Index, which was dropped in mid 2015.

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USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING (IPO)

BRI exercised the Initial Public Offering (IPO) on 10 November 2003. According to IPO prospectus, proceeds from the IPO of Rp1.47 trillion would be used for the following purposes:

No	Use of IPO Proceeds (billion Rp)	Plan	2004	2005	2006	2007	2008	2009	Realized
1	Core Banking and IT System Upgrade	883.27	196.24	564.35	646.96	698.87	723.36	883.27	100%
2	Operational Network Expansion	147.21	213.68	419.34	441.63	441.63	441.63	147.21	100%
3	Research and Product Development	441.63	147.21	147.21	147.21	147.21	147.21	441.63	100%
Total Proceeds		1,472.11	557.13	1,130.90	1,235.80	1,287.71	1,312.20	1,472.11	100%

As of the end of September 2009, all proceeds from the IPO were utilized as planned.

MATERIAL INFORMATION AND FACTS ON INVESTMENT, EXPANSION, DIVESTMENT, ACQUISITION, AND DEBT/CAPITAL RESTRUCTURING

Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera

On 6 October 2015, BRI signed a Share Transaction Agreement with shareholders of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BJS"), thereby acquiring 91.001% of BJS shares with a purchase value of Rp1,627 billion. BRI became the holder of 91% of BJS shares, while the remaining 9% of shares are owned by Yayasan Kesejahteraan Pekerja (YKP) Bank BRI. BJS total assets as of 31 December 2015 was Rp5,038,764 or 0.57% of the total consolidated assets.

Going forward, BRI will focus on the implementation of two measures to propel BJS business; the first plan is to harness the competitive advantage of BRI, namely brand awareness, customer base and networks, and its established bancassurance network. The second plan is to conduct an internal revamp to enhance the company's competitiveness through better products, use of information and technology system, and due observance of prudence in operational processes.

MATERIAL INFORMATION ON TRANSACTIONS CARRYING CONFLICT OF INTERESTS AND/OR TRANSACTIONS WITH AFFILIATED PARTIES

In conducting its day-to-day business, BRI makes transactions with the Bank's related parties due to ownership and/or managerial relations. All transactions with related parties are performed based on terms and conditions agreed upon by the involved parties.

The nature and relationship of transactions with related parties are disclosed under the Note 43 of Audited Financial Statements and are an integral part of this Annual Report.

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CHANGES OF REGULATIONS AND THEIR IMPACTS ON THE BANK'S PERFORMANCE

No.	Regulation	Points of Regulation	Impact on BRI
BANK INDONESIA REGULATION (PBI)			
1.	Bank Indonesia Regulation No. 17/3/PBI/2015 on the Obligation to Use Rupiah in the Territory of the Republic of Indonesia.	All transactions within the territory of the Republic of Indonesia, whether by residents or non-residents, in cash or in non-cash transactions, as long as they are conducted within the territory of the Republic of Indonesia, must use Rupiah. Exception applies on particular transactions for implementing the state budget, receipt or grant of offshore grants; international commercial transactions, bank deposits in foreign currency, and international financing transactions. Aside from the exception above, mandatory use of Rupiah also does not apply to transactions conducted in foreign currency based on legislative provisions, consisting of: 1. Business activities in foreign currency conducted by banks on the basis of the laws governing the banking activities and sharia banking activities; 2. Transactions on the primary market and secondary market for foreign currency securities issued by the Government pursuant to the laws governing government securities and sharia-compliant government securities; and 3. Other transactions in foreign currency that are conducted based on the laws.	BRI shall adjust its customers management and transactions in foreign currencies pursuant to this regulation.
2.	Bank Indonesia Regulation No.17/13/PBI/2015 dated 25 August 2015 on Foreign Exchange Transactions Against Rupiah between Banks and Domestic Clients	a. The threshold of Spot foreign exchange transactions for buying foreign currency against Rupiah required to have underlying transactions is reduced from USD 100,000 to USD 25,000 or its equivalent per month per customer. b. Where the value of underlying transactions is not in multiples of USD 5,000, the amount is to be rounded up to the nearest multiple of USD 5,000.	BRI shall adjust its stipulation on foreign currency transactions pursuant to this regulation
3.	Bank Indonesia Regulation No.17/21/PBI/2015 dated 26 November 2015 on Statutory Reserves for Commercial Banks in Rupiah and Foreign Currency for Conventional Commercial Banks	a. The regulation reduces the Statutory Reserve (GWM) in Rupiah to 7.5% of a bank's third party funds in Rupiah. b. The regulation also decreases in certain parts of the fulfillment of the obligations of Primary GWM in Rupiah receiving interest income amounted to 2.5% of TPF in Rupiah. The current account remained at 2.5% of the effective annual interest rate (annual effective rate).	Decrease in Statutory Reserves will increase BRI's liquidity, hence augmenting the Bank's funding/ lending capacity

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No.	Regulation	Points of Regulation	Impact on BRI
FINANCIAL SERVICES AUTHORITY REGULATIONS (POJK)			
1.	POJK 11 /POJK.03/2015 dated 21 August 2015 concerning Prudential Provisions on National Economic Stimulus for Commercial Banks	ASSETS QUALITY ASSESSMENT AND DETERMINATION FOR COMMERCIAL BANKS a. For loans and other provisioning of funds provided to 1 (one) debtor or 1 (one) project valued less than or equal to Rp5,000,000,000.00 (five billion Rupiah) loan quality following restructuring can be categorized as "Performing" provided that there are no arrears in 3 (three) installment periods of principal and/or interest payments consecutively, according to Restructuring Agreement. b. If the principal and/or interest installment period is less than 1 (one) month, quality improvement to Performing as intended in paragraph (2) can be done at least 3 (three) months after Loan Restructuring.	BRI will adjust its loan restructuring procedure pursuant to this regulation
2.	POJK No. 42 /POJK.03/2015 dated 23 December 2015 on the Mandatory Liquidity Coverage Ratio for Commercial Banks	a. Liquidity Coverage Ratio (LCR) compares the High Quality Liquid Asset with total net cash outflow for 30 (thirty) days stress scenario. b. High Quality Liquid Assets (HQLA) is defined as cash and/or financial assets that can be easily converted into cash to meet the Bank's liquidity needs for 30 calendar days liquidity stress scenario. c. Net Cash Outflow is the total estimated cash outflow less the total estimated cash inflow that is projected to occur for the next 30 (thirty) days stress scenario. d. Deposits is defined as stipulated in Law No. 7 of 1992 on Banking, amended by Law No. 10 of 1998 e. Funding is defined as funds from third parties that result in the Bank's obligations. Funding can be in the form of deposits, debt securities, issued securities, borrowings, and other equal obligations.	BRI has adjusted its LCR calculation with the stipulation in this regulation and has reported the adjustment to the OJK

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No.	Regulation	Points of Regulation	Impact on BRI
FINANCIAL SERVICES AUTHORITY REGULATIONS (POJK)			
3.	POJK No. 46/POJK.03/2015 dated 23 December 2015 on Determination of Systemically Important Bank and Capital Surcharge	The Financial Services Authority (OJK) shall determine the Systemically Important Bank (SIB) and Capital Surcharge for SIB, as follows: Systemically Important Bank (SIB) Determination: - OJK defines SIB based on systemic important score measured using certain indicators. - SIB indicators are: - Bank size, namely bank's total exposure - Interconnectedness with the financial system, which considers three sub-indicators: - intra financial system assets - intra financial system liabilities - securities outstanding - Business complexity that has four sub-indicators as defined by the OJK, namely: - Over the counter and spot derivatives - Securities classified as available for sale, excluding securities placed as high quality liquid assets in liquidity coverage ratio - Specific domestic indicators defined by the OJK - Substitutability of bank's role in payment and custodial systems - All indicators and sub-indicators have equal weight - OJK will review SIB methodology at least 1 (one) time in 3 (three) years Capital Surcharge - Capital Surcharge is determined based on 5 buckets: 1% (one percent) of RWA for Bucket 1 1.5% (one point five percent) of RWA for Bucket 2 2% (two percent) of RWA for Bucket 3 2.5% (two point five percent) of RWA for Bucket 4 3.5% (three point five percent) of RWA for Bucket 5 - SIB Capital Surcharge must be met using the CET-1 component - SIB Capital Surcharge must be gradually met starting 1 January 2016 to 1 January 2019 - Capital Surcharge applicable for 1 Januari 2016 is calculated using data from June 2015	BRI will adjust Capital Surcharge calculation effective as of 1 January 2016. Currently, BRI is confident it can meet the requirement with total CAR of 20.59% and CET-1 of 16.76% as of December 2015.
4.	POJK No. 45/POJK.03/2015 dated 23 December 2015 on Corporate Governance Implementation for Remuneration in Commercial Banks	- The Board of Directors and Board of Commissioners duties and responsibilities to formulate and implement remuneration - Remuneration Committee's duties and responsibilities - Prudence in formulating remuneration - Remuneration disclosure - Variable remuneration provided by a listed and public bank must be in the form of shares or other share-based instruments issued for a certain percentage of the amount of variable remuneration	BRI will adjust with the new provisions

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No.	Regulation	Points of Regulation	Impact on BRI
GOVERNMENT REGULATIONS			
1.	Regulations of the Coordinating Economic Minister No. 8 and 13 of 2015 on the Guidelines for People Business Loans (KUR) Implementation	The regulations stipulate the Guidelines for Micro People Business Loans (Micro KUR). The guidelines are applicable to ministers/institutions, local governments, implementing banks, and guarantee companies in planning, executing, monitoring, and evaluating as well as overseeing Micro KUR Program. An amendment is made to interest rate payable by customers from 12% (Regulation No. 8) to 9% (Regulation No. 13) and shall apply effective as of 1 January 2016.	Starting August 2015, BRI has disbursed KUR with 12% interest rate. The new KUR interest rate of 9% will be applied effectively as of 1 January 2016.
2.	Finance Minister Regulation No. 201 of 2015 dated 11 November 2015 on Management of the Accumulated Pension Contribution of Civil Servants (PNS)	This regulation stipulates the limit of investment instruments (portfolio management) for institutions that manage pension contributions of PNS. Effective as of 12 November 2015, the regulation stipulates: • Pembatasan portofolio investasi per-pihak maksimum 25% dalam bentuk Deposito, Saham, Surat Utang, Reksadana, dan Penyertaan Langsung • Pembatasan portofolio investasi per jenis investasi:	To anticipate investment instrument diversification by pension contribution management institution, BRI plans to improve funding structure in 2016, targeting to have a higher low-cost funds component compared to 2015 position. One of funding diversification plans is to issue bonds in 2016.

Types of Investment	Maximum Limit (special)	Maximum Limit of Total Investment
Securities		50%
Deposits	5% per-government banks	
Shares (listed on the Stock Exchange)	10% per-issuers	40%
Corporate Bonds (listed and traded on the Stock Exchange) with a minimum rating of A-	15% per-issuers	50%
Mutualfunds	15% per-investment managers	50%
Direct Investments (shares not listed on the Stock Exchange)	5% per-parties	10%

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NEW FINANCIAL ACCOUNTING STANDARDS AND THEIR IMPACTS ON FINANCIAL STATEMENTS

In 2014, the Financial Accounting Standards Board (DSAK-IAI) passed a number of Revised and New Statements of Financial Accounting Standards (SFAS) that applied effective as of 1 January 2015. With regards to the new standards, the following table summarizes the points of changes and impacts on BRI going forward:

No.	New SFAS	Previous SFAS	Key Changes	Impacts on BRI
1.	SFAS 1 (2013): Presentation of Financial Statements	SFAS 1 (2009): Presentation of Financial Statements	- Change of Comprehensive Income Statements to Income Statements and Other Comprehensive Income; addition of comparative information as part of Financial Statements - Change of Income Statements format - Additional requirement for the disclosure and presentation of comparative information. - Presentation of Other Comprehensive Income (OCI) by accounts that will and will not be reclassified to Profit/Loss - Alternative for OCI account in Income	BRI has adjusted Financial Statements format as required by the standard.
2.	SFAS 4 (2013): Separate Financial Statements	SFAS 4 (2009): Consolidated Financial Statements and Separate Financial Statements	The scope covers Separate Financial Statements as additional information of Consolidated Financial Statements. This standard introduces provision on the formulation of Separate Financial Statements for entities that are no longer entities of investment	BRI has presented Separate Financial Statements as additional information in Notes to Financial Statements
3.	SFAS 48 (2014): Impairment of Assets	SFAS 48 (2009): Impairment of Assets	Consequential amendment to the introduction of SFAS 68 (2014). Points of amendments are as follows: Fair value definition refers to SFAS 68 (2013). Additional explanation of the difference between fair value and value in use Provisions on goodwill allocation on cash generating unit, i.e. operating segment before aggregation Disclosures, including: - Fair value hierarchy - Description of techniques - Assumptions used to calculate recoverable amount - Method description for key assumptions - Reasons for changes of valuation technique - Prospective transition applies	BRI has made adjustments required by the standard.
4.	SFAS 65: Consolidated Financial Statements		Changes the definition of "control" and includes guidelines to measure control. Exception applies for consolidated financial statements of Investment Entities.	

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No.	New SFAS	Previous SFAS	Key Changes	Impacts on BRI
5.	SFAS 24 (2013): Employee Benefits	SFAS 24 (2010): Employee Benefits	a. Measurement and Assumptions: No significant changes save for detailed explanation on assumptions b. Recognition: Component of changes of Present Value of Obligation that can be amortized and deferred is no longer recognized SFAS 24 (2010 Revision) recognized two components of Present Value of Obligation that (can be) amortized or deferred, which are no longer recognized under SFAS 24 (2013 Revision). Changes in Service cost are recognized in Profit/Loss and actuarial gains and losses are recognized in OCI. c. Presentation: restructuring expense components into 3 major groups: Service Expenses, Net Interest of Liabilities (Assets), Net Defined Benefit (net interest income/expense) and remeasurement of liabilities (assets) of net defined benefit Service Cost and Net Interest are recognized in Profit/Loss and remeasurement is recognized in OCI Disclosure: more complex and principle-based Retrospective transition applies	Until Quarter IV/2014, BRI still used 10% corridor and linear amortization methods for Severance, Other Long-Term Benefits, and Pensions. For the first time recognition of unrecognized balance of Past Service Cost and Actuarial Gains and Losses, these accounts must be excluded from liabilities and recognized in Profit/Loss and OCI. Where significant number changes occur, restatement can be made in 2015 by restating financial position as at 31 December 2014 and 1 January 2014.
6.	SFAS 46 (2014): Income Tax	SFAS 46 (2009): Income Tax	• Stipulates Deferred Tax Asset (DTA) and Deferred Tax Liability (DTL) of unamortized assets measured using revaluation method. • Stipulates DTA and DTL arising on investment property measured at fair value. • Eliminates stipulation on final tax and tax assessment Prospective transition applies	BRI will make adjustments required by the standard, among others: • DTA/DTL measurement to reflect tax consequence to recover recorded amount of unamortized assets through sales (if any) • If tax tariff of Assets Sales $\neq$ tax tariff of assets use, then use tax tariff of Assets Sales • DTA/DTL measurement to reflect tax consequence to recover carrying amount investment property through sales (if any)

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No.	New SFAS	Previous SFAS	Key Changes	Impacts on BRI
7.	SFAS 50 (2014): Financial Instruments: Presentation	SFAS 50 (2010) Financial Instruments: Presentation	- Improvement of scope referring to SFAS that stipulates a specific scope (e.g. SFAS 68) - Provides guideline to apply offsetting of financial assets and financial liabilities - Provides guideline to apply net settlement criteria - Retrospective transition applies	BRI has made adjustments required by the standard. Presently, BRI adopts offsetting and net settlement criteria when and only when BRI has the legal capacity to exercise the offsetting and net settlement with the purpose to realize assets and settle liabilities simultaneously.
8.	SFAS 55 (2014) Financial Instruments: Recognition and Measurement	SFAS 55 (2010): Instruments: Recognition and Measurement	Improvement of scope referring to SFAS that stipulates a specific scope (e.g. SFAS 68) Stipulates the recording of financial instrument when the fair value at recognition differs with value at transaction Describe reclassification measurement of embedded derivatives Stipulates criteria of hedging, termination of hedging instruments; measurement of hedging effectiveness; and recognition period of hedging over cash flows Retrospective transition applies.	BRI has made adjustments required by the standard.
9.	SFAS 60 (2014): Financial Instruments: Disclosures	SFAS 60 (2010): Financial Instruments: Disclosures	- Improvement of scope referring to SFAS that stipulates a specific scope (e.g. SFAS 68) - Disclosure of entities that satisfy offsetting criteria - Required disclosures for partial or whole termination - Retrospective transition applies.	BRI has made adjustments required by the standard, among others improved disclosures of fair value and liquidity risk; modification adjustment to information system and internal control with respect to disclosure requirement, and management's consideration regarding the level of input significance in fair value measurement.
10.	SFAS 68: Fair Value Measurement		- Single reference for fair value measurement required by other standards - Adoption of fair value measurement framework includes the use of term "exit price" - Fair Value hierarchy - Introduction of default risk measurement that includes loan value adjustment and debit value adjustment. - Block discounts/blockage factor are not allowed - Highest and Best Use concept for non-financial assets - Requires disclosures of individual measurement of fair value - Prospective transition applies	Starting 1 January 2016, the fair value measurement and disclosures of all Financial and Non-Financial Assets of BRI improved based on criteria of measurement and disclosure defined by this accounting standard.

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ACCOUNTING POLICIES AND FINANCIAL INFORMATION RELATING TO EXTRAORDINARY EVENTS

The policies are used as BRI's guidelines in recording and disclosing extraordinary events in the audited financial statements. Extraordinary events are for example disasters suffered by customers with substantial loan balance, etc. During a reporting year, there are not an accounting policy and financial information for extraordinary events.

BUSINESS CONTINUITY MANAGEMENT (BCM)

Disruption or disaster due to the nature, human, and technology errors are a significant threat to the business continuity of BRI and its operating units in Indonesia. As such, BRI Board of Directors deems it necessary to develop and apply a Business Continuity Management (BCM) Policy.

BRI develops, applies, tests, and updates its BCM to ensure the safety and security of employees, customers, and other stakeholders nearby BRI operating units; sustaining the Bank's business activities and operations, and protecting the interests and assets of BRI and its customers.

The implementation of BCM in BRI, applicable across all operating units, is as follows:

- Establishment of BCM Maintenance Team (BMMT) to maintain BCM program under usual circumstances before any event of disaster occurs.
- Establishment of Crisis Management Team (CMT) tasked with a critical role in the event of disruption/disaster. The CMT will have to take measures during an event of disaster and is only active under such circumstances.
- Formulation and update of Call Tree, detailing names, contact numbers, and positions in organizational structure. This information also supports evacuation procedure.
- Determination of alternate site should disruption/disaster takes place at Operating Units' main premises.
- Business Impact Analysis (BIA) generated by each Operating Unit, containing results of potential disruption/disaster identification, risk assessment and disaster threats, mapping of operating units vulnerable to disasters, and list of resources inventory required to be prepared against the risks and threats in each Operating Unit.
- Formulation of Disaster Mitigation Emergency Response Procedure and Business Continuity Plan (BCP) for several Critical Operating Units.

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The RM Division continuously coordinates the BCM implementation with relevant operating units. The results of this coordination include testing, such as DC-DRC switch over and fire drills in several BRI buildings, including BRI Head Office and Ragunan IT Office, all BRI Operating Units, and other drills for other types of disasters.

The disaster drills are exercised at least once every year and cover the following:

- a. High-rise evacuation exercise
- b. Basic training to use fire extinguisher equipment
- c. Training for victims evacuation from inside a building for building safety officers
- d. Other relevant basic exercises

BRI's readiness in ensuring business continuity has been proven, as several BRI's Operating Units have experienced disaster situation. BRI utilized E-Buzz and Mobile Teras BRI available at all of the Bank's operational regions as alternate site during incident period, thereby allowing the Operating Units to resume activities as soon as possible after the disasters occurred.

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31.85%

DURING 2015, BRI'S MOBILE
BANKING GROWTH REACHED
31.85% (YOY)



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Risk Management



“

BRI implements Basel II, Pillar 3 (market discipline) for the disclosure of risk types and potential losses as well as risk management practices. The disclosure is expected to provide transparent information to the public and market players

”

To realize its aspiration to become a leading bank in the National Banking Industry, BRI consistently strives for product and service innovations. BRI also continuously expanding and strengthening its service networks through the expansion of operating units and e-channels.

In line with comprehensive service development, BRI understands that this effort also increases risk encountered in its business. As such, BRI implements enterprise risk management that focuses on creating the company values appropriate to the level of risk appetite.

The efforts have been successful. In the midst of a less than conducive economic situation and ever-greater competition, BRI's business scales continuously growing in 2015.

On the process, BRI consistently performs risk control in each process of its banking business and operational daily activities. This initiative is an important factor to ensure the achievement of determined performance targets, namely to become a sound bank with a sustainable growth performance.

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Risk Management

Risk Management is an essential instrument to improve the Bank's management quality through two aspects, namely protecting capital and optimizing returns against risk. Align with vast operational scales and increasing business volume, BRI implements an integrated risk management pattern through various activities, such as identification, measurement, monitoring and control of risk exposure across all lines of the organization.

RISK MANAGEMENT IMPLEMENTATION REFERENCES

BRI's risk management activities are implemented based on Bank Indonesia regulations, which are:

1. Bank Indonesia Regulation No. 5/8/PBI/2003 concerning Risk Management Implementation for Commercial Banks, as amended by Bank Indonesia Regulation No. 11/25/PBI/2009
2. Bank Indonesia Circular Letter No. 13/23/DPNP of 2011 on the amendment of Circular No. 5/21/DPNP concerning Risk Management Implementation for Commercial Banks
3. Bank Indonesia Regulation No. 14/14/PBI/2012 on Transparency and Publication of the Banks' Reports and Bank Indonesia Circular Letter No. 14/35/DPNP.

BRI also implements Basel II, Pillar 3 (market discipline) in disclosing risk types and potential losses as well as risk management practices. This disclosure is expected to provide transparent information to the public and market players.

INTEGRATED RISK MANAGEMENT

BRI observes all risks that might impact its business sustainability. The observation includes all risks that might directly or indirectly impact BRI's business sustainability, whether from subsidiaries, related companies or other entities in the BRI Financial Conglomeration.

Under the prevailing regulations, there are two types of additional risk that are mandatory to be managed by the BRI Financial Conglomeration, which grouped into:

1. Credit Risk
2. Market Risk
3. Liquidity Risk
4. Operational Risk
5. Legal Risk
6. Strategic Risk
7. Reputational Risk
8. Compliance Risk
9. Intra-group Transaction Risk
10. Insurance Risk

Implementation of Integrated Risk Management

In addition, the assessment of Intra-group Transaction Implementation and Insurance Risk Management has remained at the Satisfactory level, with the following changes in integrated Risk Management governance:

Pillar 1 Active Supervision by the Board of Commissioners and Board of Directors

- Establishment of a Committee under the Board of Commissioners, namely the Integrated Governance Committee.

- Addition of scope for the Integrated Risk Management Committee, which regularly discusses the Integrated Risk Management Implementation in Financial Conglomeration.
- Addition of scope for BRI's Director of Compliance as a Director overseeing the function of Integrated Risk Management for BRI Financial Conglomeration.

Pillar 2 Adequacy of Policies, Procedures and Limits

- Drafting of BRI's Policy on Integrated Risk Management with Subsidiaries.
- Drafting of Guidelines on Risk-Based Rating of the Bank's Soundness Level (Risk-Based Bank Rating), wherein the Risk Profile of Intra-group Transaction and Integrated Governance are provided for.

Pillar 3 Risk Management Process, Human Resources Adequacy and Management Information System Adequacy

- Identification of Intra-group Transaction Risk by Integrated Risk Management Unit.
- Measurement of Intra-group Transaction Inherent Risk and Intra-group Transaction Risk Management Implementation Quality through Integrated Risk Profile Report.
- Risk Monitoring and Controlling through RMC forums and coordination meetings discussing issues of intra-group transaction risk and follow-up plans.
- Appointment of the Investment Services Division as the Operating Unit managing the intra-group transaction risks at Subsidiaries.

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Risk Management

Pillar 4 Internal Control Systems

- Improving the culture of risk-awareness over intra-group transactions in the BRI Financial Conglomeration. The performance of independent review of intra-group transaction risk management implementation quality by the internal audit work unit, conducted regularly at least once a year.

- Total intra-group transactions including off-balance sheet intra-group transactions to total capital of the conglomeration
- Total bank's income in the financial conglomeration from intra-group transactions to the bank net income
- Total bank costs in the financial conglomeration from intra-group transactions to the bank net income

IMPLEMENTATION OF INTEGRATED RISK MANAGEMENT

Since the implementation of Integrated Risk Management began in the last quarter of 2015, there have been several changes in BRI's risk management with the implementation of integration in:

- Risk Profile
- Conducting Risk Management Committee (RMC) Meetings, and
- Calculation of Minimum Capital Adequacy Requirement

Integration of Risk Profile

Risk profile integration is conducted by adding the identification and measurement of Intra-group Transaction Risk and Insurance Risk Profiles on the following parameters:

Intra-group Transaction Risk

The assessment of intra-group transactions includes the capital placement in subsidiaries, dividend payment, and bank income earned from the transactions with subsidiaries. The Intra-group Transaction Risk Rating predicate is Low with the evaluated parameters, as follows:

- Total intra-group transactions to total assets of the conglomeration

Insurance Transaction Risk

Insurance Risk Rating is Low to Moderate with the Policy Cancellation Ratio (Lapse Ratio) as the evaluated parameter.

RMC Meeting with Subsidiaries

As an initial step in coordinating integrated risk management, BRI also convened its first Integrated RMC forum in 2015, namely on 16 September 2015, to discuss intra-group transaction risk strategies and policies.

Minimum Capital Adequacy Requirement Calculation Integration

With the Integrated Risk Management implementation, reservations for integrated risk exposure are calculated based on the Integrated Minimum Capital Provision Obligation at 221%. This calculation refers to Financial Services Authority Regulation No. 26/POJK.03/2015.

BRI's integrated Total Actual Capital (TMA) as of 31 December 2015 was Rp115.34 trillion and the Total Minimum Capital was 9.19% of BRI's ATMR (consolidated) amounted to Rp560.08 trillion, while Bringin Life's Total Minimum Capital was 120% of the Risk-Based Minimum Capital (MMBR) at Rp532.07 trillion.

RISK MANAGEMENT ORGANIZATION STRUCTURE

BRI's risk management organization structure is managed through the following functions:

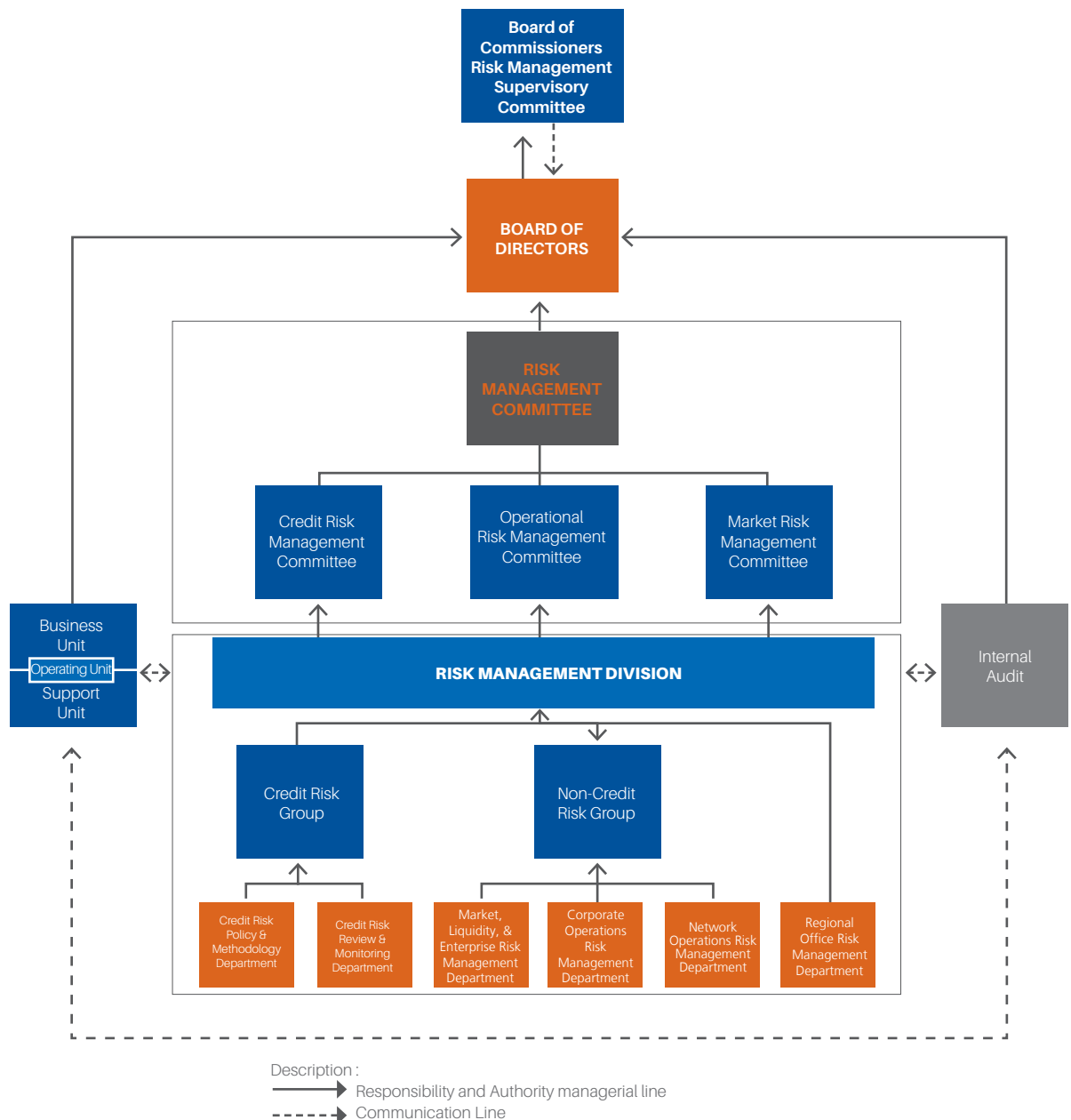
- a. Risk Management Steering Committee (RMSC) is a committee at the Board of Commissioners' level, which duties are to provide assistance to the Commissioners in monitoring the Risk Management policies and implementation by the Board of Directors.
- b. In its management, the Risk Management Committee (RMC) as the highest committee assists the Board of Directors in BRI's risk management system. The RMC is a non-structural and independent from the operating units. The RMC has the duties to provide recommendations to the President Director in the formulation of policies, improvement of policy implementation, overall risk profile progress evaluation and discussion, including risk strategy, as well as providing advice and corrective measures. The RMC's members consist of all members of the Board of Directors and appointed executives at one level below the Board of Directors. The RMC Meetings are conducted periodically (at least once in every three months). The RMC supervises 3 (three) Sub-RMCs, namely the CRMC (Credit Risk Management Committee), MRMC (Market Risk Management Committee) and ORMC (Operational Risk Management Committee), established to discuss credit risk, market risk, operational risk and other risks.

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- c. Risk Management Unit. This operating unit has the authority and responsibility to manage risk management processes. It is independent from the Operating Units and Internal Audit Unit.
- d. The Risk Management function has in place the functions or roles conducted by appointed executives from each Operating Unit that are responsible in implementing risk management processes in the functional activities of each respective operating unit.

Following is BRI's Risk Management Organization Structure:



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RISK MANAGEMENT SYSTEM EFFECTIVENESS EVALUATION

Risk management system and procedure evaluation and update needs to be conducted regularly to maintain compatibility of existing Risk Management System with BRI's internal condition, and the latest banking regulations. To perform evaluation and update, BRI has in place Risk Management Implementation of Maturity Level Assessment.

Risk Management Implementation of Maturity Level Assessment is a self-assessment process conducted by Risk Management Function appointed by Head of Operating Unit, which is subsequently validated by Head of Risk Management Division in Regional Office or Head of Operational Risk Management Division in the Head Office. Maturity level assessment in risk management is conducted at least once a year.

In general, Risk Management Implementation of Maturity Level Assessment at each Operating Unit has the following objectives:

1. Identify the level of risk management implementation in each Operating Unit.
2. Evaluate the maturity level of risk management implementation in each Operating Unit.
3. Encourage each Operating Unit to perform continuous improvement of risk management implementation.

The maturity level assessment is expected to generate benefits, as an indicator that reflects the effectiveness of risk management system and procedures implementation initiated by Risk Management Division.

In its effort to control eight types of risk in business activities, BRI evaluates the effectiveness of risk management system through the implementation of enterprise-wide risk management. This evaluation is conducted through four pillars of risk management, which can be elaborated as follows:

Pillar 1 Active Supervision by the Board of Commissioners and Board of Directors

The Board of Commissioners and Board of Directors are responsible for the effectiveness of BRI's risk management implementation. In addition to strong understanding of the risks encountered by BRI, the Boards also play an important role in supporting and overseeing the successful implementation of risk management in all operating units.

To ensure the effectiveness of risk management by the Board of Directors, the Board of Commissioners through the RMSC conducts evaluation on risk management policies and implementation performed by the Board of Directors.

The Board of Directors, assisted by the RMC, comprehensively determines the direction of risk management policies and strategies

including its implementation. The Board of Directors ensures that all material risks and its impacts are followed up and takes corrective measures in case of problems or deviations in business activities. Risk management culture, including risk awareness at all organizational levels, is also the Board of Directors' concern.

Pillar 2 Adequacy of Policies, Procedures and Limits

BRI's risk management policies are provided in BRI's General Risk Management Policy (KUMR). BRI's KUMR outlines the fundamentals of BRI's risk management policies and is the highest policy in BRI's risk management, serving also as the reference for policies, procedures and guidelines in the risk management area, in accordance with the prevailing regulations.

KUMR is explained in detail in the Risk Management Implementation Code (P3MR), which covers several stages of the risk management process, including: risk identification, risk measurement, risk monitoring and risk control. BRI's P3MR consists of the Credit Risk Management Implementation Code (P3MRK), Operational Risk Management Implementation Code (P3MRO), Market Risk Management Implementation Code (P3MRP) and Enterprise Risk Management Implementation Code (P3ERM).

Procedures for limits management and determination for each type of risk that are a mandatory to be managed for all of BRI's products

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and business activities are adjusted to the level of risk appetite, by taking into account the Bank's experience in managing the risk is intended. These limits are regularly reviewed for adjustment toward changes in current condition.

BRI's Board of Directors is authorized to determine the risk limit and tolerance level for each type of risk, as well as risk exposure, by taking into account the experience, capital adequacy, risk management system and tools capability, resources, as well as the prevailing regulations.

Pillar 3 Risk Management Process and Risk Management Information System

Risk management process, consists of:

- a. Identification
Identification is carried out by analyzing all types and characteristics of the risks inherent in each of BRI's business activities, products and other services. Risk identification processes greatly determine the scope and scale of risk measurement, monitoring and control. Risk identification is a proactive measure and covers all BRI business activities, including risk sources and potential as well as the impacts. Risk issues are identified at the level of the Head Office, Regional Offices and Branch Offices across Indonesia by using Risk Management tools. Risk issues are determined and updated at this stage.

- b. Measurement
Risk measurement is conducted to measure BRI's risk exposure, which serves as a reference for control. Risk measurement is regularly performed on BRI's products and portfolios, as well as all business activities. Measurement approaches and methodology can be in quantitative, qualitative or a combination of the two.

Risk measurement is reflected in the quarterly reports of the Consolidated Risk Profile, monthly Risk Profile Dashboard, monthly Reports of Regional Office Risk Profiles, quarterly Reports of consolidated RCSA, quarterly Reports of stress-testing analysis, weekly Reports of potential loss due to market risk, monthly reports of cash ratio monitoring, and quarterly Top Risk Issues Book.

- c. Monitoring
Risk monitoring activities are conducted by evaluating risk exposure inherent in BRI's entire portfolio of products and business activities, as well as the effectiveness of risk management processes. Examples include limits evaluation, Key Risk Indicators and realization of actions planned follow-up prepared by operating units.
- d. Control
Risk control is carried out by following-up on moderate and high risks that exceeds the

limits, increasing control (tight supervision), adding capital to absorb potential losses and conducting periodic internal audits. In addition, BRI also performs New Products and/or Activities analysis.

The Risk Management Information System is part of BRI Management Information System (MIS) and as an important support in the implementation of risk identification, measurement, monitoring and control. Some of the risk management information systems implemented are Operational Risk Assessor (OPRA), Loan Approval System (LAS) and Treasury and Market Risk System (GUAVA).

Pillar 4 Risk Management Internal Control System

The overall organization's internal control is implemented through:

- a. Determination of organization structure with a clear segregation of functions between operational units (business units) and operating units that manage risk control functions (risk management unit).
- b. Determination of risk management unit, namely an independent operating unit that creates the risk management policies, risk measurement methodologies and performs risk limit setting and data/model validation.

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- c. Each transaction and functional activity with exposure to risk is reviewed and monitored as required by each business unit.
 - d. Data validation is conducted by executives and independent units of the operational units. Data validation is conducted at least once a month for all risks.
 - e. Regular audits are conducted by the Internal Auditors, to audit the implementation of risk management processes and system in any functional activity with risk exposures.
 - f. Implementation of the segregation of duties by applying the concepts of Maker, Checker, Signer (MCS) in all of BRI's operational activities.
- Implementation of Risk Management Structure and System**
- The abovementioned four pillars are implemented through several functions, as follows:
1. Formulation and implementation of General Risk Management Policy as the highest policy in risk management and the development of Risk Management Implementation Code (P3MR) in Credit, Operational, Market and Integrated areas.
 2. Determination of risk limits and implementation of stress-testing.
 3. Determination of risk measurement tools and methodologies, which consist of:
 - a. Operational risk
 - i. Tools: Risk and Control Self-Assessment, Key Risk Indicators, Incident Management, Risk Management Forum and Maturity Level Evaluation.
 - ii. Methodologies: Basic Indicator Approach (BIA) and gradually into Standardized Approach (SA), and later into Advanced Measurement Approach (AMA).
 - b. Credit risk
 - i. Tools: Credit Risk Rating (CRR) and Credit Risk Scoring (CRS).
 - ii. Methodologies: Standardized Approach (SA) and gradually into Internal Rating Based Approach (IRBA).
 - c. Market risk
 - i. Tools: VaR, Sensitivity Analysis, Maturity Gap, Maximum Cash Outflow.
 - ii. Methodologies: Standardized Approach (SA) and ready to implement the Internal Model.
 - d. Development of risk management information system includes Operational Risk Assessor (OPRA) for Operational Risks, Loan Approval System (LAS) for Credit Risks and Treasury and Market Risk System (GUAVA) for Market Risks.
 - e. Improvement of Good Corporate Governance and Risk Management frameworks, among other things, through the implementation of Risk Management Forums in each Operating Unit and the Risk Management Function embedded into the appointed executives in the Operating Units. Moreover, at each Regional Office, a Regional Office Risk Management Division (MRK) is in place to provide guidance, monitoring and verification of the implementation of Risk Management processes at the Regional Offices.

Human Capital Development in Risk Management

To implement quality risk management, the competent human capitals in respective fields are required, whilst promoting risk culture and risk management implementation during day-to-day operational activities. To assure reliable human capital in risk management and in compliance with the regulatory provisions

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concerning risk management implementation for commercial banks, BRI carries out risk management education programs, as follows:

- a. Risk Management Certification and Refreshment
Risk Management certification training is attended by the Board of Commissioners, Board of Directors and Echelon 1, 2 and 3 Executives. For those that have already obtained Risk Management certification, BRI provides refreshment programs to enable access on the latest information concerning risk management.
- b. e-learning
Risk Management education is also conducted through e-learning interactive method. e-learning is an independent educational media provided for all BRI employees to better understand risk management philosophy and implementation.
- c. Socialization
Routine socialization is conducted by Risk Management unit to all BRI employees across Indonesia. The socialization is primarily carried out on the risk management tools employed by BRI.
- d. Learning
Learning programs for BRI employees through trainings and seminars held by external parties.

RISKS IDENTIFICATION

Risk management processes are consistently implemented in every day-to-day business activities and banking operations. This consistency is an important factor to BRI's success in optimally achieving predetermined performance targets, to become a sound bank with sustainable growth.

Risk factors that affecting BRI's business strategy, both directly and indirectly, as well as efforts to manage risks, are classified into the following eight categories:

CREDIT RISK

Credit Risk is any risk arising from failure by borrowers and/or other parties to meet their obligations.

Credit risk management implementation in BRI is performed through an organizational structure design that describes the involvement of all parties related to credit risk management (Board of Commissioners, Board of Directors, Committees, Risk Management Division, Operating Units and Internal Audit Unit). The Operating Units consist of Core Risk Taking Unit and Supporting Risk-Taking Unit. BRI has in place a Credit Risk Management Committee (CRMC) that constitutes a Sub-Risk Management Committee (RMC), which discusses issues related to credit risk exposures and the implementation of credit risk.

In the context of managing credit risk, BRI has determined a number of prudential banking principles that are reflected in its credit policy, credit quality assessment procedures, administration and credit approval process. For example, the separation of the functions of loan officers into RM (Relationship Management) and CRM (Credit Risk Management), implementation of the "Four Eyes Principles", implementation of Risk Rating/Scoring System (CRR and CRS), the separation of non-performing loans management and the establishment of Target Markets (PS), Criteria of Acceptable Risk (KRD) and Annual Marketing Plan (RPT).

Segregation of the RM and CRM functions and management segregation between performing loans and non-performing loans into separate divisions is aimed at implementing risk management in lending activities with greater focus without disrupting business processes that oriented towards sound business growth. In addition, BRI implements compliance test processes conducted by the Compliance Directorate to ensure the application of prudential principles on loan approvals above a certain value.

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“BRI conducts periodic stress-testing analysis using macroeconomic data and internal data in various scenarios. The Credit Risk Control is carried out by means of various built-in risk controls in loan disbursement procedures and non-performing loans settlement

BRI refers to BI regulation, namely Standardized Approach Basel II since January 2012. The credit risk calculation is reflected in Credit Risk RWA values, which is calculated monthly, consist of debtors failure risk, counterparty failure risk and settlement failure risk. In parallel, BRI also prepares and develops the Internal Rating Based Approach (IRBA) methodology.

BRI has measured and managed credit risk through assessment of borrower's risk by applying the Internal Risk Rating (Credit Risk Rating / Credit Risk Scoring) since 2001.

The current internal rating (Credit Risk Rating / Credit Risk Scoring) applied by BRI is prepared based on empirical/historical data from BRI's existing borrowers by using statistical methodology. This internal rating is periodically reviewed against the accuracy of the models and assumptions used to project failure and adjustment of

assumptions should there be any changes in the external (regulator) or internal regulations. To overcome the disadvantages that might arise from the application of internal rating model, an independent operating unit performs validation on the operating unit applying this model. The validation or review process of the credit risk measurement model is performed by using a back-testing method.

CRR and CRS calculations are automated and integrated with business processes through the application of the Loan Approval System (LAS). The LAS is designed to support the decision-making process and to ensure compliance with the authority delegation rules.

BRI's Internal Rating (CRR) can be used to determine the interest rate charged to the potential borrowers (Risk-Based Pricing). This approach allows price discrimination according to the risk level (high risk-high return).

BRI manages its Credit Risk by monitoring credit concentration and actual Credit Risk exposure in its portfolio, business segments and economic sectors related to the Credit Risk limits and the determined targets. Furthermore, BRI conducts periodic Stress-Testing analysis with macroeconomic data and internal data in various scenarios. The Credit Risk Control is conducted by means of various built-in risk controls in loan disbursement procedures that regulated from the initial process or loan application, developing and monitoring, restructuring, until the settlement of non-performing loans.

Risk Management

Accounts Past Due or With Decreased Value/Impaired

BRI applies its own definition for the past due accounts and accounts experiencing decreased value. The past due accounts are all accounts or groups of accounts that are more than 90 (ninety) days overdue, either for the payment of principle and/or interest.

All accounts may experience impairment in the event that objective evidence of an adverse event occurring after the initial acknowledgement of the loan, and the adverse event can affect future cash flows over financial assets or a group of financial assets that can be accurately estimated.

Objective evidence involves observation of the events concerning BRI that affects the borrowers' ability to pay in the future, which will adversely impair BRI's loans. If the impairment occurs on the loan value, making

the loan value after impairment to be less than the carrying value from the outset, the Allowance for Impairment Losses must be prepared to cover losses. The Allowance for Impairment Losses is calculated from the impaired value of certain financial assets, whether evaluated individually or collectively.

The following tables illustrate the disclosures of BRI net receivables for the last two years based on portfolio category, which was divided into regions, the remaining terms of the contract, and the economic sectors, for the bank only and consolidated with Subsidiaries.

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Disclosure of Net Receivables Based on Region - Bank Only

No.	Portfolio Category			
		Jakarta	Central and Eastern Indonesia	
(1)	(2)	(3)	(4)	
1.	Government Receivables	208,599,186	-	
2.	Public Sector Entity Receivables	74,973,912	3,143,282	
3.	Multilateral Development Banks and International Institutions Receivables	-	-	
4.	Banks Receivables	53,298,799	13,980	
5.	Mortgage Loan	22,821	371,582	
6.	Commercial Property Loan	1,375,525	688,289	
7.	Employee/Pensioners Loan	13,858,511	48,119,066	
8.	Micro Enterprise and Retail Portfolio Receivables	25,792,049	48,078,750	
9.	Corporate Receivables	81,921,449	15,575,391	
10.	Past Due Receivables	1,374,308	1,479,217	
11.	Other Assets	14,760,503	3,187,454	
12.	Exposures at Sharia Business Unit	-	-	
TOTAL		475,977,063	120,657,011	

Disclosure of Net Receivables Based on Region - Bank Only

No.	Portfolio Category			
		Jakarta	Central and Eastern Indonesia	
(1)	(2)	(3)	(4)	
1.	Government Receivables	213,499,620	-	
2.	Public Sector Entity Receivables	66,634,759	2,537,094	
3.	Multilateral Development Banks and International Institutions Receivables	-	-	
4.	Banks Receivables	36,268,312	17,702	
5.	Mortgage Loan	34,346	879,860	
6.	Commercial Property Loan	1,332,732	984,924	
7.	Employee/Pensioners Loan	12,610,754	44,297,792	
8.	Micro Enterprise and Retail Portfolio Receivables	23,027,075	39,545,946	
9.	Corporate Receivables	78,586,490	11,925,468	
10.	Past Due Receivables	1,056,246	1,127,849	
11.	Other Assets	11,471,562	2,530,800	
12.	Exposures at Sharia Business Unit	-	-	
TOTAL		444,521,896	103,847,435	

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(in million rupiah)

31 December 2015						
Net Receivables by Region						
	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
-	-	-	-	-	4,117,541	212,716,727
7,502,234	11,602	3,847,006	2,935,968	1,635,207		94,049,211
-	-	-	-	-	-	-
-	-	-	-	-	137,850	53,450,629
25,153	86,631	78,178	144,982	38,822		768,169
11,739	136,394	119,307	177,796	3,056		2,512,106
9,805,845	9,033,422	12,178,573	18,527,397	4,238,838		115,761,652
19,965,384	36,788,574	29,272,705	36,784,410	7,914,064		204,595,936
5,028,033	8,588,424	11,175,506	14,211,244	4,292,884		140,792,931
621,554	717,934	835,098	1,635,019	147,322		6,810,452
4,969,605	4,412,976	7,173,873	9,311,325	4,230,014		48,045,750
-	-	-	-	-	-	-
47,929,547	59,775,957	64,680,246	83,728,141	26,755,598		879,503,563

(in million rupiah)

31 December 2014						
Net Receivables by Region						
	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)	
-	-	-	-	-	3,514,536	217,014,156
8,079,122	8,278	3,408,591	2,922,440	1,514,605		85,104,889
-	-	-	-	-	-	-
-	-	-	-	-	123,850	36,409,864
129,420	289,280	182,244	301,678	63,070		1,879,898
20,620	158,297	125,169	131,576	2,695		2,756,013
8,960,077	8,535,955	11,798,438	16,788,128	3,777,475		106,768,619
16,785,190	32,490,205	25,390,087	31,367,332	6,111,683		174,717,518
4,696,692	7,574,208	11,588,653	13,210,118	2,537,880		130,119,509
567,042	679,742	923,142	1,777,254	201,749		6,333,024
4,361,997	3,871,576	5,994,103	8,494,615	185,034		36,909,687
-	-	-	-	-	-	-
43,600,160	53,607,541	59,410,427	74,993,141	18,032,577		798,013,177

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Disclosure of Net Receivables Based on Region – Bank Consolidated with Subsidiaries

No.	Portfolio Category			
		Jakarta	Central and Eastern Indonesia	
(1)	(2)	(3)	(4)	
1.	Government Receivables	209,740,696	-	
2.	Public Sector Entity Receivables	75,014,181	3,253,378	
3.	Multilateral Development Banks and International Institutions Receivables	-	-	
4.	Banks Receivables	54,118,345	15,430	
5.	Mortgage Loan	107,664	394,582	
6.	Commercial Property Loan	1,417,682	693,769	
7.	Employee/Pensioners Loan	13,956,662	48,134,631	
8.	Micro Enterprise and Retail Portfolio Receivables	26,207,820	48,654,032	
9.	Corporate Receivables	84,658,212	15,575,391	
10.	Past Due Receivables	1,376,003	1,479,217	
11.	Other Assets	14,988,551	3,191,500	
12.	Exposures at Sharia Business Unit	14,166,629	1,392,957	
TOTAL		495,752,445	122,784,887	

Disclosure of Net Receivables Based on Region – Bank Consolidated with Subsidiaries

No.	Portfolio Category			
		Jakarta	Central and Eastern Indonesia	
(1)	(2)	(3)	(4)	
1.	Government Receivables	214,502,002	-	
2.	Public Sector Entity Receivables	66,808,134	2,537,094	
3.	Multilateral Development Banks and International Institutions Receivables	-	-	
4.	Banks Receivables	36,625,477	17,836	
5.	Mortgage Loan	56,724	893,018	
6.	Commercial Property Loan	1,332,732	985,600	
7.	Employee/Pensioners Loan	12,708,045	44,308,891	
8.	Micro Enterprise and Retail Portfolio Receivables	23,681,866	39,717,003	
9.	Corporate Receivables	80,468,673	11,925,468	
10.	Past Due Receivables	1,056,246	1,127,849	
11.	Other Assets	11,508,884	2,533,740	
12.	Exposures at Sharia Business Unit	8,802,736	2,242,238	
TOTAL		457,551,519	106,288,737	

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(in million rupiah)

31 December 2015						
Net Receivables by Region						
	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
-	-	-	-	-	4,117,541	213,858,237
7,502,234	11,602	3,901,818	3,019,447	1,635,207	-	94,337,867
-	-	-	-	-	-	-
205	1,835	30,140	48,519	137,850	-	54,352,324
55,427	100,229	82,075	236,202	38,822	-	1,015,001
12,729	137,206	119,514	269,431	3,056	-	2,653,387
9,911,494	9,046,045	12,193,088	18,803,344	4,238,838	-	116,284,102
19,974,642	36,865,165	29,376,590	37,337,085	7,914,064	-	206,329,398
5,085,692	8,643,999	11,548,692	14,284,581	4,292,884	-	144,089,451
621,554	717,934	835,098	1,635,019	147,322	-	6,812,147
4,979,260	4,419,521	7,182,476	9,356,320	4,230,014	-	48,347,642
2,318,346	1,808,024	2,397,375	2,466,622	-	-	24,549,953
50,461,583	61,751,560	67,666,866	87,456,570	26,755,598	912,629,509	

(in million rupiah)

31 December 2014						
Net Receivables by Region						
	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)	
-	-	-	-	-	3,514,536	218,016,538
8,079,122	8,278	3,562,480	3,005,050	1,514,605	-	85,514,763
-	-	-	-	-	-	-
49	421	41,454	47,308	123,850	-	36,856,395
145,109	291,709	182,244	373,439	63,070	-	2,005,313
20,620	158,297	125,570	208,082	2,695	-	2,833,596
9,084,357	8,552,835	11,819,891	17,088,190	3,777,475	-	107,339,684
16,786,447	32,547,605	25,482,474	31,850,467	6,111,683	-	176,177,545
4,754,349	7,664,443	11,864,028	13,407,480	2,537,880	-	132,622,321
567,042	679,742	923,142	1,777,254	201,749	-	6,333,024
4,372,183	3,874,681	6,003,364	8,542,201	185,034	-	37,020,087
3,552,428	1,813,719	1,655,611	2,497,884	-	-	20,564,616
47,361,706	55,591,730	61,660,258	78,797,355	18,032,577	825,283,882	

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Disclosure of Net Receivables by Remaining Contract Term - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2015					
		Net Receivables by Remaining Contract Term					
		≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables	1,433,344	10,374,873	651,000	100,453,953	99,803,557	212,716,727
2.	Public Sector Entity Receivables	32,999,462	3,433,257	5,970,770	41,511,524	10,134,198	94,049,211
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	22,696,155	3,519,802	1,350,534	2,372,168	23,511,970	53,450,629
5.	Mortgage Loan	-	11,151	59,970	697,048	-	768,169
6.	Commercial Property Loan	-	33,489	130,358	2,348,259	-	2,512,106
7.	Employee/Pensioners Loan	117,915	4,203,098	19,089,348	92,350,558	733	115,761,652
8.	Micro Enterprise and Retail Portfolio Receivables	24,861,210	102,399,132	38,824,124	37,321,362	1,190,108	204,595,936
9.	Corporate Receivables	21,324,684	23,269,261	19,336,493	73,581,068	3,281,425	140,792,931
10.	Past Due Receivables	427,833	1,700,224	1,335,403	3,346,992	-	6,810,452
11.	Other Assets	-	-	-	-	48,045,750	48,045,750
12.	Exposures at Sharia Business Unit	-	-	-	-	-	-
TOTAL		103,860,603	148,944,287	86,748,000	353,982,932	185,967,741	879,503,563

Disclosure of Net Receivables by Remaining Contract Term - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2014					
		Net Receivables by Remaining Contract Term					
		≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables	39,878,655	1,938,359	215,686	71,840,535	103,140,921	217,014,156
2.	Public Sector Entity Receivables	23,727,742	5,207,455	6,739,132	34,542,968	14,887,592	85,104,889
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	17,680,856	3,011,227	456,372	1,898,666	13,362,743	36,409,864
5.	Mortgage Loan	-	34,858	154,428	1,690,612	-	1,879,898
6.	Commercial Property Loan	-	64,760	134,766	2,556,487	-	2,756,013
7.	Employee/Pensioners Loan	109,015	4,288,752	19,557,850	82,812,391	611	106,768,619
8.	Micro Enterprise and Retail Portfolio Receivables	21,092,638	89,059,727	31,823,758	31,654,758	1,086,637	174,717,518
9.	Corporate Receivables	25,549,681	23,578,986	17,800,080	61,332,334	1,858,428	130,119,509
10.	Past Due Receivables	591,047	1,781,951	1,187,080	2,772,946	-	6,333,024
11.	Other Assets	-	-	-	-	36,909,687	36,909,687
12.	Exposures at Sharia Business Unit	-	-	-	-	-	-
TOTAL		128,629,634	128,966,075	78,069,152	291,101,697	171,246,619	798,013,177

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Net Receivables by Remaining Contract Term - Bank Consolidated with Subsidiaries

(in million rupiah)

No.	Portfolio Category	31 December 2015					
		Net Receivables by Remaining Contract Term					
		≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables	2,574,854	10,374,873	651,000	100,453,953	99,803,557	213,858,237
2.	Public Sector Entity Receivables	33,260,477	3,446,856	5,984,812	41,511,524	10,134,198	94,337,867
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	23,521,273	3,596,379	1,350,534	2,372,168	23,511,970	54,352,324
5.	Mortgage Loan	25,526	26,761	96,737	865,977	-	1,015,001
6.	Commercial Property Loan	28,241	64,857	179,987	2,380,302	-	2,653,387
7.	Employee/Pensioners Loan	138,355	4,369,568	19,292,589	92,482,857	733	116,284,102
8.	Micro Enterprise and Retail Portfolio Receivables	25,378,991	102,669,096	38,891,163	38,200,040	1,190,108	206,329,398
9.	Corporate Receivables	22,631,981	24,119,236	19,571,086	74,485,723	3,281,425	144,089,451
10.	Past Due Receivables	429,528	1,700,224	1,335,403	3,346,992	-	6,812,147
11.	Other Assets	301,892	-	-	-	48,045,750	48,347,642
12.	Exposures at Sharia Business Unit	6,753,124	1,572,802	4,208,339	3,727,489	8,288,199	24,549,953
	TOTAL	115,044,242	151,940,652	91,561,650	359,827,025	194,255,940	912,629,509

Disclosure of Net Receivables by Remaining Contract Term - Bank Consolidated with Subsidiaries

(in million rupiah)

No.	Portfolio Category	31 December 2014					
		Net Receivables by Remaining Contract Term					
		≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables	40,881,037	1,938,359	215,686	71,840,535	103,140,921	218,016,538
2.	Public Sector Entity Receivables	24,079,397	5,228,524	6,755,835	34,563,414	14,887,593	85,514,763
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	18,042,508	3,016,209	536,270	1,898,666	13,362,742	36,856,395
5.	Mortgage Loan	25,721	51,568	174,827	1,753,197	-	2,005,313
6.	Commercial Property Loan	11,438	86,061	149,180	2,586,917	-	2,833,596
7.	Employee/Pensioners Loan	143,629	4,457,172	19,814,944	82,923,329	610	107,339,684
8.	Micro Enterprise and Retail Portfolio Receivables	21,597,065	89,238,127	31,912,726	32,342,992	1,086,635	176,177,545
9.	Corporate Receivables	26,880,129	24,156,880	18,180,433	61,546,451	1,858,428	132,622,321
10.	Past Due Receivables	591,047	1,781,951	1,187,080	2,772,946	-	6,333,024
11.	Other Assets	-	-	-	-	37,020,087	37,020,087
12.	Exposures at Sharia Business Unit	3,368,452	4,581,306	3,448,847	4,200,948	4,965,063	20,564,616
	TOTAL	135,620,423	134,536,157	82,375,828	296,429,395	176,322,079	825,283,882

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Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims On Multilateral Development Banks And Securities	Banks Receivables	
(1)	(2)	(3)	(4)	(5)	(6)	
31 December 2015						
1.	Agriculture, Hunting and Forestry	-	5,373,667	-	-	
2.	Fishery	-	-	-	-	
3.	Mining and Excavation	-	608,958	-	891,838	
4.	Manufacturing	-	14,433,031	-	1,049,978	
5.	Electricity, Gas and Water	-	20,183,467	-	-	
6.	Construction	-	3,873,299	-	6,880	
7.	Wholesale and Retail Trading	-	23,843,569	-	24,968	
8.	Accommodation and Food and Beverage	-	-	-	3,473	
9.	Transportation, Warehouse and Communication	-	8,243,284	-	31	
10.	Financial Brokerage	176,347,210	3,867,424	-	32,799,341	
11.	Real Estate, Leasing and Corporate Services	-	263,383	-	15,848	
12.	Public Administration, Defense, and Compulsory Social Security	4,117,541	117,561	-	2,131	
13.	Education Services	-	-	-	-	
14.	Health and Social Services	-	5,600,000	-	-	
15.	Public, Socio-culture, Entertainment and other Personal Services	-	1,088,639	-	-	
16.	Personal services for household	-	-	-	-	
17.	International institution and other international extra agencies	-	-	-	-	
18.	Undefined Activities	31,697,564	5,085,572	-	1,898,495	
19.	Non-Business Activity	-	223	-	-	
20.	Others	554,412	1,467,134	-	16,757,646	
TOTAL		212,716,727	94,049,211	-	53,450,629	

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	Mortgage Loans	Commercial Property Loans	Employee/ Pensioner Loans	Claims On Micro And Small Enterprise, And Retail Portfolio	Corporate Receivables	Past Due Loans	Other Assets	Sharia Exposure (If Any)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	124	1,611	23,049	25,948,634	21,614,618	558,283	-	-
	-	-	2,646	2,042,484	455,450	47,537	-	-
	206	-	589	286,475	5,918,096	310,527	-	-
	243	-	3,137	6,638,401	32,965,256	527,324	-	-
	-	-	711	356,873	4,893,842	96,450	-	-
	-	-	12,362	1,134,606	12,244,937	184,211	-	-
	4,378	-	23,359	120,709,466	28,738,507	3,227,226	-	-
	-	2,355,954	4,386	2,053,757	686,783	351,776	-	-
	-	136,725	3,317	2,631,182	4,006,784	137,929	-	-
	-	-	9,942	191,873	1,225,342	3,444	-	-
	42,371	17,816	22,741	3,125,692	2,713,837	146,356	-	-
	-	-	257,999	41,503	21,477	2,816	-	-
	291	-	153,552	237,329	211,087	4,270	-	-
	450	-	106,498	810,645	815,024	6,630	-	-
	1,069	-	289,965	8,813,969	2,925,172	119,159	-	-
	-	-	4,383	1,883,984	69,003	21,259	-	-
	-	-	-	-	-	-	-	-
	16,842	-	39,491,962	10,100,203	10,952,937	620,385	-	-
	702,195	-	75,351,054	17,581,810	3,602,342	444,870	-	-
	-	-	-	7,050	6,732,437	-	48,045,750	-
	768,169	2,512,106	115,761,652	204,595,936	140,792,931	6,810,452	48,045,750	-

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Risk Management

Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims On Multilateral Development Banks And Securities	Banks Receivables	
(1)	(2)	(3)	(4)	(5)	(6)	
31 December 2014						
1.	Agriculture, Hunting and Forestry	-	-	-	-	
2.	Fishery	-	5,933,029	-	-	
3.	Mining and Excavation	-	-	-	-	
4.	Manufacturing	-	855,240	-	46,962	
5.	Electricity, Gas and Water	-	25,947,209	-	1,923,068	
6.	Construction	-	15,785,697	-	-	
7.	Wholesale and Retail Trading	-	3,147,705	-	16,459	
8.	Accommodation and Food and Beverage	-	11,623,598	-	85,238	
9.	Transportation, Warehouse and Communication	-	-	-	9,479	
10.	Financial Brokerage	154,732,849	8,473,568	-	10	
11.	Real Estate, Leasing and Corporate Services	-	4,621,024	-	18,708,270	
12.	Public Administration, Defense, and Compulsory Social Security	3,514,640	346,298	-	20,556	
13.	Education Services	-	-	-	216	
14.	Health and Social Services	-	-	-	-	
15.	Public, Socio-culture, Entertainment and other Personal Services	-	5,408,463	-	-	
16.	Personal services for household	-	-	-	-	
17.	International institution and other international extra agencies	-	-	-	43	
18.	Undefined Activities	20,452,275	2,142,362	-	2,844,847	
19.	Non-Business Activity	-	979	-	37,155	
20.	Others	38,314,392	819,717	-	12,717,561	
TOTAL		217,014,156	85,104,889	-	36,409,864	

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	Mortgage Loans	Commercial Property Loans	Employee/ Pensioner Loans	Claims On Micro And Small Enterprise, And Retail Portfolio	Corporate Receivables	Past Due Loans	Other Assets	Sharia Exposure (If Any)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	747	30,618	21,581,701	17,439,592	604,288	-	-
	1,053	-	3,328	1,868,573	330,283	52,971	-	-
	-	-	525	294,126	4,631,538	23,235	-	-
	582	-	4,350	4,896,699	31,615,937	506,432	-	-
	2,533	-	1,112	179,402	2,999,254	4,867	-	-
	-	-	16,464	1,074,402	10,035,844	447,326	-	-
	431	-	33,695	100,807,510	37,927,806	3,240,902	-	-
	8,852	2,628,296	3,897	1,570,921	722,009	52,936	-	-
	524	110,864	4,383	2,188,071	3,591,718	75,381	-	-
	-	-	5,695	208,377	1,646,912	1,257	-	-
	850	16,106	28,872	3,108,508	2,928,772	150,825	-	-
	82,369	-	222,299	47,636	33,775	3,181	-	-
	1,453	-	224,656	209,609	191,098	6,829	-	-
	799	-	58,023	707,038	742,081	6,545	-	-
	2,697	-	333,652	7,797,386	2,287,629	111,271	-	-
	996	-	3,716	1,631,702	37,095	18,320	-	-
	-	-	-	-	-	-	-	-
	329,092	-	59,922,223	14,969,669	7,585,448	711,804	-	-
	1,447,667	-	45,871,111	11,570,646	3,125,929	314,654	-	-
	-	-	-	5,542	2,246,789	-	36,909,687	-
	1,879,898	2,756,013	106,768,619	174,717,518	130,119,509	6,333,024	36,909,687	-

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Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims On Multilateral Development Banks And Securities	Banks Receivables	
(1)	(2)	(3)	(4)	(5)	(6)	
31 December 2015						
1.	Agriculture, Hunting and Forestry	-	5,636,096	-	-	
2.	Fishery	-	-	-	-	
3.	Mining and Excavation	-	608,958	-	891,838	
4.	Manufacturing	-	14,433,031	-	1,049,978	
5.	Electricity, Gas and Water	-	20,183,467	-	-	
6.	Construction	-	3,873,299	-	6,880	
7.	Wholesale and Retail Trading	-	23,843,569	-	26,625	
8.	Accommodation and Food and Beverage	-	-	-	3,473	
9.	Transportation, Warehouse and Communication	-	8,243,284	-	31	
10.	Financial Brokerage	176,347,210	3,867,424	-	33,670,250	
11.	Real Estate, Leasing and Corporate Services	-	263,383	-	44,977	
12.	Public Administration, Defense, and Compulsory Social Security	4,117,541	117,561	-	2,131	
13.	Education Services	-	-	-	-	
14.	Health and Social Services	-	5,600,000	-	-	
15.	Public, Socio-culture, Entertainment and other Personal Services	-	1,088,639	-	-	
16.	Personal services for household	-	-	-	-	
17.	International institution and other international extra agencies	-	-	-	-	
18.	Undefined Activities	31,697,564	5,085,572	-	1,898,495	
19.	Non-Business Activity	-	223	-	-	
20.	Others	1,695,922	1,493,361	-	16,757,646	
TOTAL		213,858,237	94,337,867	-	54,352,324	

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	Mortgage Loans	Commercial Property Loans	Employee/ Pensioner Loans	Claims On Micro And Small Enterprise, And Retail Portfolio	Corporate Receivables	Past Due Loans	Other Assets	Sharia Exposure (If Any)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	4,060	43,287	24,372	26,935,369	22,633,769	558,283	-	417,222
	1,363	440	2,646	2,045,796	455,450	47,537	-	528,375
	452	308	589	290,991	5,918,096	310,527	-	109,608
	4,736	952	3,211	6,722,735	33,446,934	527,324	-	2,173,088
	-	-	711	357,988	4,893,842	96,450	-	57,723
	3,301	2,844	12,362	1,183,894	12,377,304	184,697	-	665,137
	25,188	25,453	23,359	121,026,314	29,259,718	3,228,435	-	3,525,064
	-	2,356,943	4,386	2,121,350	755,679	351,776	-	244,248
	295	137,263	3,317	2,660,256	4,074,860	137,929	-	845,969
	-	-	9,942	201,384	2,040,194	3,444	-	1,492,429
	55,844	37,050	22,741	3,197,273	2,728,835	146,356	-	752,681
	-	-	257,999	41,503	21,477	2,816	-	6,185
	403	561	153,552	237,709	211,087	4,270	-	304,356
	450	478	106,498	818,730	815,024	6,630	-	83,140
	5,591	1,187	289,965	8,883,926	2,927,175	119,159	-	382,099
	-	-	4,383	1,884,172	69,003	21,259	-	36,799
	-	-	-	-	-	-	-	147
	211,009	46,621	40,012,673	10,131,148	10,965,413	620,385	-	946,873
	702,195	-	75,351,054	17,581,810	3,602,342	444,870	-	3,549,707
	114	-	342	7,050	6,893,249	-	48,347,642	8,429,103
	1,015,001	2,653,387	116,284,102	206,329,398	144,089,451	6,812,147	48,347,642	24,549,953

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Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims On Multilateral Development Banks And Securities	Banks Receivables	
(1)	(2)	(3)	(4)	(5)	(6)	
31 December 2014						
1.	Agriculture, Hunting and Forestry	-	6,168,567	-	-	
2.	Fishery	-	-	-	-	
3.	Mining and Excavation	-	855,240	-	46,962	
4.	Manufacturing	-	26,110,260	-	1,923,068	
5.	Electricity, Gas and Water	-	15,796,981	-	-	
6.	Construction	-	3,147,705	-	16,459	
7.	Wholesale and Retail Trading	-	11,623,598	-	85,238	
8.	Accommodation and Food and Beverage	-	-	-	9,479	
9.	Transportation, Warehouse and Communication	-	8,473,568	-	10	
10.	Financial Brokerage	154,732,849	4,621,024	-	19,154,801	
11.	Real Estate, Leasing and Corporate Services	-	346,298	-	20,556	
12.	Public Administration, Defense, and Compulsory Social Security	3,514,640	-	-	216	
13.	Education Services	-	-	-	-	
14.	Health and Social Services	-	-	-	-	
15.	Public, Socio-culture, Entertainment and other Personal Services	-	5,408,463	-	-	
16.	Personal services for household	-	-	-	-	
17.	International institution and other international extra agencies	-	-	-	43	
18.	Undefined Activities	20,452,275	2,142,362	-	2,844,847	
19.	Non-Business Activity	-	979	-	37,155	
20.	Others	39,316,774	819,718	-	12,717,561	
TOTAL		218,016,538	85,514,763	-	36,856,395	

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	Mortgage Loans	Commercial Property Loans	Employee/ Pensioner Loans	Claims On Micro And Small Enterprise, And Retail Portfolio	Corporate Receivables	Past Due Loans	Other Assets	Sharia Exposure (If Any)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	9,478	53,750	35,180	22,369,950	17,864,774	604,288	-	175,292
	221	530	3,730	1,872,374	330,283	52,971	-	35,875
	836	317	525	296,528	4,631,538	23,235	-	48,246
	5,567	110	5,230	4,952,304	32,186,573	506,432	-	979,161
	-	-	1,112	180,380	2,999,254	4,867	-	34,361
	2,520	-	17,159	1,140,166	10,154,630	447,326	-	336,255
	28,066	3,981	38,101	101,045,494	38,191,917	3,240,902	-	2,132,843
	524	2,628,527	4,241	1,603,541	807,616	52,936	-	133,674
	704	110,864	4,383	2,224,864	3,705,943	75,381	-	248,508
	850	-	5,695	210,402	2,440,105	1,257	-	1,202,960
	106,809	34,935	32,240	3,159,759	2,952,283	150,825	-	175,682
	1,453	-	222,299	47,636	33,775	3,181	-	64,648
	917	-	224,656	209,804	191,098	6,829	-	47,991
	2,870	300	58,023	720,286	742,081	6,545	-	13,606
	3,368	-	334,984	7,874,890	2,287,629	111,271	-	121,243
	356	-	3,716	1,631,762	37,095	18,320	-	-
	-	-	-	1,470	-	-	-	-
	393,106	282	60,477,300	15,059,752	7,693,007	711,804	-	6,132,445
	1,447,668	-	45,871,110	11,570,646	3,125,929	314,654	-	3,716,762
	-	-	-	5,537	2,246,791	-	37,020,087	4,965,064
	2,005,313	2,833,596	107,339,684	176,177,545	132,622,321	6,333,024	37,020,087	20,564,616

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Risk Management

Approach to determine Allowance for Impairment Losses

The approach that BRI uses to determine Credit Risk assessment type on Loan Assets, whether individually or collectively, are as follows:

1. Individual Impairment
 - Loans that individually have a significant value and objective evidence of impairment.
 - Restructured loans that individually have a significant value.
2. Collective Impairment
 - Loans that individually have a significant value but without objective evidence of impairment.
 - Loans that individually have no significant value.
 - Restructured loans that individually have no significant value.

Allowance for Impairment Losses Calculation Methodology

The followings are BRI's calculation methodology for Allowance for Impairment Losses:

1. Individual Impairment:
 - Discounted Cash Flow
Conducted by estimating the recoverable amount based on the identification of future cash flows and the estimated present value of those cash flows. Impairment loss is calculated by comparing the carrying amount of financial assets with cash flows discounted by a discount factor based on the effective interest rate of such financial assets.
 - Fair Value of Collateral
The measurement of impaired financial assets reflecting the fair value of the collateral. The collateral is not recognized as a separate asset from the impaired financial assets.
2. Collective Impairment
Determination of the historical loss rate is calculated by using a statistical method based on internal loan grades by taking into account the following factors:
 - Probability of Default (PD)
The probability that debtors will fail to fulfill their obligations, as measured by the Roll Rate Method (using age data for delinquent financial assets), Migration Analysis (based on an internal rating system conducted by analyzing the migration of outstanding level of the financial assets, from the highest grade to the lowest).
 - Loss Given Default (LGD)
The level of loss caused by debtors' failure in fulfilling their obligations.

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Risk Management

The following tables illustrate the disclosure of billings and provisioning by regions and economic sectors, bank only and consolidated with Subsidiaries.

Disclosure of Receivables and Loan-Loss Provisions by Region – Bank Only

(in million rupiah)

No	Description	31 December 2015							
		Region							Total
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Receivable	472,614,789	127,883,264	53,479,068	66,423,045	57,593,626	82,141,088	28,745,186	888,880,066
2	Impaired Assets	13,342,302	2,535,284	2,033,122	1,553,995	2,192,771	4,146,499	21	25,803,994
	a. Current	12,183,554	2,157,619	1,484,373	1,245,392	1,634,478	3,062,730	18	21,768,164
	b. Past Due	1,158,748	377,665	548,749	308,603	558,293	1,083,769	3	4,035,830
3	Individual Impairment Provision	2,222,906	84,050	54,707	52,944	240,489	629,278	-	3,284,374
4	Collective Impairment Provision	3,054,870	3,264,953	1,189,977	1,747,235	1,557,299	2,799,442	132,202	13,745,978
5	Write-off	1,025,916	1,810,724	782,341	1,005,319	1,349,391	1,767,316	-	7,741,007

Disclosure of Receivables and Loan-Loss Provisions by Region – Bank Only

(in million rupiah)

No	Description	31 December 2014							
		Region							Total
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Receivable	445,964,905	104,410,506	43,740,978	53,936,282	59,980,024	75,867,005	18,092,444	801,992,144
2	Impaired Assets	8,622,430	2,092,863	921,675	871,778	2,131,195	3,963,377	254,972	18,858,290
	a. Current	6,913,420	688,091	318,631	94,228	900,483	1,627,667	44,644	10,587,164
	b. Past Due	1,709,010	1,404,772	603,044	777,550	1,230,712	2,335,710	210,328	8,271,126
3	Individual Impairment Provision	1,241,275	127,487	64,699	41,812	391,753	460,971	27,977	2,355,974
4	Collective Impairment Provision	2,753,374	3,246,191	1,092,005	1,858,578	1,629,603	2,375,419	474,097	13,429,267
5	Write-off	794,295	1,421,076	489,718	725,759	901,666	1,246,575	-	5,579,089

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Disclosure of Receivables and Loan-Loss Provisions by Region - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	31 December 2015							
		Region							
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Receivable	490,297,164	129,982,000	55,996,699	68,367,496	60,526,484	85,655,078	28,745,186	919,570,107
2	Impaired Assets	13,367,953	2,554,744	2,040,891	1,584,109	2,193,203	4,319,759	21	26,060,680
	a. Current	12,208,425	2,167,477	1,488,684	1,261,217	1,634,868	3,150,825	18	21,911,514
	b. Past Due	1,159,528	387,267	552,207	322,892	558,335	1,168,934	3	4,149,166
3	Individual Impairment Provision	2,232,503	84,050	54,871	54,879	240,489	647,409	-	3,314,201
4	Collective Impairment Provision	3,441,559	3,276,372	1,193,634	1,753,749	1,563,072	2,839,647	132,202	14,200,235
5	Write-off	1,175,963	1,811,373	819,328	1,007,160	1,349,459	1,794,111	-	7,957,394

Disclosure of Receivables and Loan-Loss Provisions by Region - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	31 December 2014							
		Region							
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Receivable	459,275,570	106,849,694	47,476,494	55,914,623	62,226,057	79,696,246	18,092,444	829,531,128
2	Impaired Assets	8,870,073	2,174,435	1,192,061	921,579	2,182,988	4,175,947	254,972	19,772,055
	a. Current	7,118,150	742,931	535,555	126,507	934,364	1,745,975	44,644	11,248,126
	b. Past Due	1,751,923	1,431,504	656,506	795,072	1,248,624	2,429,972	210,328	8,523,929
3	Individual Impairment Provision	1,310,214	128,658	69,069	42,636	392,649	478,837	27,977	2,450,040
4	Collective Impairment Provision	2,850,796	3,285,223	1,120,687	1,879,429	1,661,839	2,440,683	474,097	13,712,754
5	Write-off	794,878	1,421,076	490,010	725,759	901,685	1,286,026	-	5,619,434

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

(in million rupiah)

No	Economy Sectors	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
31 December 2015							
1	Agriculture, Hunting and Forestry	54,546,061	2,185,726	327,171	264,414	1,819,030	1,304,237
2	Fishery	2,622,014	59,465	30,648	89	118,046	114,596
3	Mining and Excavation	8,534,931	1,785,562	55,316	256,457	334,069	26,214
4	Manufacturing	57,099,743	2,858,418	825,990	1,239,443	868,350	257,441
5	Electricity, Gas and Water	25,615,983	768,010	8,157	15,221	396,087	8,108
6	Construction	17,747,434	2,849,184	158,712	197,564	280,798	130,314
7	Wholesale and Retail Trading	179,844,509	4,871,324	2,204,069	592,981	5,631,333	4,606,617
8	Accommodation and Food and Beverage	5,612,644	1,998,743	4,659	51,844	156,220	88,007
9	Transportation, Warehouse and Communication	15,770,248	1,561,244	66,352	343,253	458,776	94,653
10	Financial Brokerage	214,501,325	245,647	401	53,962	67,879	10,897
11	Real Estate, Leasing and Corporate Services	6,609,087	756,101	186,018	171,897	189,940	140,958
12	Public Administration, Defense, and Compulsory Social Security	4,562,637	170	434	-	2,397	2,539
13	Education Services	613,072	4,919	44	-	8,786	6,611
14	Health and Social Services	7,359,710	64,516	1,377	5,721	35,782	12,566
15	Public, Socio-culture, Entertainment and other Personal Services	13,607,924	432,711	50,922	86,898	514,637	303,218
16	Personal services for household	2,038,845	30,757	3,501	4,630	100,638	56,793
17	International institution and other international extra agencies	-	-	-	-	-	-
18	Undefined Activities	100,591,621	-	37,786	-	9	175,226
19	Non-Business Activity	98,037,851	1,295,667	74,273	-	2,549,055	400,862
20	Others	73,564,427	-	-	-	214,146	1,150
Total		888,880,066	21,768,164	4,035,830	3,284,374	13,745,978	7,741,007

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Risk Management

Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

(in million rupiah)

No	Economy Sectors	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
31 December 2014							
1	Agriculture, Hunting and Forestry	45,886,797	1,743,123	794,233	192,353	1,692,513	563,929
2	Fishery	2,268,288	-	60,475	-	93,103	58,797
3	Mining and Excavation	6,317,611	80,423	271,444	247,866	330,328	11,243
4	Manufacturing	65,175,191	2,026,564	702,293	361,263	925,929	204,158
5	Electricity, Gas and Water	18,987,279	37,351	5,714	6,350	290,553	3,743
6	Construction	15,007,494	1,921,122	318,511	342,276	217,301	98,089
7	Wholesale and Retail Trading	155,009,497	2,349,012	3,873,815	551,901	5,605,151	3,486,242
8	Accommodation and Food and Beverage	5,050,900	487,950	91,992	57,064	143,094	68,067
9	Transportation, Warehouse and Communication	14,671,159	1,168,375	189,400	199,052	321,223	109,372
10	Financial Brokerage	180,081,795	-	244,736	155,974	84,655	2,766
11	Real Estate, Leasing and Corporate Services	6,842,356	454,633	327,553	132,639	190,166	134,670
12	Public Administration, Defense, and Compulsory Social Security	3,823,873	-	1,874	-	2,862	574
13	Education Services	636,890	-	5,864	-	8,857	3,272
14	Health and Social Services	1,528,457	61,705	7,469	7,278	32,465	7,709
15	Public, Socio-culture, Entertainment and other Personal Services	16,075,053	256,906	155,611	93,727	505,901	171,116
16	Personal services for household	1,712,969	-	30,298	8,231	100,628	27,939
17	International institution and other international extra agencies	43	-	-	-	-	-
18	Undefined Activities	109,414,224	-	30,506	-	-	-
19	Non-Business Activity	62,488,580	-	1,159,338	-	2,767,212	627,403
20	Others	91,013,688	-	-	-	117,326	-
Total		801,992,144	10,587,164	8,271,126	2,355,974	13,429,267	5,579,089

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Economy Sectors	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
31 December 2015							
1	Agriculture, Hunting and Forestry	57,099,443	2,271,740	386,902	288,720	1,860,322	1,304,237
2	Fishery	3,154,496	59,996	31,277	89	118,356	114,596
3	Mining and Excavation	8,647,918	1,786,211	56,127	256,457	334,446	26,214
4	Manufacturing	59,832,842	2,860,342	831,213	1,239,443	876,036	257,441
5	Electricity, Gas and Water	25,674,831	768,010	8,157	15,221	396,098	8,108
6	Construction	18,581,448	2,857,159	161,468	198,572	284,373	166,023
7	Wholesale and Retail Trading	184,191,731	4,881,186	2,217,130	592,981	5,645,068	4,606,617
8	Accommodation and Food and Beverage	5,994,184	1,999,021	5,123	52,804	157,409	88,007
9	Transportation, Warehouse and Communication	16,699,535	1,573,209	70,607	345,188	461,329	101,528
10	Financial Brokerage	216,861,797	245,647	401	53,962	77,146	10,897
11	Real Estate, Leasing and Corporate Services	7,505,170	758,758	191,594	173,515	193,108	140,958
12	Public Administration, Defense, and Compulsory Social Security	4,568,822	170	434	-	2,397	2,539
13	Education Services	918,492	4,919	44	-	8,796	6,611
14	Health and Social Services	7,451,491	64,516	1,377	5,721	35,865	12,566
15	Public, Socio-culture, Entertainment and other Personal Services	14,054,689	434,887	57,195	86,898	517,576	303,218
16	Personal services for household	2,075,820	30,757	3,501	4,630	100,640	56,793
17	International institution and other international extra agencies	147	-	-	-	-	-
18	Undefined Activities	102,323,911	19,319	52,343	-	15,817	206,804
19	Non-Business Activity	101,587,558	1,295,667	74,273	-	2,549,055	400,862
20	Others	82,345,782	-	-	-	566,398	143,375
Total		919,570,107	21,911,514	4,149,166	3,314,201	14,200,235	7,957,394

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Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Economy Sectors	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
31 December 2014							
1	Agriculture, Hunting and Forestry	47,611,331	1,759,297	834,638	205,911	1,716,894	568,758
2	Fishery	2,309,384	1,191	61,216	-	93,370	58,797
3	Mining and Excavation	6,369,087	83,990	272,254	247,924	332,222	11,243
4	Manufacturing	66,965,171	2,100,428	703,726	384,007	943,798	204,158
5	Electricity, Gas and Water	19,033,909	37,523	5,714	6,350	290,826	3,743
6	Construction	15,536,446	1,961,377	319,949	346,063	222,437	98,089
7	Wholesale and Retail Trading	157,679,364	2,439,231	3,883,007	556,550	5,645,304	3,486,242
8	Accommodation and Food and Beverage	5,304,486	489,510	92,488	57,064	144,205	68,067
9	Transportation, Warehouse and Communication	15,080,366	1,192,058	216,479	207,203	330,533	109,372
10	Financial Brokerage	182,532,324	117,964	247,347	155,974	90,475	2,766
11	Real Estate, Leasing and Corporate Services	7,142,853	467,328	329,523	141,536	213,759	135,075
12	Public Administration, Defense, and Compulsory Social Security	3,888,521	525	1,874	-	2,862	574
13	Education Services	685,196	-	5,864	-	8,859	3,272
14	Health and Social Services	1,555,903	62,191	7,469	7,278	32,583	7,709
15	Public, Socio-culture, Entertainment and other Personal Services	16,280,185	257,132	162,359	93,727	508,582	189,255
16	Personal services for household	1,713,388	-	30,298	8,231	100,631	27,939
17	International institution and other international extra agencies	1,524	-	-	-	11	-
18	Undefined Activities	116,377,438	173,877	167,184	32,222	150,866	-
19	Non-Business Activity	66,205,342	104,504	1,182,540	-	2,767,212	644,375
20	Others	97,258,910	-	-	-	117,325	-
Total		829,531,128	11,248,126	8,523,929	2,450,040	13,712,754	5,619,434

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Only

(in million rupiah)

No	Description	31 December 2015	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	2,355,974	13,429,267
2	Charge/release of impairment provision for the current year (Net)	1,176,726	7,404,350
3	Impairment provision for write-off	248,326	7,492,681
4	Other charge/release for the current year	-	405,042
CKPN Ending Balance		3,284,374	13,745,978

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Only

(in million rupiah)

No	Description	31 December 2014	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	2,347,888	12,724,511
2	Charge/release of impairment provision for the current year (Net)	244,829	5,368,130
3	Impairment provision for write-off	236,743	5,342,346
4	Other charge/release for the current year	-	678,972
CKPN Ending Balance		2,355,974	13,429,267

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	31 December 2015	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	2,389,304	13,773,491
2	Charge/release of impairment provision for the current year (Net)	1,207,496	7,696,497
3	Impairment provision for write-off	282,599	7,674,795
4	Other charge/release for the current year	-	405,042
CKPN Ending Balance		3,314,201	14,200,235

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	31 December 2014	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	2,434,881	12,979,031
2	Charge/release of impairment provision for the current year (Net)	251,902	5,482,495
3	Impairment provision for write-off	236,743	5,427,745
4	Other charge/release for the current year	-	678,973
CKPN Ending Balance		2,450,040	13,712,754

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Risk Management

Counterparty Credit Risk

Counterparty credit risk lies in treasury and international activities conducted by BRI, particularly for Credit Line products. Net Receivables for the exposure that caused Credit Risk as a result of the counterparty failure consists of over-the-counter (OTC) derivative

transaction exposures, repo transactions exposure including Credit Risk from the issuance of Marketable securities that become underlying repo transactions and Reverse Repo transactions. BRI's Credit Risk Mitigation for counterparty credit risk is achieved by implementing the technique of

credit guarantee and/or insurance recognition that meets the regulatory requirements.

The following tables illustrate the disclosure of Counterparty Credit Risk.

Disclosure of Counterparty Credit Risk – Derivative Transactions

(in million rupiah)

No.	Underlying Financial Instrument	31 December 2015							
		Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable ≤ 1 Year after CRM
		≤1 year	> year to ≤ 5 year	>5 year					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Bank Only									
1.	Interest Rate	7,178,291	1,929,900	-	-	358,317	171,035	-	171,035
2.	Foreign Exchange	8,541,860	-	-	-	87,436	85,419	-	85,419
3.	Others	-	-	-	-	-	-	-	-
	Total	15,720,151	1,929,900	-	-	445,753	256,454	-	256,454
Bank Consolidated with Subsidiaries									
1.	Interest Rate	7,178,291	1,929,900	-	-	358,317	171,035	-	171,035
2.	Foreign Exchange	8,541,860	-	-	-	87,436	85,419	-	85,419
3.	Stock	-	-	-	-	-	-	-	-
4.	Gold	-	-	-	-	-	-	-	-
5.	Metals other than Gold	-	-	-	-	-	-	-	-
6.	Others	-	-	-	-	-	-	-	-
	Total	15,720,151	1,929,900	-	-	445,753	256,454	-	256,454

Risk Management

Disclosure of Counterparty Credit Risk - Derivative Transactions

(in million rupiah)

No.	Underlying Financial Instrument	31 Desember 2014							
		Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable ≤ 1 Year after CRM
		≤ 1 year	> year to ≤ 5 year	> 5 year					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Bank Only									
1.	Interest Rate	3,096,250	1,548,125	-	-	717,523	7,741	-	7,741
2.	Foreign Exchange	1,571,681	-	-	205	-	118,098	-	118,098
3.	Others	-	-	-	331	-	331	-	331
	Total	4,667,931	1,548,125	-	536	717,523	126,170	-	126,170
Bank Consolidated with Subsidiaries									
1.	Interest Rate	3,096,250	1,548,125	-	-	717,523	7,741	-	7,741
2.	Foreign Exchange	1,571,681	-	-	205	-	118,098	-	118,098
3.	Stock	-	-	-	331	-	331	-	331
4.	Gold	-	-	-	-	-	-	-	-
5.	Metals other than Gold	-	-	-	-	-	-	-	-
6.	Others	-	-	-	-	-	-	-	-
	Total	4,667,931	1,548,125	-	536	717,523	126,170	-	126,170

Disclosure of Counterparty Credit Risk: Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2015			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	-	-	3,184,851	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
	Total	-	-	3,184,851	-

Disclosure of Counterparty Credit Risk: Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2014			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	-	-	539,950	107,990
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
	Total	-	-	539,950	107,990

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Disclosure of Counterparty Credit Risk: Repo Transactions - Bank In Consolidation

(in million rupiah)

No.	Portfolio Category	31 December 2015			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	-	-	3,184,851	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
Total		-	-	3,184,851	-

Disclosure of Counterparty Credit Risk: Repo Transactions - Bank In Consolidation

(in million rupiah)

No.	Portfolio Category	31 December 2014			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	-	-	539,950	107,990
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
Total		-	-	539,950	107,990

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2015			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	845,124	-	845,124	169,025
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
Total		845,124	-	845,124	169,025

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2014			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	38,021,042	-	38,021,042	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	1,648,672	-	1,648,672	329,734
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
Total		39,669,714	-	39,669,714	329,734

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank In Consolidation

(in million rupiah)

No.	Portfolio Category	31 December 2015			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	845,124	-	845,124	169,025
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
Total		845,124	-	845,124	169,025

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank In Consolidation

(in million rupiah)

No.	Portfolio Category	31 December 2014			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	38,021,042	-	38,021,042	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	1,648,672	-	1,648,672	329,735
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
Total		39,669,714	-	39,669,714	329,735

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Risk Management

Credit Risk Mitigation (CRM)

BRI takes into account the existence of loan collateral, security, guarantee or insurance as credit risk mitigation (CRM) techniques. BRI has procedures to identify, measure, monitor and control risks arising from the use of CRM techniques, such as legal risk, operational risk, liquidity risk and market risk, including procedures to ensure that the execution of loan collateral, security, guarantees or insurance are carried out within a reasonable period of time.

Types of recognized financial collaterals are:

- a. Cash
- b. Demand deposits, savings or deposits
- c. Gold
- d. Government Securities (SUN) issued by the Government of Republic of Indonesia, which covers Government Bonds and Treasury Notes.
- e. Government Sharia Securities (SBSN)
- f. Bank Indonesia Certificates (SBI) and Bank Indonesia Sharia Certificates (SBIS)
- g. Securities rated by Rating Agencies that recognized by Bank Indonesia with a minimum rating of:
 1. Equal to BBB- if issued by parties under Foreign Government Receivables
 2. Equal to BBB- if issued by parties under Public Sector Entity Receivables
 3. Equal to BBB- if issued by parties under Multilateral Development Bank Receivables

4. Equal to BBB- if issued by parties under Bank Receivables
5. Equal to A-1 if issued by parties under Corporate Receivables
6. Equal to A-2 for short-term securities.

As long as the collaterals are recognized, the underlying instruments or collateral from reverse repo transactions can be recognized as risk mitigation for reverse repo transactions.

To determine the value of collateral, BRI uses the lowest value between binding value of collateral, fair value and market value. The revaluation of fair value or market value of collateral is conducted regularly.

Recognized insurers are:

1. Parties included under portfolio category of the Government of Indonesia Receivables;
2. Parties included under portfolio category of Foreign Government Receivables that have:
 - a. Lower risk weight than the insured receivables; and
 - b. Rated at a minimum of BBB- or equivalent;
3. Commercial banks incorporated in Indonesia, branch offices of foreign banks in Indonesia, and Indonesian Export Financing Institution with lower risk weight than the insured receivables;

4. Incorporated foreign banks classified as prime banks as regulated in Bank Indonesia stipulations on the legal lending limit;
5. Financial institutions engaged in underwriting or insurance coverage, which is included in the portfolio category coverage of Public Sector Entity Receivables and Corporate Receivables.

The loan underwriter/insurer can be the State-Owned Enterprises (SOEs) or non-State-Owned Enterprises (Non SOEs). BRI has formulated specific requirements for each type of loan guarantee/insurance institution. The loan underwriting/insurance that currently in place is issued by both SOEs and non-SOEs institutions. An example of loan guarantee is the people business loans (KUR) with a loan guarantee/insurance of at least 70% of loan disbursement by BRI with a term of loan guarantee/insurance at least equal to the loan period.

Restructuring and Settlement of Non-Performing Loans

As part of effort to minimize credit risk, which was potentially identified in 2015 given the unfavorable economic situation, BRI conducted a more systematic Restructuring and Settlement of Non-Performing Loans.

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

2015 Work Plan

- **Implementation of NPL Decreasing Program “The Lower The Better”**

Focus was placed on NPL improvement for the small loan segment (Small-Commercial), implemented by sending 100 designated officers with KPI of NPL to 100 Branch Offices with the highest NPL. The “The Lower The Better” program was commenced in July 2015.

- **Optimization of collateral auction, by way of :**

- Prioritizing auctions based on marketable collateral
- Improvement of the website displaying auctions information
- Improvement of cooperation with the Directorate General of State Assets (DJKN) at regional levels

The NPL increase was due to, among other things, the end of commodity booming and the domestic economic slowdown that took place in 2015, as also occurred in the banking industry in general. Since the majority of BRI's NPL Loan portfolio is under the Small Credit segment, the program priority for Semester II was to reduce NPL in this segment.

By implementing the “The Lower The Better” program, the NPL saw a decrease in:

- The Small Segment, from 4.14% in June 2015 to 2.90% in December 2015
- The Medium Segment, from 7.71% in June 2015 to 5.82% in December 2015
- Restructured outstanding loans saw an increase from Rp16.44 trillion in 2014 to Rp20.34 trillion by the end of 2015, with the highest increase occurring in the Small Credit segment amounted to Rp2.89 trillion.

The following tables illustrate the disclosures of risk weight net receivables after the credit risk impact calculation as well as net receivables and credit risk mitigation techniques, bank only and consolidated with Subsidiaries as of 31 December 2015.

2015 Performance

The NPL during 2015 until December increased to 2.02% from 1.69% in December 2014. The increase of NPL ratio particularly occurred in Micro, Consumer and Corporate Non State-Owned Enterprises.

- Micro Segment increased from 1.12% in December 2014 to 1.13% in December 2015.
- Consumer Segment increased from 1.21% in December 2014 to 1.30% in December 2015.
- Corporation Segment increased from 1.78% in December 2014 to 4.78% in December 2015.

2016 Strategies

The RPKB Division will continue its efforts in handling NPL as in 2015, by expanding the coverage of NPL Account Officers to 200 Branch Offices with the highest NPL to maintain the NPL level in the Small segment.

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Risk Management

Disclosure of Net Exposure Receivables After Credit Risk Mitigation – Bank Only

No.	Portfolio Category	31 December 2015			
		Net Exposure Receivables			
		0%	20%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)
A. Balance Sheet Exposure					
1.	Government Receivables	211,871,854	-	-	-
2.	Public Sector Entity Receivables	-	1,589,219	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	30,116,273	-	-
5.	Mortgage Loans	-	-	498,894	269,275
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	1,660,139	-	-
10.	Past Due Loans	-	-	-	-
11.	Other Assets	28,470,319	-	-	-
12.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Balance Sheet Exposure	240,342,173	33,365,631	498,894	269,275
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1.	Government Receivables	844,873	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	569,548	-	-
5.	Mortgage Loans	-	-	-	-
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	-	-	-
10.	Past Due Loans	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Off Balance Sheet Exposure	844,873	569,548	-	-
C. Counterparty Credit Risk Exposure					
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	3,011,086	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Counterparty Credit Risk	-	3,011,086	-	-

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	31 December 2015						RWA	Capital Charge
	After Credit Risk Mitigation							
	45%	50%	75%	100%	150%	Others		
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-	-	-
	-	83,421,778	-	-	-	-	41,603,320	3,328,266
	-	-	-	-	-	-	-	-
	-	13,525,346	-	-	-	-	12,785,929	1,022,874
	-	-	-	-	-	-	282,323	22,586
	-	-	-	2,512,106	-	-	2,512,106	200,968
	-	115,761,652	-	-	-	-	57,880,826	4,630,466
	-	-	204,295,591	-	-	-	149,731,300	11,978,504
	-	650,637	-	134,052,636	-	-	130,707,755	10,456,620
	-	-	-	33,325	6,777,127	-	10,197,586	815,807
	-	-	-	19,545,115	30,316	-	19,590,589	1,567,247
	-	-	-	-	-	-	-	-
	-	213,359,413	204,295,591	156,143,182	6,807,443	-	425,291,734	34,023,339
	-	-	-	-	-	-	-	-
	-	9,038,214	-	-	-	-	4,519,107	361,529
	-	-	-	-	-	-	-	-
	-	4,953,034	-	-	-	-	2,590,427	207,234
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	300,345	-	-	-	225,259	18,021
	-	-	-	4,429,519	-	-	4,429,519	354,362
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	13,991,248	300,345	4,429,519	-	-	11,764,312	941,145
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	1,275,342	-	-	-	-	1,239,888	99,191
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	1,275,342	-	-	-	-	1,239,888	99,191

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Disclosure of Net Exposure Receivables After Credit Risk Mitigation – Bank Only

No.	Portfolio Category	31 December 2014			
		Net Exposure Receivables			
		0%	20%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)
A. Balance Sheet Exposure					
1.	Government Receivables	178,720,817	-	-	-
2.	Public Sector Entity Receivables	-	574,896	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	23,619,095	-	-
5.	Mortgage Loans	-	-	872,157	1,007,741
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	264,412	22,506,900	-	-
9.	Corporate Receivables	666,215	850,772	-	-
10.	Past Due Loans	743	-	-	-
11.	Other Assets	22,188,568	-	-	-
12.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Balance Sheet Exposure	201,840,755	47,551,663	872,157	1,007,741
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1.	Government Receivables	272,297	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	447,670	-	-
5.	Mortgage Loans	-	-	-	-
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	-	-	-
10.	Past Due Loans	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Off Balance Sheet Exposure	272,297	447,670	-	-
C. Counterparty Credit Risk Exposure					
1.	Government Receivables	38,021,042	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	1,648,672	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Counterparty Credit Risk	38,021,042	1,648,672	-	-

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	31 December 2014						RWA	Capital Charge
	After Credit Risk Mitigation							
	45%	50%	75%	100%	150%	Others		
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-	-	-	-
	-	76,938,413	-	-	-	-	38,584,186	3,086,735
	-	-	-	-	-	-	-	-
	-	7,736,887	-	255,384	-	-	8,847,647	707,812
	-	-	-	-	-	-	708,351	56,668
	-	-	-	2,756,013	-	-	2,756,013	220,481
	-	106,768,619	-	-	-	-	53,384,310	4,270,745
	-	-	151,790,614	-	-	-	118,344,340	9,467,547
	-	455,698	-	123,903,264	-	-	124,301,267	9,944,101
	-	-	-	41,748	6,290,533	-	9,477,547	758,204
	-	-	-	14,693,369	27,750	-	14,734,994	1,178,800
	-	-	-	-	-	-	-	-
	-	191,899,617	151,790,614	141,649,778	6,318,283	-	371,138,655	29,691,092
	-	-	-	-	-	-	-	-
	-	7,591,580	-	-	-	-	3,795,790	303,663
	-	-	-	-	-	-	-	-
	-	2,702,156	-	-	-	-	1,440,612	115,249
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	155,592	-	-	-	116,694	9,336
	-	-	-	4,243,560	-	-	4,243,560	339,485
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	10,293,736	155,592	4,243,560	-	-	9,596,656	767,732
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	329,734	26,379
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	329,734	26,379

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Risk Management

Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2015			
		Net Exposure Receivables			
		0%	20%	35%	40%
(1)	(2)	(4)	(5)	(6)	(7)
A. Balance Sheet Exposure					
1.	Government Receivables	213,013,364	-	-	-
2.	Public Sector Entity Receivables	-	1,589,219	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	30,919,372	-	-
5.	Mortgage Loans	-	-	543,005	461,249
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	1,660,139	-	-
10.	Past Due Loans	-	-	-	-
11.	Other Assets	28,491,664	-	-	-
12.	Exposures at Sharia Unit (if any)	7,292,786	432,921	2,416,785	-
	Total Balance Sheet Exposure	248,797,814	34,601,651	2,959,790	461,249
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1.	Government Receivables	844,873	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	582,672	-	-
5.	Mortgage Loans	-	509	-	-
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	-	-	-
10.	Past Due Loans	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Off Balance Sheet Exposure	844,873	583,181	-	-
C. Counterparty Credit Risk Exposure					
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	3,011,086	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Counterparty Credit Risk	-	3,011,086	-	-

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	31 December 2015						RWA	Capital Charge
	After Credit Risk Mitigation							
	45%	50%	75%	100%	150%	Others		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	-	-	-	-	-	-	-	-
	-	83,648,562	-	15,000	-	-	41,726,267	3,338,101
	-	-	-	-	-	-	-	-
	-	13,610,587	-	-	-	-	12,987,667	1,039,013
	10,231	-	-	-	-	-	379,015	30,321
	-	-	-	2,652,141	-	-	2,652,141	212,171
	-	116,282,515	-	-	-	-	58,140,171	4,651,214
	-	-	205,958,696	-	-	-	150,927,063	12,074,165
	-	650,637	-	137,268,907	-	-	133,839,903	10,707,192
	-	-	-	34,947	6,777,127	-	10,199,207	815,937
	-	-	-	19,825,085	30,893	-	19,871,425	1,589,714
	-	226,252	-	14,181,209	-	-	-	-
	10,231	214,418,553	205,958,696	173,977,289	6,808,020	-	430,722,858	34,457,829
	-	-	-	-	-	-	-	-
	46,872	9,038,214	-	-	-	-	4,519,107	361,529
	-	-	-	-	-	-	-	-
	231	4,953,034	-	-	-	-	2,590,427	207,234
	7	-	-	-	-	-	-	-
	-	-	1,246	-	-	-	-	-
	1,587	-	-	-	-	-	-	-
	-	70,357	300,345	-	-	-	225,259	18,021
	-	-	80,249	4,429,519	-	-	4,429,519	354,362
	-	-	73	-	-	-	-	-
	-	-	-	-	-	-	-	-
	48,697	14,061,605	381,913	4,429,519	-	-	11,764,312	941,145
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	1,275,342	-	-	-	-	1,239,888	99,191
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	1,275,342	-	-	-	-	1,239,888	99,191

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Risk Management

Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2014			
		Net Exposure Receivables			
		0%	20%	35%	40%
(1)	(2)	(4)	(5)	(6)	(7)
A. Balance Sheet Exposure					
1.	Government Receivables	179,723,199	-	-	-
2.	Public Sector Entity Receivables	-	574,896	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	24,064,701	-	-
5.	Mortgage Loans	-	-	872,157	1,132,647
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	264,412	22,506,900	-	-
9.	Corporate Receivables	666,215	850,772	-	-
10.	Past Due Loans	743	-	-	-
11.	Other Assets	22,228,673	-	-	-
12.	Exposures at Sharia Unit (if any)	4,411,213	439,454	2,129,807	-
	Total Balance Sheet Exposure	207,294,455	48,436,723	3,001,964	1,132,647
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1.	Government Receivables	272,297	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	448,595	-	-
5.	Mortgage Loans	-	-	-	509
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	-	-	-
10.	Past Due Loans	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Off Balance Sheet Exposure	272,297	448,595	-	509
C. Counterparty Credit Risk Exposure					
1.	Government Receivables	38,021,042	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	1,648,672	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Counterparty Credit Risk	38,021,042	1,648,672	-	-

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

(in million rupiah)

	31 December 2014						RWA	Capital Charge
	After Credit Risk Mitigation							
	45%	50%	75%	100%	150%	Others		
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	-	-	-	-	-	-	-	-
	-	77,226,781	-	26,054	-	-	38,754,424	3,100,354
	-	-	-	-	-	-	-	-
	-	7,736,887	-	255,384	-	-	8,936,768	714,941
	-	-	-	-	-	-	758,313	60,665
	-	-	-	2,833,153	-	-	2,833,153	226,652
	-	107,339,684	-	-	-	-	53,669,843	4,293,587
	-	-	153,117,881	-	-	-	119,339,791	9,547,183
	-	455,698	-	126,301,724	-	-	126,699,728	10,135,978
	-	-	-	41,748	6,290,533	-	9,477,547	758,204
	-	-	-	14,763,325	28,089	-	14,734,994	1,178,800
	-	10,000	-	13,459,559	-	-	13,705,103	1,096,408
	-	192,769,050	153,117,881	157,680,947	6,318,622	-	388,909,664	31,112,773
	-	-	-	-	-	-	-	-
	-	7,687,032	-	-	-	-	3,843,515	307,481
	-	-	-	-	-	-	-	-
	-	2,702,156	-	-	-	-	1,440,797	115,264
	-	-	-	-	-	-	203	16
	-	-	-	443	-	-	443	35
	-	-	-	-	-	-	-	-
	-	-	288,353	-	-	-	216,264	17,301
	-	-	-	4,347,912	-	-	4,347,912	347,833
	-	-	-	-	-	-	-	-
	-	114,583	-	-	-	-	57,292	4,583
	-	10,503,771	288,353	4,348,355	-	-	9,906,426	792,514
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	329,734	26,379
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	329,734	26,379

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Risk Management

Disclosure of Net Exposure Receivables and Credit Risk Mitigation Technique – Bank Only

(in million rupiah)

No.	Portfolio Category	31 Desember 2015					
		Net Receivables	Guaranteed				Unsecured
			Collaterals	Guarantees	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)- [(4)+(5)+(6)+(7)]
A.	Balance Sheet Exposure						
1.	Government Receivables	211,871,854	-	-	-	-	211,871,854
2.	Public Sector Entity Receivables	85,010,997	850,828	-	-	-	84,160,169
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	43,641,619	-	-	-	-	43,641,619
5.	Mortgage Loans	768,169	-	-	-	-	768,169
6.	Commercial Property Loans	2,512,106	-	-	-	-	2,512,106
7.	Employee/Pensioner Loans	115,761,652	-	-	-	-	115,761,652
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	204,295,591	414,889	-	5,780,411	-	198,100,291
9.	Corporate Receivables	136,363,412	4,002,228	-	-	-	132,361,184
10.	Past Due Loans	6,810,452	953	-	-	-	6,809,499
11.	Other Assets	48,045,750	-	-	-	-	48,045,750
12.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Balance Sheet Exposure	855,081,602	5,268,898	-	5,780,411	-	844,032,293
B.	Commitment/Contingency Exposure on Off Balance Sheet Transaction						
1.	Government Receivables	844,873	-	-	-	-	844,873
2.	Public Sector Entity Receivables	9,038,214	-	-	-	-	9,038,214
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	5,522,582	-	-	-	-	5,522,582
5.	Mortgage Loans	-	-	-	-	-	-
6.	Commercial Property Loans	-	-	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	300,345	-	-	-	-	300,345
9.	Corporate Receivables	4,429,519	-	-	-	-	4,429,519
10.	Past Due Loans	-	-	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Off Balance Sheet Exposure	20,135,533	-	-	-	-	20,135,533
C.	Counterparty Credit Risk Exposure						
1.	Government Receivables	-	-	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	4,286,428	-	-	-	-	4,286,428
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
6.	Corporate Receivables	-	-	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	4,286,428	-	-	-	-	4,286,428

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Net Exposure Receivables and Credit Risk Mitigation Technique – Bank Only

(in million rupiah)

No.	Portfolio Category	31 Desember 2014					
		Net Receivables	Guaranteed				Unsecured
(1)	(2)	(3)	Collaterals	Guarantees	Credit Insurance	Others	(8) = (3) - [(4)+(5)+(6)+(7)]
A. Balance Sheet Exposure							
1.	Government Receivables	178,720,817	-	-	-	-	178,720,817
2.	Public Sector Entity Receivables	77,513,309	-	-	-	-	77,513,309
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	31,611,366	-	-	-	-	31,611,366
5.	Mortgage Loans	1,879,898	-	-	-	-	1,879,898
6.	Commercial Property Loans	2,756,013	-	-	-	-	2,756,013
7.	Employee/Pensioner Loans	106,768,619	-	-	-	-	106,768,619
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	174,561,926	264,412	-	22,506,900	-	151,790,614
9.	Corporate Receivables	125,875,949	666,215	-	-	-	125,209,734
10.	Past Due Loans	6,333,024	743	-	-	-	6,332,281
11.	Other Assets	36,909,687	-	-	-	-	36,909,687
12.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Balance Sheet Exposure	742,930,608	931,370	-	22,506,900	-	719,492,338
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction							
1.	Government Receivables	272,297	-	-	-	-	272,297
2.	Public Sector Entity Receivables	7,591,580	-	-	-	-	7,591,580
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	3,149,826	-	-	-	-	3,149,826
5.	Mortgage Loans	-	-	-	-	-	-
6.	Commercial Property Loans	-	-	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	155,592	-	-	-	-	155,592
9.	Corporate Receivables	4,243,560	-	-	-	-	4,243,560
10.	Past Due Loans	-	-	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Off Balance Sheet Exposure	15,412,855	-	-	-	-	15,412,855
C. Counterparty Credit Risk Exposure							
1.	Government Receivables	38,021,042	-	-	-	-	38,021,042
2.	Public Sector Entity Receivables	-	-	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	1,648,672	-	-	-	-	1,648,672
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
6.	Corporate Receivables	-	-	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	39,669,714	-	-	-	-	39,669,714

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Risk Management

Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique – Bank Consolidated with Subsidiaries

(in million rupiah)

No.	Portfolio Category	31 Desember 2015					
		Net Receivables	Guaranteed				Unsecured
(1)	(2)	(3)	Collaterals	Guarantees	Credit Insurance	Others	(8) = (3) - [(4) + (5) + (6) + (7)]
A. Balance Sheet Exposure							
1.	Government Receivables	213,013,364	-	-	-	-	213,013,364
2.	Public Sector Entity Receivables	85,252,781	850,828	-	-	-	84,401,953
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	44,529,959	3,000	-	-	-	44,526,959
5.	Mortgage Loans	1,014,485	350	-	-	-	1,014,135
6.	Commercial Property Loans	2,652,141	-	-	-	-	2,652,141
7.	Employee/Pensioner Loans	116,282,515	2,175	-	-	-	116,280,340
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	205,958,696	483,644	-	5,780,411	-	199,694,641
9.	Corporate Receivables	139,579,683	4,086,348	-	-	-	135,493,335
10.	Past Due Loans	6,812,074	953	-	-	-	6,811,121
11.	Other Assets	48,347,642	-	-	-	-	48,347,642
12.	Exposures at Sharia Unit (if any)	24,549,953	-	-	-	-	24,549,953
	Total Balance Sheet Exposure	887,993,293	5,427,298	-	5,780,411	-	876,785,584
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction							
13.	Government Receivables	844,873	-	-	-	-	844,873
14.	Public Sector Entity Receivables	9,085,086	-	-	-	-	9,085,086
15.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
16.	Banks Receivables	5,535,937	-	-	-	-	5,535,937
17.	Mortgage Loans	516	-	-	-	-	516
18.	Commercial Property Loans	1,246	-	-	-	-	1,246
19.	Employee/Pensioner Loans	1,587	-	-	-	-	1,587
20.	Microenterprises, Small Business, and Retail Portfolio Receivables	370,702	1,000	-	-	-	369,702
21.	Corporate Receivables	4,509,768	1,654	-	-	-	4,508,114
22.	Past Due Loans	73	-	-	-	-	73
23.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Off Balance Sheet Exposure	20,349,788	2,654	-	-	-	20,347,134
C. Counterparty Credit Risk Exposure							
24.	Government Receivables	-	-	-	-	-	-
25.	Public Sector Entity Receivables	-	-	-	-	-	-
26.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
27.	Banks Receivables	4,286,428	-	-	-	-	4,286,428
28.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
29.	Corporate Receivables	-	-	-	-	-	-
30.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	4,286,428	-	-	-	-	4,286,428

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Risk Management

Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique – Bank Consolidated with Subsidiaries

(in million rupiah)

No.	Portfolio Category	31 Desember 2014					
		Net Receivables	Guaranteed				Unsecured
(1)	(2)	(3)	Collaterals	Guarantees	Credit Insurance	Others	(8) = (3) - [(4)+(5)+(6)+(7)]
A. Balance Sheet Exposure							
1.	Government Receivables	179,723,199	-	-	-	-	179,723,199
2.	Public Sector Entity Receivables	77,827,731	-	-	-	-	77,827,731
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	32,056,972	3,000	-	-	-	32,053,972
5.	Mortgage Loans	2,004,804	-	-	-	-	2,004,804
6.	Commercial Property Loans	2,833,153	600	-	-	-	2,832,553
7.	Employee/Pensioner Loans	107,339,684	1,836	-	-	-	107,337,848
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	175,889,193	327,917	-	22,506,900	-	153,054,375
9.	Corporate Receivables	128,274,409	703,491	-	-	-	127,570,918
10.	Past Due Loans	6,333,024	743	-	-	-	6,332,281
11.	Other Assets	37,020,087	-	-	-	-	37,020,087
12.	Exposures at Sharia Unit (if any)	20,450,033	-	-	-	-	20,450,033
	Total Balance Sheet Exposure	769,752,288	1,037,587	-	22,506,900	-	746,207,801
B. Commitment/Contingency Exposure on Off Balance Sheet Transaction							
13.	Government Receivables	272,297	-	-	-	-	272,297
14.	Public Sector Entity Receivables	7,687,032	-	-	-	-	7,687,032
15.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
16.	Banks Receivables	3,150,751	-	-	-	-	3,150,751
17.	Mortgage Loans	509	-	-	-	-	509
18.	Commercial Property Loans	443	-	-	-	-	443
19.	Employee/Pensioner Loans	-	-	-	-	-	-
20.	Microenterprises, Small Business, and Retail Portfolio Receivables	288,353	-	-	-	-	288,353
21.	Corporate Receivables	4,347,912	-	-	-	-	4,347,912
22.	Past Due Loans	-	-	-	-	-	-
23.	Exposures at Sharia Unit (if any)	114,583	-	-	-	-	114,583
	Total Off Balance Sheet Exposure	15,861,880	-	-	-	-	15,861,880
C. Counterparty Credit Risk Exposure							
24.	Government Receivables	38,021,042	-	-	-	-	38,021,042
25.	Public Sector Entity Receivables	-	-	-	-	-	-
26.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
27.	Banks Receivables	1,648,672	-	-	-	-	1,648,672
28.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
29.	Corporate Receivables	-	-	-	-	-	-
30.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	39,669,714	-	-	-	-	39,669,714

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Standardized Approach

Risk-Weighted Assets for Credit Risk is carried out with a standardized approach referring to regulators' policies. In the standardized approach, the nominals of Risk-Weighted Assets for Credit Risk

were calculated by multiplying net receivables against risk weights based on the current ratings of debtor/counterparties in accordance with the appropriate portfolio category or a fixed percentage for certain type of receivables.

The receivables in BRI's portfolio that weighted based on ratings include Government Receivables, Multilateral Development Banks and International Institutions Receivables, as well as Corporate Receivables.

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale – Bank Only

No	Portfolio Category	31 December 2015					
		Rating Agency	Net Receivable				
			Long-Term Rating				
		Standard and Poor's	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-
		Fitch Rating	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-
		Moody's	Aaa	Aa1 sd Aa3	A1 sd A3	Baa1+ sd Baa3-	Ba1+ sd Ba3-
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)
(1)	(2)	PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables		-	-	-	-	36,998,336
2.	Public Sector Entity Receivables		22,134	39,465	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-
4.	Banks Receivables		1,111,138	809,464	1,592,509	7,512,527	6,523,692
5.	Mortgage Loans						
6.	Commercial Property Loans						
7.	Employee/Pensioner Loans						
8.	Claims on Micro and Small Enterprise, and Retail Portfolio						
9.	Corporate Receivables		1,375,156	471,514	426,517	157,161	8,944,791
10.	Past Due Loans						
11.	Other Assets						
12.	Exposures at Sharia Unit		-	-	-	-	-
Total			2,508,428	1,320,443	2,019,026	7,669,688	52,466,819

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Meanwhile, other receivables are using risk weight calculation without ratings. The rating agencies used by BRI are recognized by the regulator (Bank Indonesia) based on the provision of domestic rating

agencies, namely Pefindo, PT Fitch Ratings Indonesia and PT ICRA Indonesia. International ratings, meanwhile, are carried about by, among others, S&P, Moody's and Fitch.

The following table illustrates the Disclosure of Net Receivables by Portfolio Category and Rating Scales, bank only and consolidated with subsidiaries as of 31 December 2015.

(in million rupiah)

31 December 2015								
Net Receivable								
	Short-Term Rating						Unrated	Total
	B+ sd B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	B+ sd B-	Lower than B-	F1+ sd F1	F2	F3	Lower than F3		
	B1+ sd B3-	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	B+(idn) s.d B-(idn)	Lower than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]B+ s.d [Idr]B-	Lower than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr]A3	Lower than [Idr]A3		
	id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	175,718,391	212,716,727
	-	-	-	-	-	-	93,987,612	94,049,211
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	35,901,299	53,450,629
	-	-	-	-	-	-	129,417,792	140,792,931
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	435,025,094	501,009,498

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Disclosure of Net Receivables Based on Portfolio Category and Rating Scale – Bank Only

No	Portfolio Category	31 December 2014					
		Rating Agency	Net Receivable				
			Long-Term Rating				
		Standard and Poor's	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-
		Fitch Rating	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-
		Moody's	Aaa	Aa1 sd Aa3	A1 sd A3	Baa1+ sd Baa3-	Ba1+ sd Ba3-
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)
		PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-
		PT Pemingkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables		-	360,697	-	545,515	8,130,215
2.	Public Sector Entity Receivables		269,093	340,167	219,202	59,525	-
3.	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-
4.	Banks Receivables		811,551	1,221,387	1,259,791	14,130,388	127,625
5.	Mortgage Loans						
6.	Commercial Property Loans						
7.	Employee/Pensioner Loans						
8.	Claims on Micro and Small Enterprise, and Retail Portfolio						
9.	Corporate Receivables		668,671	902,072	834,535	2,987,746	262,804
10.	Past Due Loans						
11.	Other Assets						
12.	Exposures at Sharia Unit		-	-	-	-	-
Total			1,749,315	2,824,323	2,313,528	17,723,174	8,520,644

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(in million rupiah)

31 December 2014								
Net Receivable								
	Short-Term Rating						Unrated	Total
	B+ sd B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	B+ sd B-	Lower than B-	F1+ sd F1	F2	F3	Lower than F3		
	B1+ sd B3-	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	B+(idn) s.d B-(idn)	Lower than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]B+ s.d [Idr]B-	Lower than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr]A3	Lower than [Idr]A3		
	id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	207,977,729	217,014,156
	-	-	-	-	-	-	84,216,902	85,104,889
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	18,859,122	36,409,864
	-	-	-	-	-	-	124,463,681	130,119,509
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	435,517,434	468,648,418

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Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Consolidated with Subsidiaries

No	Portfolio Category	31 December 2015					
		Rating Agency	Net Receivable				
			Long-Term Rating				
		Standard and Poor's	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-
		Fitch Rating	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-
		Moody's	Aaa	Aa1 sd Aa3	A1 sd A3	Baa1+ sd Baa3-	Ba1+ sd Ba3-
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(Idn) s.d AA-(Idn)	A+(Idn) s.d A-(Idn)	BBB+(Idn) s.d BBB-(Idn)	BB+(Idn) s.d BB-(Idn)
		PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Government Receivables		-	-	-	-	36,998,336
2.	Public Sector Entity Receivables		22,134	39,465	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-
4.	Banks Receivables		1,111,138	1,276,197	1,970,537	7,512,527	6,523,692
5.	Mortgage Loans						
6.	Commercial Property Loans						
7.	Employee/Pensioner Loans						
8.	Claims on Micro and Small Enterprise, and Retail Portfolio						
9.	Corporate Receivables		1,375,156	471,514	426,517	157,161	8,944,791
10.	Past Due Loans						
11.	Other Assets						
12.	Exposures at Sharia Unit		85,150	6,435	20,294	-	-
Total			2,593,578	1,793,611	2,417,348	7,669,688	52,466,819

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(in million rupiah)

31 December 2015								
Net Receivable								
	Short-Term Rating						Unrated	Total
	B+ sd B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	B+ sd B-	Lower than B-	F1+ sd F1	F2	F3	Lower than F3		
	B1+ sd B3-	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	B+(idn) s.d B-(idn)	Lower than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]B+ s.d [Idr]B-	Lower than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr]A3	Lower than [Idr]A3		
	id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	176,859,901	213,858,237
	-	-	-	-	-	-	94,276,269	94,337,867
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	35,958,233	54,352,324
	-	-	-	-	-	-	132,714,310	144,089,451
	-	-	-	-	-	-	24,438,077	24,549,953
	-	-	-	-	-	-	464,246,790	531,187,832

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No	Portfolio Category	31 December 2014						
		Rating Agency	Net Receivable					
			Long-Term Rating					
		Standard and Poor's	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-	
		Fitch Rating	AAA	AA+ sd AA-	A+ sd A-	BBB+ sd BBB-	BB+ sd BB-	
		Moody's	Aaa	Aa1 sd Aa3	A1 sd A3	Baa1+ sd Baa3-	Ba1+ sd Ba3-	
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(Idn) s.d AA-(Idn)	A+(Idn) s.d A-(Idn)	BBB+(Idn) s.d BBB-(Idn)	BB+(Idn) s.d BB-(Idn)	
		PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1.	Government Receivables		-	360,697	-	545,515	8,130,215	
2.	Public Sector Entity Receivables		269,093	340,167	219,202	59,525	-	
3.	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-	
4.	Banks Receivables		811,551	1,221,387	1,259,791	14,130,388	127,625	
5.	Mortgage Loans							
6.	Commercial Property Loans							
7.	Employee/Pensioner Loans							
8.	Claims on Micro and Small Enterprise, and Retail Portfolio							
9.	Corporate Receivables		668,671	902,072	834,535	2,987,746	262,804	
10.	Past Due Loans							
11.	Other Assets							
12.	Exposures at Sharia Unit		36,386	-	10,000	-	-	
Total			1,785,701	2,824,323	2,323,528	17,723,174	8,520,644	

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Risk Management

(in million rupiah)

31 December 2014								
Net Receivable								
	Short-Term Rating						Unrated	Total
	B+ sd B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
	B+ sd B-	Lower than B-	F1+ sd F1	F2	F3	Lower than F3		
	B1+ sd B3-	Lower than B3	P-1	P-2	P-3	Lower than P-3		
	B+(idn) s.d B-(idn)	Lower than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
	[Idr]B+ s.d [Idr]B-	Lower than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr]A3	Lower than [Idr]A3		
	id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	-	-	-	-	-	-	208,980,111	218,016,538
	-	-	-	-	-	-	84,626,776	85,514,763
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	19,305,653	36,856,395
	-	-	-	-	-	-	126,966,493	132,622,321
	-	-	-	-	-	-	20,518,230	20,564,616
	-	-	-	-	-	-	460,397,263	493,574,633

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RWA Credit Risk Calculations

The calculation of minimum capital requirements to cover credit risk refers to BI regulations using the Basel II Standardized Approach.

The Risk-Weighted Assets for credit risk as of 31 December 2015 for Bank only was Rp438.3 trillion, while Risk-Weighted Assets for credit risk consolidated with Subsidiaries was Rp458.5 trillion.

Currently, BRI and its subsidiaries have no exposure that could raise credit risk due to settlement failure (Settlement Risk), nor Securitization exposure.

The following tables illustrate the calculation of RWA for credit risk with a standardized approach, Bank only and consolidated with Subsidiaries as of 31 December 2015, presented in million Rupiah.

Disclosure of Asset Exposure on Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2015		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	211,871,854	-	-
2.	Public Sector Entity Receivables	85,010,997	42,028,734	41,603,320
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	43,641,619	12,785,929	12,785,929
5.	Mortgage Loans	768,169	282,323	282,323
6.	Commercial Property Loans	2,512,106	2,512,106	2,512,106
7.	Employee/Pensioner Loans	115,761,652	57,880,826	57,880,826
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	204,295,591	153,221,693	149,731,300
9.	Corporate Receivables	136,363,412	134,709,983	130,707,755
10.	Past Due Loans	6,810,452	10,199,016	10,197,586
11.	Other Assets	48,045,750	-	19,590,589
Total Balance Sheet Exposure		855,081,602	413,620,610	425,291,734

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Risk Management

Disclosure of Asset Exposure on Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2014		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	178,720,817	-	-
2.	Public Sector Entity Receivables	77,513,309	38,584,186	38,584,186
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	31,611,366	8,847,647	8,847,647
5.	Mortgage Loans	1,879,898	708,351	708,351
6.	Commercial Property Loans	2,756,013	2,756,013	2,756,013
7.	Employee/Pensioner Loans	106,768,619	53,384,310	53,384,310
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	174,561,926	130,921,445	118,344,340
9.	Corporate Receivables	125,875,949	124,967,482	124,301,267
10.	Past Due Loans	6,333,024	9,478,662	9,477,547
11.	Other Assets	36,909,687	-	14,734,994
	Total Balance Sheet Exposure	742,930,608	369,648,096	371,138,655

Disclosure of Asset Exposure on Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	31 December 2015		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	213,013,364	-	-
2.	Public Sector Entity Receivables	85,252,781	42,157,126	41,726,267
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	44,529,959	12,989,169	12,987,669
5.	Mortgage Loans	1,014,485	379,155	379,015
6.	Commercial Property Loans	2,652,141	2,652,141	2,652,141
7.	Employee/Pensioner Loans	116,282,515	58,141,258	58,140,170
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	205,958,696	154,469,022	150,927,062
9.	Corporate Receivables	139,579,683	137,926,252	133,839,904
10.	Past Due Loans	6,812,074	10,200,638	10,199,208
11.	Other Assets	48,347,642	-	19,871,424
	Total Balance Sheet Exposure	863,443,340	418,914,761	430,722,860

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Disclosure of Asset Exposure on Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	31 December 2014		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	179,723,199	-	-
2.	Public Sector Entity Receivables	77,827,731	38,754,423	38,754,423
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	32,056,972	8,936,768	8,936,168
5.	Mortgage Loans	2,004,804	758,313	758,313
6.	Commercial Property Loans	2,833,153	2,833,153	2,832,553
7.	Employee/Pensioner Loans	107,339,684	53,669,843	53,668,925
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	175,889,193	131,916,895	119,292,162
9.	Corporate Receivables	128,274,409	127,365,943	126,662,451
10.	Past Due Loans	6,333,024	9,478,662	9,477,547
11.	Other Assets	37,020,087	-	14,805,458
Total Balance Sheet Exposure		749,302,257	373,714,000	375,188,000

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	31 Desember 2015		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	844,873	-	-
2.	Public Sector Entity Receivables	9,038,214	4,519,107	4,519,107
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	5,522,582	2,590,427	2,590,427
5.	Mortgage Loans	-	-	-
6.	Commercial Property Loans	-	-	-
7.	Employee/Pensioner Loans	-	-	-
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	300,345	225,259	225,259
9.	Corporate Receivables	4,429,519	4,429,519	4,429,519
10.	Past Due Loans	-	-	-
Total		20,135,533	11,764,312	11,764,312

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Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	31 Desember 2014		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	272,297	-	-
2.	Public Sector Entity Receivables	7,591,580	3,795,790	3,795,790
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	3,149,826	1,440,612	1,440,612
5.	Mortgage Loans	-	-	-
6.	Commercial Property Loans	-	-	-
7.	Employee/Pensioner Loans	-	-	-
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	155,592	116,694	116,694
9.	Corporate Receivables	4,243,560	4,243,560	4,243,560
10.	Past Due Loans	-	-	-
Total		15,412,855	9,596,656	9,596,656

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	31 Desember 2015		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	844,873	-	-
2.	Public Sector Entity Receivables	9,085,086	4,542,543	4,542,543
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	5,535,937	2,593,167	2,593,167
5.	Mortgage Loans	516	215	215
6.	Commercial Property Loans	1,246	1,246	1,246
7.	Employee/Pensioner Loans	1,587	793	793
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	370,702	278,027	277,277
9.	Corporate Receivables	4,509,768	4,509,768	4,508,114
10.	Past Due Loans	73	73	73
Total		20,349,788	11,925,832	11,923,428

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Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	31 Desember 2014		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	272,297	-	-
2.	Public Sector Entity Receivables	7,687,032	3,843,516	3,843,516
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	3,150,751	1,440,797	1,440,797
5.	Mortgage Loans	509	203	203
6.	Commercial Property Loans	443	443	443
7.	Employee/Pensioner Loans	-	-	-
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	288,353	216,265	216,265
9.	Corporate Receivables	4,347,912	4,347,912	4,347,912
10.	Past Due Loans	-	-	-
Total		15,747,297	9,849,136	9,849,136

Disclosure of Counterparty Credit Risk Exposure - Bank Only

(in million rupiah)

No.	Portfolio Category	31 Desember 2015		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	-	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	4,286,428	1,239,888	1,239,888
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
Total		4,286,428	1,239,888	1,239,888

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Disclosure of Counterparty Credit Risk Exposure – Bank Only

(in million rupiah)

No.	Portfolio Category	31 Desember 2014		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	38,021,042	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	1,648,672	329,734	329,734
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
Total		39,669,714	329,734	329,734

Disclosure of Counterparty Credit Risk Exposure – Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	31 Desember 2015		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	-	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	4,286,428	1,239,888	1,239,888
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
Total		4,286,428	1,239,888	1,239,888

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Disclosure of Counterparty Credit Risk Exposure - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	31 Desember 2014		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	38,021,042	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	1,648,672	329,734	329,734
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
Total		39,669,714	329,734	329,734

Disclosure of Credit RWA under Standardized Approach (Settlement Risk) - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2015		
		Amount	Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Delivery versus payment	-	-	-
	a. Capital Change 8% (5-15 Days)	-	-	-
	b. Capital Change 50% (16-30 Days)	-	-	-
	c. Capital Change 75% (31-45 Days)	-	-	-
	d. Capital Change 100% (more than 45 Days)	-	-	-
2.	Non-Delivery versus payment	-	-	-
Total		-	-	-

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Disclosure of Credit RWA under Standardized Approach (Settlement Risk) - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2014		
		Amount	Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Delivery versus payment	-	-	-
	a. Capital Change 8% (5-15 Days)	-	-	-
	b. Capital Change 50% (16-30 Days)	-	-	-
	c. Capital Change 75% (31-45 Days)	-	-	-
	d. Capital Change 100% (more than 45 Days)	-	-	-
2.	Non-Delivery versus payment	-	-	-
	Total	-	-	-

Disclosure of Credit RWA under Standardized Approach (Settlement Risk) - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2015		
		Amount	Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Delivery versus payment	-	-	-
	a. Capital Change 8% (5-15 Days)	-	-	-
	b. Capital Change 50% (16-30 Days)	-	-	-
	c. Capital Change 75% (31-45 Days)	-	-	-
	d. Capital Change 100% (more than 45 Days)	-	-	-
2.	Non-Delivery versus payment	-	-	-
	TOTAL	-	-	-

Disclosure of Credit RWA under Standardized Approach (Settlement Risk) - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 v 2014		
		Amount	Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Delivery versus payment	-	-	-
	a. Capital Change 8% (5-15 Days)	-	-	-
	b. Capital Change 50% (16-30 Days)	-	-	-
	c. Capital Change 75% (31-45 Days)	-	-	-
	d. Capital Change 100% (more than 45 Days)	-	-	-
2.	Non-Delivery versus payment	-	-	-
	TOTAL	-	-	-

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Disclosure of Securitization Exposure - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2015	
		Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)
1.	Supporting Credit facility that meets the requirements	-	-
2.	Supporting Credit facility that do not meet the requirements	-	-
3.	Liquidity facilities that meet the requirements	-	-
4.	Liquidity facilities that do not meet the requirements	-	-
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-
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		-	-

Disclosure of Securitization Exposure - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2014	
		Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)
1.	Supporting Credit facility that meets the requirements	-	-
2.	Supporting Credit facility that do not meet the requirements	-	-
3.	Liquidity facilities that meet the requirements	-	-
4.	Liquidity facilities that do not meet the requirements	-	-
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-
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		-	-

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Risk Management

Disclosure of Securitization Exposure - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2015	
		Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)
1.	Supporting Credit facility that meets the requirements	-	-
2.	Supporting Credit facility that do not meet the requirements	-	-
3.	Liquidity facilities that meet the requirements	-	-
4.	Liquidity facilities that do not meet the requirements	-	-
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-
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		-	-

Disclosure of Securitization Exposure - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2014	
		Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)
1.	Supporting Credit facility that meets the requirements	-	-
2.	Supporting Credit facility that do not meet the requirements	-	-
3.	Liquidity facilities that meet the requirements	-	-
4.	Liquidity facilities that do not meet the requirements	-	-
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-
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		-	-

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Disclosure of Exposure in Sharia Business unit - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2015	
		Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)
1.	Total Exposure	-	-
	Total	-	-

Disclosure of Exposure in Sharia Business unit - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2014	
		Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)
1.	Total Exposure	-	-
	Total	-	-

Disclosure of Exposure in Sharia Business unit - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2015	
		Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)
1.	Total Exposure	-	14,652,279
	Total	-	14,652,279

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Risk Management

Disclosure of Exposure in Sharia Business unit - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2014	
		Faktor Pengurang Modal	ATMR
(1)	(2)	(3)	(4)
1.	Total Exposure	-	13,762,394
	Total	-	13,762,394

Disclosure of Total Credit Risk Measurement - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2014	31 December 2015
(1)	(2)	(3)	(3)
	Total Credit Risk RWA	381,065,044	438,295,934
	Total Capital Deduction Factor	-	-

Disclosure of Total Credit Risk Measurement- Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2014	31 December 2015
(1)	(2)	(3)	(3)
	Total Credit Risk RWA	399,129,265	458,538,457
	Total Capital Deduction Factor	-	-

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MARKET RISK

“BRI’s market risk management comprises of front office, middle office and back office operating units, each with different respective authority. Delegation of authority is realized through tiered transaction limits determination in accordance with competencies and experience

In market risk management, the evaluation of market risk is regularly conducted by the Board of Directors through daily Net Open Position reports, Asset & Liability Committee (ALCO) forums and market risk exposure reports in Market Risk Profile. In addition, BRI also holds Market Risk Management Committee meetings every quarter.

BRI’s market risk management comprises of front office operating units (Treasury Division), middle office units (Risk Management Division) and back office units (Operation Center Division), each with different respective authority. The front office is authorized to carry out financial instruments transactions and responsible to monitoring market fluctuations. The middle office sets and monitors market risk limits and regularly updates the market price data used in mark-to-market (MTM). Back office carries out treasury transaction settlements and, on a daily basis, sets the MTM at the end of each day. Delegation of authority is realized through tiered transaction limits determination in accordance with competencies and experience.

To implement market risk management, BRI has formulated policies and procedures and defined market risk limits as outlined in the Treasury Policy and Guidelines of Market Risk Implementation (KUMR and P3MRP). The limits defined in the policies include open position trading limits, dealer transaction limits, cut loss limits and stop loss limits, uncommitted credit line limits and Value at Risk (VaR) limits.

Market risk is measured (daily, weekly and monthly) using Standardized Approach and Internal Value at Risk (VaR) models through the GUAVA application. BRI also carries out net interest income simulations following each change in market interest rates, as well as arranging maturity profiles for securities.

BRI has implemented a treasury and market risk application (GUAVA), an integrated system for front office, middle office and back office. Through this application, BRI is able to calculate market that is integrated with daily transactions. In addition to monitoring the instrument risk exposure, BRI also monitors market

risk limits and transaction limits, including nominal dealers, limit open positions, Limit Uncommitted Credit Line (UCL), cut loss limits and stop loss limits. Monitoring is carried out daily in order to accelerate the dissemination of the latest information to support management decision-making, especially for instruments classified as trading.

Financial assets and/or derivative transactions for trading purposes may only be owned for a certain period. BRI consistently applies categorization of financial assets and/or derivatives into a trading book portfolio, which cannot be transferred to a banking book portfolio.

The banking book portfolio may not be used for trading transactions to generate profit from short-term price differences. Assets in the banking book portfolio are used for liquidity purposes or held to maturity.

The valuation of trading book and banking book portfolios is using the quoted market prices of actively traded instruments (mark to market). The market price reflects actual and routine transactions that are

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fairly conducted. The result of the valuation based on market value (mark to market) is periodically validated to ensure fairness and consistency of price. If the market price is unavailable because the instrument in question is not being actively traded, the calculation of fair value uses a price simulation approach (mark-to-model).

BRI measures market risk calculation for periodic risk monitoring as well as capital adequacy ratio. In accordance with regulations, market risk is calculated based on the standard method that must be calculated by BRI individually, consisting of interest rate risk and exchange rate risk. Exchange Rate Risk is calculated based on the standard method for all BRI's foreign currency positions in the Trading Book exposed to Interest Rate Risk.

The risk factors considered when calculating Interest Rate Risk using the standard method are:

- a. Specific Risk from each security or financial instrument, regardless of long or short position. An offset position is not possible unless the positions are identical;
- b. General Market Risk of the total portfolio, in which long or short positions for different securities or instruments can be offset.

The market value of securities used in the calculation of Specific Risk and General Market Risk is "dirty" prices, which are determined by adding market value of securities ("clean" prices) with present value

of accrued interest. Calculation of present value of accrued interest can be ignored if present value of accrued interest has no material difference throughout the term of coupon payment. Calculation of Exchange Rate Risk is carried out on all positions in BRI's Trading Book and Banking Book in foreign currencies including gold, and in reference to the Net Open Position (NOP). The position of an instrument in foreign currency denominations is exposed to not only Foreign Exchange Rate Risk, but also Interest Rate Risk (e.g. in cross-currency swaps). In such cases, Interest Rate Risk must also be taken into account.

The portfolio coverage accounted for in the Capital Adequacy Ratio (CAR) is as follows:

1. Positions held for resale in the short term.
2. Positions held for the purpose of short-term profit from actual and/or potential price movement.
3. Positions held for the purpose of retaining the advantages of arbitration (locking in arbitrage profit).
4. Derivative instruments associated with securities or other interest rates, such as Bond Forwards, Bond Options, Interest Rate Swaps, Cross Currency Swaps, Foreign Exchange Forwards, Interest Rate Options and Forward Rate Agreements / FRAs.
5. All debt securities with fixed interest or floating interest rates, and all financial instruments with similar characteristics, including tradable certificates

of deposit (Negotiable Certificates of Deposits) and securities sold by BRI as Repo/ Securities Lending.

6. BRI foreign exchange positions in the Trading Book and the Banking Book exposed to foreign exchange risk.

Risk-weighted assets for market risk positions as of December 31, 2015, for Bank Only amounted to Rp 2.6 trillion, while RWA for market risk Consolidated with Subsidiaries amounted to Rp 2.9 trillion.

The following table presents the capital charges and RWA for market risk by using standard methods.

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Disclosure of Market Risk Standardized Method

(in million rupiah)

No.	Type of Risk	31 December 2015			
		Bank Only		Bank Consolidated	
		Capital Change	RWA	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Interest Rate Risk				
	a. Specific Risk	-	-	901	11,269
	b. General Risk	-	-	6,439	80,490
2.	Foreign Exchange Risk	205,770	2,572,131	223,408	2,792,595
3.	Equity Risk			-	-
4.	Commodity Risk			-	-
5.	Option Risk			-	-
	Total	205,770	2,572,131	230,748	2,884,354

Disclosure of Market Risk Standardized Method

(in million rupiah)

No.	Type of Risk	31 December 2014			
		Bank Only		Bank Consolidated	
		Capital Change	RWA	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Interest Rate Risk				
	a. Specific Risk	-	-	-	-
	b. General Risk	1,398	17,475	4,853	60,669
2.	Foreign Exchange Risk	264,718	3,308,971	265,691	3,321,134
3.	Equity Risk			-	-
4.	Commodity Risk			-	-
5.	Option Risk			-	-
	Total	266,116	3,326,446	270,544	3,381,803

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

To anticipate market risk arising from treasury activities, BRI exercises certain steps of measurement, monitoring and control, including:

1. Measurement steps:
 - a. Sensitivity testing for interest rates, an analysis of interest rate sensitivity level, the results of which are used as an indicator in projecting the potential interest rate risk and formulating strategic policies for trading in treasury activities.
 - b. Volatility of foreign exchange and interest rate, namely a measurement of volatility level (changes) of exchange rates and interest rates based on certain confidence level. The measurements can be used to quantify the potential risk of exchange rate and interest rates on treasury trading portfolio.
 - c. Stress testing and back testing;
 - Stress testing uses specific scenarios as a simulation to examine the Bank's capital adequacy and or liquidity level under certain conditions, such as certain interest rates, foreign exchange rates or the liquidity situation.
- d. Revaluation of treasury position and BRI's position as a whole, including the calculation of treasury products with hypothetical prices.
2. Monitoring measures of Profit and Loss Assistant, which monitors profit and loss data calculation from treasury activities on a daily basis, including keeping track of treasury performance compare to the set targets.
3. Control measures, among others:
 - Back testing analysis ensures methodology accuracy, or serves as a tool to measure market risk, by comparing the market risk projection with actual loss.
 - New Product and/or Activity Review on treasury transactions, analyzing the characteristics of products or new activities that will be used as a product in trading activity, which includes information on income potential, risks potential, settlement procedure, revaluation process and risk mitigation.

OPERATIONAL RISK

The Operational Risk Management at BRI is implemented based on Bank Indonesia Regulation No.11/25/PBI/2009 concerning the Implementation of Risk Management for Commercial Banks, which includes:

1. Active supervision of the Board of Commissioners and Board of Directors;
2. Adequacy of Policies, Procedures and Limits;
3. Adequacy of Identification Process, Measurement, Risks Monitoring and Control, and Risk Management Information System; and
4. Internal Control System.

The implementation of Operational Risk Management is intended to mitigate operational risks exposure arising from internal and external factors that disrupt business and operational activities. The factors include inadequacy of HR, failure of information technology systems, internal processes, natural disasters and crime-committed against the Bank, which potentially led to the Bank's financial and non-financial losses.

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Risk Management

The management of operational risk exposures in BRI covers legal, reputation, compliance and strategic risks associated with business processes and operational activities.

The implementation of operational risk management at BRI in 2015 was conducted through a number of risk management and monitoring tools, such as Operational Risk Assessor (OPRA), which includes Risk and Control Self Assessment (RCSA) modules, Key Risk Indicators (KRI), Incident Management (IM) and RM Forum, Maturity Assessment, and Business Continuity Management implementation. Efforts to enhance risk management understanding are focused on reinforcing risk culture, fraud awareness and continually holding risk management socialization/trainings for all BRI's employees, and improving risk control quality in all of BRI's operational activities.

Operational Risk Management Organization

The Board of Commissioners and Board of Directors are responsible for the effectiveness of risk management implementation in BRI. The Board of Commissioners and Board of Directors have in-depth understanding of risks faced by BRI and hold critical role in supporting and monitoring the successful implementation of risk management in all operating units. The governance of BRI's Operational Risk Management is based on three lines of defense, Risk Taking Units (Operating Units), Risk Control Units (Risk Management Division), and Internal Audit Function (Internal Audit).

All Operating Units in BRI serve as the first line of defense responsible for risk management implementation in their respective operational and business activities. To raise comprehensive risk culture, BRI's Board of Directors has put in place Risk Management Function (RM Function) in all Operating Units across all levels, from Head Office (Division/Desk), Regional Offices, Special Branch Office, Branch Offices that supervises operational functions, marketing and micro business, and Sub-Branch Offices.

The RM tasks and functions among others are:

1. Promote risk culture awareness in Operating Units;
2. Encourage risk management processes implementation (risk Identification, Measurement, Monitoring and Control); and
3. Report the results of risk management and monitoring.

As such, all BRI's employees are expected to understand and capable of implementing risk management in each business activity.

The Operational Risk Management Unit (RMU) is the second line of defense, assigned and responsible to formulate the operational risk management implementation guidelines, develop and implement the policies/procedures and methodologies, oversee, review, and monitor the process of operational risk management implementation. In addition, Operational RMU also involves in the formulation and monitoring of BRI risk profile, risk management

adequacy assessment of a product or new activities, and support Operating Units/risk owners in developing risk culture, anti fraud strategy implementation, and compliance to principles of risk management. To discuss the management and improvement of operational risk management and control, the Operational UKMR coordinates the Operational Risk Management Committee (ORMC) on a quarterly basis along with Division/Desks and related Operating Units.

The Internal Audit Unit (IAU) is the third line of defense, comprises the Internal Audit at the Head Office and BRI's Inspectorate Offices throughout Indonesia. The IAU oversees and validates the adequacy of internal control (assurance function) in operational and business activities of Operating Units, and the consistency of operational risk management in BRI, bank-wide.

BRI's operational risk management governance structure illustrates the relation between the operational risk management function at the corporate level, Operating Units, and involvement of Internal Audit as the Assurance Function. The operational risk management implementation at BRI is founded upon the organizational structure designs that incorporates the involvement of all parties related to operational risk management (Board of Commissioners, Board of Directors, Risk Management Committee, Risk Management Division, Operating Units, Operational Risk Management and Internal Audit).

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Operational Risk Identification, Measurement and Mitigation

a. Risk and Control Self Assessment (RCSA)

The RCSA is a qualitative and forecasting tool in risk management used to identify and measure risks based on the impact and likelihood of occurrence.

In BRI, RCSA has been implemented in Division/Desks at BRI Head Office, Regional Offices, Special Branch Office, Branch Offices, BRI Priority Service Centers, and Sub-Branch Offices. To mitigate risk in micro business and operational of BRI Units, the Bank has assigned MBM and AMBM to undertake the RM function in micro business.

The RCSA is intended to assist each Operating Unit to identify and measure operational risks independently in each operational and business activity, including monitoring and determination of improvements/follow up plans.

The consolidated RCSA report results are quarterly reported to BRI's Board of Directors in Risk Management Committee (RMC) meetings. The consolidated RCSA are structured with the purpose to generate comprehensive operational risk profile and to address control or mitigation needs.

The operational risks are frequently changing, as such risk issues in the RCSA needs to be constantly updated. The RCSA risk issues update is done by taking into account BRI's business development, which includes new products and activities, new market segments, and business competition; and changes in internal/external regulations; and other changes that affect BRI's risk exposure. The assessment is done partly by considering data of the Incident Management (IM)/Loss Event Database (LED), Key Risk Indicators (KRI) and the Audit Results Report.

b. Key Risk Indicator (KRI)

KRI is a risk management tool of quantitative indicators that can detect the increase or decrease of risk and/or a decrease in control effectiveness on the set forth limits. The risk trends forecast is identified to define a follow up plan related to operational risks ahead of financial or non-financial losses.

BRI has identified key risk indicators for all risk types and has set risk limits that reflect the acceptable conditions and risk levels (risk appetite). The identification of key risk indicators and determination of KRI threshold are performed by using the best judgment involving Internal Audit, Risk Owners and other related parties. BRI's Key Risk Indicators are stated in the Bankwide Risk Profile

Report and Regional Offices Risk Profile that are regularly monitored and reported to the management on a monthly basis. Moreover, in 2014, KRI was began implemented in the OPRA application, specifically to monitor compliance risk and being continually enhanced to monitor other risks. The OPRA application development in 2015 is expected to accommodate all KRIs in this application.

c. Incident Management (IM)/ Loss Event Database (LED) and the Measurement of Operational Risk Capital Expenses

Incident Management (IM) is a Loss Event Database (LED) that covers the process of loss events data documentation for both financial and non financial losses, which include actual loss, potential loss and near misses, from the time of the event until the time of its settlement, as well as corrective actions and mitigation steps taken.

Based on data loss in IM system, the Bank may analyze loss events based on causes, functional activities and event types, which are divided into BRI's eight business lines. The information system also serves as a basis to determine the control and preventive improvement measures based on the documentation of incidents settlement/handling process.

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BRI's operational loss data were documented since 2007, which consistently and systematically recorded in the form of a loss database matrix classified by eight business lines and seven event types/categories, with event frequency, and event severity/loss dimension.

To calculate capital expense and operational RWA, BRI currently uses the Basic Indicator Approach (BIA) model, which has been initially applied since 2010 in accordance with the regulatory requirements. However, BRI has prepared the application of Standardized Approach (TSA) and Advanced Measurement

Approach (AMA). The LED BRI has also performed simulation to calculate operational risk capital expense using the Advanced Measurement Approach (AMA). The AMA method uses Extreme Value Theory (EVT) and Loss Distribution Approach (LDA). To gain a calculation of operational risk capital expense by AMA method, BRI has developed a gap analysis related to its application.

The Risk-Weighted Assets of operational risk as of December 31, 2015, Bank Only was amounted to Rp96.2 trillion, while RWA of operational risk, consolidated with subsidiaries was Rp98.7 trillion.

The following tables illustrate capital expenses and RWA of operational risk calculated using Basic Indicator Approach (BIA) in accordance with Bank Indonesia (BI) regulations.

Disclosure of Operational Risk using BIA method- Bank Only

(in million rupiah)

31 December 2015				
No.	Approach used	Gross Revenues (Average in Last 3 Years)	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	51,310,332	7,696,550	96,206,873
Total		51,310,332	7,696,550	96,206,873

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Risk Management

Disclosure of Operational Risk using BIA method- Bank Only

(in million rupiah)

31 December 2014				
No.	Approach used	Gross Revenues (Average in Last 3 Years)	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	44,688,312	6,703,247	83,790,585
Total		44,688,312	6,703,247	83,790,585

Disclosure of Operational Risk using BIA method- Bank Consolidated with subsidiaries

(in million rupiah)

31 December 2015				
No.	Approach used	Gross Revenues (Average in Last 3 Years)	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	52,616,452	7,892,468	98,655,847
Total		52,616,452	7,892,468	98,655,847

Disclosure of Operational Risk using BIA method- Bank Consolidated with subsidiaries

(in million rupiah)

31 December 2014				
No.	Approach used	Gross Revenues (Average in Last 3 Years)	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)
1.	Pendekatan Indikator Dasar	44,890,152	6,733,523	84,169,035
Total		44,890,152	6,733,523	84,169,035

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d. RM Forum and Maturity Assessment

The Risk Management Forum (RM Forum) is a forum where Head of Operating Units and executives one level below, employees or staffs to discuss issues related to risks inherent in business or operational activities, which potentially become obstacles in the achievement of predetermined business performance or targets. The RM Forum in each operating unit is expected to support and promote risk awareness culture within BRI.

Maturity is a self-assessment process on the maturity level of risk management implementation exercised in each Operating Unit that is carried out at the end of each year by the Head of Operating Units on certain parameters. Maturity assessment is expected to motivate each Unit to evaluate the current risk management implementation and nurture continuous improvements.

e. Anti-Fraud Strategy Implementation

Fraud control is implemented in compliance with BRI's internal control policies and procedures, which highlights BRI management's zero fraud tolerance that consistently applied to resolve fraud cases. The determination and implementation of Anti-Fraud Strategy as part of Risk Management that aims to prevent and manage the occurrence of fraud in BRI consists of four pillars: 1) prevention, 2) detection, 3) investigation, reporting and sanctioning, and 4) evaluations, monitoring and follow-up. The Boards of Directors and Commissioners, management and all employees of BRI sign anti-fraud commitments as a form of anti-fraud awareness and fraud prevention.

f. Adequacy Assessment on Risk Management over New Products and Activities (NPA)

The issuance process of new products and/or activities (NPA) in BRI includes risk management phase that covers risk assessment by product owners on all risks that potentially arising from the issuance of NPA. This includes control and oversight steps to mitigate NPA-associated risks. Risk Management Unit is responsible to exercise the adequacy assessment on NPA risk management and makes recommendations based on assessment result to BRI Risk Management Director for approval.

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

g. Business Continuity Management (BCM) Implementation

The potentials of disruptions from natural, human or technological failures pose a threat to BRI's business continuity, particularly considering BRI's widespread Operating Units throughout Indonesia. To that end, BRI Board of Directors recognizes the importance of developing and implementing Business Continuity Management (BCM) Policy to protect the security and safety of employees, protect the safety of customers and other stakeholders in BRI Operating Units environment (Disaster Mitigation Plan), as well as to maintain the continuity of the key business/operational activities, safeguard BRI's assets and ensure sufficient responses to threats/disasters (Business Continuity Management).

Implementation of BRI BCM in 2015 involves all BRI Operating Units, among others by updating the Crisis Management Team, appointment of floor wardens and alternate sites. BRI Operating Units has also conducted Threat and Disaster Risk Assessment (TDRA), which aimed to map the Operating Units exposed to disaster threats, and registering the required resources to be prepared against threats/disasters in each operating Unit.

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LIQUIDITY RISK

“BRI sets the Liquidity Risk Management Policy that covers liquidity management, optimum liquidity reserve maintenance, establishment of funding strategy, early warning systems, cashflow projections, maturity profile, liquidity limit determination and contingency funding plans

BRI manages liquidity risk to fulfill every matured financial obligation in a timely manner, and to maintain optimum and adequate liquidity level. To support liquidity management, BRI sets the Liquidity Risk Management Policy that covers liquidity management, optimum liquidity reserve maintenance, establishment of funding strategy, early warning systems, cashflow projections, maturity profile, liquidity limit determination and contingency funding plans

The policy is aimed to ensure the adequacy of daily funding to meet the obligations in both normal conditions and in crises in a timely manner using various available resources, including to ensure the availability of high quality liquid assets. Funding strategy prioritizes third party funds as a resource with a sound and sustainable structure.

At the corporate level, the Treasury Division and Risk Management Division coordinate the Liquidity Risk Management implementation. The Treasury Division is responsible

to manage nationwide liquidity that comprises interday, daily, short term, medium term, and long term, in rupiah and foreign currencies, according to prevailing regulations.

The Risk Management Division is responsible to formulate and review liquidity risk management policies, while also monitor the liquidity risk by administering periodic reports to the Boards of Directors and Board of Commissioners through a weekly Liquidity Risk Profile Dashboard. BRI also has in place the management information system in BRI data warehouse portal to support reporting to the management related to liquidity risk management.

Risk exposure mitigation is conducted toward the monitoring result that indicates increasing potential in liquidity risk, and/or timely adjustment toward liquidity management strategy. The discussion is held in the ALCO

forum or Contingency Liquidity Crisis Team meeting to decide control follow up on effective prevention and/or settlement within prudential banking principles.

Moreover, the periodical ALCO forum also discusses assets and liability (maturity profile, interest rate risk, NII simulation), Market Review, BRI share prices development and investors' concerns.

The Treasury and Risk Management Divisions conducted Liquidity risk control as a follow-up on performance monitoring results and the compliance of operating units on the established liquidity limits.

Specifically, the Treasury Division also taking into account the early-warning indicators in monitoring liquidity positions as part of liquidity management processes, as well to ascertain the increasing risk potential.

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

To obtain the description of BRI's actual liquidity condition, the measurement result uses a liquidity ratio is intensively analyzed and associated with the latest qualitative information hence resulted in a fair and comprehensive conclusion. The liquidity risk measurement tools used include cash flow projections, maturity profiles, liquidity ratio and liquidity risk stress tests.

At the end of 2014, the regulators published the Consultative Paper on LCR regulation framework in Indonesia. BRI has performed LCR calculation simulation since January 2015. The monitoring result on two liquidity ratios in Basel III, i.e. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), showed that BRI has fulfilled the stipulation by exceeding the prerequisite minimum ratio.

The following table provides information on assets and liabilities mapping in the balance sheet as well as receivables and liabilities in the administrative account within a certain period based on the remaining period until maturity as of 31 December 2015.

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Risk Management

Disclosure of Rupiah Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	31 December 2015					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	27,887,778	27,887,778	-	-	-	-
2	Placement with BI	14,491,144	14,491,144	-	-	-	-
3	Placement with Other Bank	5,341,000	5,101,000	140,000	100,000	-	-
4	Marketable Securities	81,376,739	39,329,424	4,036,066	-	7,618,038	30,393,211
5	Loans	484,939,750	15,710,851	20,609,546	46,590,099	57,464,177	344,565,077
6	Other Receivables	57,163,778	55,521,391	837,701	434,745	369,941	-
7	Others	25,256,209	2,753,357	515,610	6,778,373	2,014,690	13,194,179
Total Assets		696,456,398	160,794,945	26,138,923	53,903,217	67,466,846	388,152,467
B. Liabilities							
1	Third Party Funds	554,720,550	366,175,229	138,241,169	15,223,724	9,969,933	25,110,495
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	5,390,185	5,308,985	81,200	-	-	-
4	Marketable Securities Issued	3,678,123	263,775	-	-	714,227	2,700,121
5	Fund Borrowings	27,434	-	-	-	-	27,434
6	Other Liabilities	18,531,128	9,303,597	5,137,191	429,710	1,216,048	2,444,582
7	Others	4,224,928	1,876,261	1,826,335	-	-	522,332
Total Liabilities		586,572,348	382,927,847	145,285,895	15,653,434	11,900,208	30,804,964
Assets and Liabilities Difference on Balance Sheet		109,884,050	(222,132,902)	(119,146,972)	38,249,783	55,566,638	357,347,503
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1	Commitment	3,499,635	3,499,635	-	-	-	-
2	Contingencies	1,801	1,801	-	-	-	-
Total Off Balance Sheet Receivable		3,501,436	3,501,436	-	-	-	-
B. Off Balance Sheet Liabilities							
1	Commitment	79,982,534	2,966,834	16,008,375	117,826	27,873,329	33,016,170
2	Contingencies	7,851,216	2,094,322	1,004,430	1,018,900	1,229,997	2,503,567
Total Off Balance Sheet Liabilities		87,833,750	5,061,156	17,012,805	1,136,726	29,103,326	35,519,737
Difference of Assets and Liabilities in Off Balance Sheet		(84,332,314)	(1,559,720)	(17,012,805)	(1,136,726)	(29,103,326)	(35,519,737)
Difference [(IA-IB) + (IIA-IIB)]		25,551,736	(223,692,622)	(136,159,777)	37,113,057	26,463,312	321,827,766

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Rupiah Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	31 December 2014					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	BALANCE SHEET						
	A. Assets						
1	Cash	21,756,389	21,756,389	-	-	-	-
2	Placement with BI	23,996,168	23,996,168	-	-	-	-
3	Placement with Other Bank	2,825,000	2,745,000	80,000	-	-	-
4	Marketable Securities	111,016,457	71,681,244	10,148,517	-	9,353,862	19,832,834
5	Loans	420,853,474	16,933,881	29,837,291	28,055,209	46,167,105	299,859,988
6	Other Receivables	42,610,237	41,135,071	900,817	573,592	757	-
7	Others	17,409,449	2,031,962	378,648	348,750	3,003,310	11,646,779
	Total Assets	640,467,174	180,279,715	41,345,273	28,977,551	58,525,034	331,339,601
	B. Liabilities						
1	Third Party Funds	516,116,193	420,908,266	52,020,044	11,241,919	8,199,146	23,746,818
2	Liabilities to BI	384,448	367,196	133	6,680	-	10,439
3	Liabilities to Other Banks	5,056,208	5,004,708	51,500	-	-	-
4	Marketable Securities Issued	2,163,771	-	182,410	-	1,072,493	908,868
5	Fund Borrowings	111,045	-	100,000	-	-	11,045
6	Other Liabilities	21,432,811	16,275,957	3,911,463	183,255	1,062,136	-
7	Others	2,741,284	1,224,793	45,774	71,215	1,099,849	299,653
	Total Liabilities	548,005,760	443,780,920	56,311,324	11,503,069	11,433,624	24,976,823
	Assets and Liabilities Difference on Balance Sheet	92,461,414	(263,501,205)	(14,966,051)	17,474,482	47,091,410	306,362,778
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
1	Commitment	-	-	-	-	-	-
2	Contingencies	3,199	3,199	-	-	-	-
	Total Off Balance Sheet Receivable	3,199	3,199	-	-	-	-
	B. Off Balance Sheet Liabilities						
1	Commitment	64,671,432	4,284,807	13,039,422	21,374,045	12,452	25,960,706
2	Contingencies	5,795,203	1,381,927	807,948	815,701	1,425,246	1,364,381
	Total Off Balance Sheet Liabilities	70,466,635	5,666,734	13,847,370	22,189,746	1,437,698	27,325,087
	Difference of Assets and Liabilities in Off Balance Sheet	(70,463,436)	(5,663,535)	(13,847,370)	(22,189,746)	(1,437,698)	(27,325,087)
	Difference [(IA-IB) + (IIA-IIB)]	21,997,978	(269,164,740)	(28,813,421)	(4,715,264)	45,653,712	279,037,691

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Disclosure of Rupiah Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	31 December 2015					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	28,186,686	28,186,686	-	-	-	-
2	Placement with BI	17,013,095	17,013,095	-	-	-	-
3	Placement with Other Bank	5,229,145	4,989,145	140,000	100,000	-	-
4	Marketable Securities	89,168,380	42,983,507	4,241,486	-	9,258,291	32,685,096
5	Loans	507,038,810	16,300,307	21,448,415	48,089,606	59,619,198	361,581,284
6	Other Receivables	58,826,848	57,159,660	862,502	434,745	369,941	-
7	Others	22,476,153	4,410,722	529,114	6,780,258	2,200,881	8,555,178
Total Assets		727,939,117	171,043,122	27,221,517	55,404,609	71,448,311	402,821,558
B. Liabilities							
1	Third Party Funds	580,437,917	372,746,624	156,680,282	15,722,491	10,178,025	25,110,495
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	6,212,855	5,656,779	554,757	-	-	1,319
4	Marketable Securities Issued	3,668,172	253,824	-	-	714,227	2,700,121
5	Fund Borrowings	127,434	-	-	-	-	127,434
6	Other Liabilities	18,876,879	9,593,908	5,182,867	429,710	1,225,812	2,444,582
7	Others	8,461,374	1,922,094	1,959,591	7,674	3,996,634	575,381
Total Liabilities		617,784,631	390,173,229	164,377,497	16,159,875	16,114,698	30,959,332
Assets and Liabilities Difference on Balance Sheet		110,154,486	(219,130,107)	(137,155,980)	39,244,734	55,333,613	371,862,226
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1	Commitment	3,499,635	3,499,635	-	-	-	-
2	Contingencies	44,486	44,486	-	-	-	-
Total Off Balance Sheet Receivable		3,544,121	3,544,121	-	-	-	-
B. Off Balance Sheet Liabilities							
1	Commitment	80,966,976	3,229,035	16,180,197	545,668	27,923,518	33,088,558
2	Contingencies	7,895,388	2,151,016	1,005,331	1,018,900	1,216,142	2,503,999
Total Off Balance Sheet Liabilities		88,862,364	5,380,051	17,185,528	1,564,568	29,139,660	35,592,557
Difference of Assets and Liabilities in Off Balance Sheet		(85,318,243)	(1,835,930)	(17,185,528)	(1,564,568)	(29,139,660)	(35,592,557)
Difference [(IA-IB)+(IIA-IIB)]		24,836,243	(220,966,037)	(154,341,508)	37,680,166	26,193,953	336,269,669

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Rupiah Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	31 December 2014					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	NERACA						
	A. Assets						
1	Cash	22,036,125	22,036,125	-	-	-	-
2	Placement with BI	25,185,119	25,185,119	-	-	-	-
3	Placement with Other Bank	2,585,000	2,505,000	80,000	-	-	-
4	Marketable Securities	113,728,936	72,551,833	10,298,517	-	10,587,141	20,291,445
5	Loans	440,677,748	17,620,274	30,659,487	29,518,032	48,307,313	314,572,643
6	Other Receivables	43,856,810	42,381,644	900,817	573,592	757	-
7	Others	15,970,999	2,037,370	551,778	355,225	3,036,080	9,990,546
	Total Assets	664,040,737	184,317,365	42,490,599	30,446,849	61,931,291	344,854,634
	B. Liabilities						
1	Third Party Funds	537,875,073	440,608,988	53,713,133	11,555,697	8,250,436	23,746,819
2	Liabilities to BI	384,448	367,196	133	6,680	-	10,439
3	Liabilities to Other Banks	5,763,471	5,686,957	53,940	22,574	-	-
4	Marketable Securities Issued	2,114,258	-	182,410	-	1,022,980	908,868
5	Fund Borrowings	211,045	-	100,000	-	-	111,045
6	Other Liabilities	22,543,267	16,646,475	3,927,120	183,255	1,682,109	104,308
7	Others	3,216,805	1,224,793	82,735	71,215	1,099,849	738,213
	Total Liabilities	572,108,367	464,534,409	58,059,471	11,839,421	12,055,374	25,619,692
	Assets and Liabilities Difference on Balance Sheet	91,932,370	(280,217,044)	(15,568,872)	18,607,428	49,875,917	319,234,942
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
1	Commitment	-	-	-	-	-	-
2	Contingencies	32,806	32,806	-	-	-	-
	Total Off Balance Sheet Receivable	32,806	32,806	-	-	-	-
	B. Off Balance Sheet Liabilities						
1	Commitment	66,000,958	4,361,782	13,101,309	21,544,070	288,902	26,704,895
2	Contingencies	5,903,242	1,450,964	832,458	821,861	1,433,538	1,364,421
	Total Off Balance Sheet Liabilities	71,904,200	5,812,746	13,933,767	22,365,931	1,722,440	28,069,316
	Difference of Assets and Liabilities in Off Balance Sheet	(71,871,394)	(5,779,940)	(13,933,767)	(22,365,931)	(1,722,440)	(28,069,316)
	Difference [(IA-IB)+(IIA-IIB)]	20,060,976	(285,996,984)	(29,502,639)	(3,758,503)	48,153,477	291,165,626

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Disclosure of Foreign Currency Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	31 Desember 2015					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	582,538	582,538	-	-	-	-
2	Placement with BI	21,021,365	21,021,365	-	-	-	-
3	Placement with Other Bank	6,571,059	6,571,059	-	-	-	-
4	Marketable Securities	40,055,099	20,721,951	-	-	686,151	18,646,997
5	Loans	56,465,914	2,511,388	6,019,263	2,187,487	12,462,535	33,285,241
6	Other Receivables	23,709,867	21,651,906	1,262,798	626,565	168,598	-
7	Others	1,136,139	28,826	442,418	471,288	177,164	16,443
Total Assets		149,541,981	73,089,033	7,724,479	3,285,340	13,494,448	51,948,681
B. Liabilities							
1	Third Party Funds	88,053,454	38,255,257	27,315,008	14,550,817	7,138,221	794,151
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	4,975,047	4,975,047	-	-	-	-
4	Marketable Securities Issued	6,854,258	-	-	-	-	6,854,258
5	Fund Borrowings	35,352,924	3,629,831	6,896,284	5,996	-	24,820,813
6	Other Liabilities	11,312,603	1,629,994	4,499,741	899,609	2,904,759	1,378,500
7	Others	485,947	-	195,634	-	290,313	-
Total Liabilities		147,034,233	48,490,129	38,906,667	15,456,422	10,333,293	33,847,722
Assets and Liabilities Difference on Balance Sheet		2,507,748	24,598,904	(31,182,188)	(12,171,082)	3,161,155	18,100,959
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1	Commitment	10,913,879	10,913,879	-	-	-	-
2	Contingencies	3,011	3,011	-	-	-	-
Total Off Balance Sheet Receivable		10,916,890	10,916,890	-	-	-	-
B. Off Balance Sheet Liabilities							
1	Commitment	56,748,976	13,915,816	22,694,609	4,632,444	3,570,916	11,935,191
2	Contingencies	15,758,764	908,599	1,552,247	3,113,550	6,637,537	3,546,831
Total Off Balance Sheet Liabilities		72,507,740	14,824,415	24,246,856	7,745,994	10,208,453	15,482,022
Difference of Assets and Liabilities in Off Balance Sheet		(61,590,850)	(3,907,525)	(24,246,856)	(7,745,994)	(10,208,453)	(15,482,022)
Difference [(IA-IB)+(IIA-IIB)]		(59,083,102)	20,691,379	(55,429,044)	(19,917,076)	(7,047,298)	2,618,937

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Risk Management

Disclosure of Foreign Currency Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	31 December 2014					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	BALANCE SHEET						
	A. Assets						
1	Cash	432,176	432,176	-	-	-	-
2	Placement with BI	25,389,024	25,389,024	-	-	-	-
3	Placement with Other Bank	8,851,529	8,851,529	-	-	-	-
4	Marketable Securities	13,590,108	7,688,932	-	-	314,941	5,586,235
5	Loans	53,763,993	17,899,141	1,730,434	3,141,970	6,197,271	24,795,177
6	Other Receivables	34,873,654	21,440,068	4,808,400	5,272,042	2,206,814	1,146,330
7	Others	650,157	526,106	6,477	10,054	9,277	98,243
	Total Assets	137,550,641	82,226,976	6,545,311	8,424,066	8,728,303	31,625,985
	B. Liabilities						
1	Third Party Funds	84,288,177	55,715,238	7,413,979	13,013,851	8,144,931	178
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	2,891,921	2,891,921	-	-	-	-
4	Marketable Securities Issued	6,143,732	-	-	-	-	6,143,732
5	Fund Borrowings	24,758,565	6,799,539	8,221,455	5,201,700	-	4,535,871
6	Other Liabilities	14,311,878	844,818	6,725,555	1,781,185	1,253,579	3,706,741
7	Others	407,894	103,666	47,700	19,556	15,009	221,963
	Total Liabilities	132,802,167	66,355,182	22,408,689	20,016,292	9,413,519	14,608,485
	Assets and Liabilities Difference on Balance Sheet	4,748,474	15,871,794	(15,863,378)	(11,592,226)	(685,216)	17,017,500
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
1	Commitment	4,235,957	836,582	-	-	-	3,399,375
2	Contingencies	3,011	3,011	-	-	-	-
	Total Off Balance Sheet Receivable	4,238,968	839,593	-	-	-	3,399,375
	B. Off Balance Sheet Liabilities						
1	Commitment	43,321,817	3,575,900	19,445,259	4,530,447	1,624,924	14,145,287
2	Contingencies	12,941,295	594,167	946,579	1,636,889	6,091,780	3,671,880
	Total Off Balance Sheet Liabilities	56,263,112	4,170,067	20,391,838	6,167,336	7,716,704	17,817,167
	Difference of Assets and Liabilities in Off Balance Sheet	(52,024,144)	(3,330,474)	(20,391,838)	(6,167,336)	(7,716,704)	(14,417,792)
	Difference [(IA-IB) + (IIA-IIB)]	(47,275,670)	12,541,320	(36,255,216)	(17,759,562)	(8,401,920)	2,599,708

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(in million rupiah)

No	Portfolio Category	31 Desember 2015					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	584,949	584,949	-	-	-	-
2	Placement with BI	21,021,365	21,021,365	-	-	-	-
3	Placement with Other Bank	6,571,059	6,571,059	-	-	-	-
4	Marketable Securities	40,366,250	20,777,977	-	-	686,151	18,902,122
5	Loans	56,541,299	2,511,388	6,021,555	2,217,187	12,505,928	33,285,241
6	Other Receivables	24,071,396	22,013,435	1,262,798	626,565	168,598	-
7	Others	1,330,877	223,261	442,721	471,288	177,164	16,443
Total Assets		150,487,195	73,703,434	7,727,074	3,315,040	13,537,841	52,203,806
B. Liabilities							
1	Third Party Funds	88,557,462	38,386,648	27,682,161	14,556,281	7,138,221	794,151
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	4,952,218	4,952,218	-	-	-	-
4	Marketable Securities Issued	6,852,931	-	-	-	-	6,852,931
5	Fund Borrowings	35,352,924	3,629,831	6,896,284	5,996	-	24,820,813
6	Other Liabilities	11,312,603	1,629,994	4,499,741	899,609	2,904,759	1,378,500
7	Others	486,364	179	195,634	-	290,551	-
Total Liabilities		147,514,502	48,598,870	39,273,820	15,461,886	10,333,531	33,846,395
Assets and Liabilities Difference on Balance Sheet		2,972,693	25,104,564	(31,546,746)	(12,146,846)	3,204,310	18,357,411
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1	Commitment	10,913,879	10,913,879	-	-	-	-
2	Contingencies	3,011	3,011	-	-	-	-
Total Off Balance Sheet Receivable		10,916,890	10,916,890	-	-	-	-
B. Off Balance Sheet Liabilities							
1	Commitment	56,812,635	13,936,493	22,717,051	4,652,956	3,570,944	11,935,191
2	Contingencies	15,773,520	908,599	1,555,768	3,123,438	6,638,884	3,546,831
Total Off Balance Sheet Liabilities		72,586,155	14,845,092	24,272,819	7,776,394	10,209,828	15,482,022
Difference of Assets and Liabilities in Off Balance Sheet		(61,669,265)	(3,928,202)	(24,272,819)	(7,776,394)	(10,209,828)	(15,482,022)
Difference [(IA-IB)+(IIA-IIB)]		(58,696,572)	21,176,362	(55,819,565)	(19,923,240)	(7,005,518)	2,875,389

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Disclosure of Foreign Currency Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	31 December 2014					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I	BALANCE SHEET						
	A. Assets						
1	Cash	433,042	433,042	-	-	-	-
2	Placement with BI	25,389,024	25,389,024	-	-	-	-
3	Placement with Other Bank	8,876,299	8,876,299	-	-	-	-
4	Marketable Securities	13,746,715	7,748,933	-	-	314,942	5,682,840
5	Loans	53,856,298	17,899,141	1,755,600	3,141,970	6,251,183	24,808,404
6	Other Receivables	34,962,268	21,518,707	4,818,375	5,272,042	2,206,814	1,146,330
7	Others	15,511	-	-	-	-	15,511
	Total Assets	137,279,157	81,865,146	6,573,975	8,414,012	8,772,939	31,653,085
	B. Liabilities						
1	Third Party Funds	84,446,773	55,870,172	7,413,979	13,017,513	8,144,931	178
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	2,891,921	2,891,921	-	-	-	-
4	Marketable Securities Issued	6,143,732	-	-	-	-	6,143,732
5	Fund Borrowings	24,758,565	6,799,539	8,221,455	5,201,700	-	4,535,871
6	Other Liabilities	13,459,993	700,481	6,735,530	1,781,185	640,364	3,602,433
7	Others	408,241	104,013	47,700	19,556	15,009	221,963
	Total Liabilities	132,109,225	66,366,126	22,418,664	20,019,954	8,800,304	14,504,177
	Assets and Liabilities Difference on Balance Sheet	5,169,933	15,499,020	(15,844,689)	(11,605,942)	(27,365)	17,148,908
II	OFF BALANCE SHEET						
	A. Off Balance Sheet Receivables						
1	Commitment	4,235,957	836,582	-	-	-	3,399,375
2	Contingencies	3,011	3,011	-	-	-	-
	Total Off Balance Sheet Receivable	4,238,968	839,593	-	-	-	3,399,375
	B. Off Balance Sheet Liabilities						
1	Commitment	43,403,806	3,577,832	19,520,386	4,530,447	1,627,760	14,147,380
2	Contingencies	12,950,584	595,517	954,518	1,636,889	6,091,780	3,671,880
	Total Off Balance Sheet Liabilities	56,354,389	4,173,349	20,474,904	6,167,336	7,719,540	17,819,260
	Difference of Assets and Liabilities in Off Balance Sheet	(52,115,421)	(3,333,756)	(20,474,904)	(6,167,336)	(7,719,540)	(14,419,885)
	Difference [(IA-IB) + (IIA-IIB)]	(46,945,489)	12,165,264	(36,319,593)	(17,773,278)	(7,746,905)	2,729,023

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Risk Management

LEGAL RISK

Legal Risk is risk arising from legal claims and/or juridical weaknesses. The Legal Division coordinates the Legal Risk Management implementation in BRI. To support the Legal Risk Management process in all BRI operating units, the Legal Division coordinates with Legal Officers (LO) assigned in all Regional Offices. In addition, all Risk Management Functions (RMF) in Branch Offices (RMF in Operational Division, RMF in Marketing Division and RMF in Micro Division, and RMF Sub-Branch Offices) also monitor Legal Risk in each operating unit and coordinate with legal officers (LO) in the Regional Offices.

Legal Risk Control is carried out through several mechanisms, including:

- a. Legal Division as Legal Risk Coordinator in BRI reviews the changes of laws and regulations to ensure that BRI's internal policies are fully compliant with prevailing laws and regulations.
- b. Legal Division provides legal advice/opinion on agreements between BRI and third parties, to protect BRI's legal interests prior to the signing of agreement by BRI authorized executives.
- c. All banking transactions in BRI, which consists of operations, loans and manpower affairs, are conducted pursuant to prevailing laws and supported by adequate legal documents.
- d. Legal Division coordinates with Legal Officer (LO) in Regional Offices to monitor legal risk across all BRI operating units through reporting and legal case documentation mechanisms, as well as socialization of criminal modus operandi followed by legal settlement procedures to minimize legal risk.
- e. Legal Division formulates legal guidelines, such as agreement guidelines and legal booklets for operations and loans activities.
- f. Employees' development in Operating Units in Regional Offices is conducted to improve competency in controlling legal risk in the respective operating areas through socialization, discussion on legal opinions or an event from the prevailing legal aspects.
- g. In the event of legal cases in the Operating Units, Legal Officers (LO) in Regional Offices provide legal assistance in accordance with its authority and coordinates with Legal Division.
- h. Legal Division provides legal assistance in accordance with its authority if legal cases occur.
- i. If required, the Operating Units may consult with Legal Division regarding legal issues.
- j. In the event that a lawsuit may cause significant losses potential to the Bank and or significant adverse impact to the Bank's reputation, a contingency plan must be put in place to minimize legal risk, including by engaging legal assistance from attorneys and reporting developments to the Board of Directors.
- k. As part of legal risk monitoring, Legal Division coordinates with Risk Management Division related to BRI legal risk profile monthly reporting to the Board of Directors through the Risk Profile Dashboard.

Aside from the abovementioned efforts to improve legal risk awareness, the Legal Division has issued a compendium of Regulation Summary. The compendium contains summaries of legal references such as: Collateral and Loan Activities, Operational Activities, Legal Manual and Legal Booklet. The Operating Units may benefit from the compendium to consistently ensure compliance with regulatory requirements to protect BRI from legal risk.

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

STRATEGIC RISK



The Board of Directors periodically evaluates strategic risk through a forum that discuss the strategic risk policy and strategy

The main objective of Strategic Risk Management is to minimize the potential negative impacts from inaccuracy in decision-making and failure in anticipating changes in business environment.

Formulation and monitoring of strategic implementation, includes corporate and business planning, are managed by BRI's Corporate Development and Strategy. BRI's Strategic Risk Management is periodically evaluated by the Board of Directors through a forum that discuss strategy and strategic risk policy, including the Risk Management Committee, Asset Liability Committee (ALCO), Retail Banking Forum and Bank Business plan Workshop, which is used to coordinate strategy between all BRI's Operating Units.

BRI also has business plans formulated in the Corporate Plan, Business Plan and Work and Budget Plan. The Business Plan and the Work and Budget Plan are reviewed annually in order to align with the changes in business environment and Company Plans. Meanwhile, the Corporate Plan serves as guidance in the annual planning and may be reviewed in the event of significant changes to the business environment or company resources.

All product development plans, determination of new target markets and decisions on target markets that should be avoided, as well as corporate actions such as mergers and acquisitions, are carefully formulated by taking into account BRI's resources. Corporate Strategy is defined to support BRI's vision and mission, and further translated into strategy and work programs from Division levels in the Head Office, to operating units. The work programs alignment is required to create mutual support between units to achieve the Company's targets.

The determination of appropriate strategy in IT development and maintenance, HR management, new product development, service development, network expansion, target market penetration and marketing communication will prevent BRI from failure to maintain its competitiveness, thereby ensuring the Company's business continuity.

Strategic risk management culture is reflected and documented in monthly Risk Profiles and communication forums in Regional Offices. Strategic Risk assessment among others is conducted through analysis and comparison of risk exposure with predetermined limits,

including asset achievements, lending expansion, third-party funds and fee-based income. The formulation and implementation of follow-up on significant risk exposure is documented in monthly Risk Profiles and in the Risk Management Committee.

To mitigate strategic risk, BRI periodically employs monitoring process on strategy implementation and target achievements. Through parameters presented in the Risk Profile, particularly with respect to Strategic Risk, the strategic planning of initiatives related to business lines and their supports are monitored in order to ensure target achievements for short term and long term periods. Moreover, BRI has reporting mechanisms to measure the Bank's performance progress, including business planning realization, functional work plans, and budget plans which reported quarterly by the operating units.

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Risk Management

COMPLIANCE RISK

Compliance Risk is risk arising from the Bank's failure to comply with prevailing laws and regulations and other legal provisions. As banking is a highly regulated industry, BRI constantly monitors its compliance with regulations issued by Bank Indonesia or other authorities. Regulatory sanctions for violations range from warnings to fines and penalties and license revocation. Compliance Risk management is carried out across the Bank's operational activities, credit and non-credit in accordance with prevailing regulations.

Through the Compliance Division and Risk Management Division, the Compliance Director coordinates and manages BRI's Compliance Risk. In addition, there are other functions such as Risk Management Group in Regional Office and Head of Operating Units that has the role in managing and fostering risk awareness culture. To monitor the Bank's exposure to Compliance Risk, the Compliance Division provides reports on the Bank's Compliance Risk Profile through a Risk Profile Dashboard reported to the Board of Directors.

The Risk-Based Approach methodology set forth in policies and Standard Operating Procedure (SOP) on APU and CTF is also

applied in BRI to protect the Bank from money laundering practices and being used in terrorism activities. This is reinforced by the implementation of the Anti-Money-Laundering system to monitor suspicious transactions (CTR and STR).

BRI develops Compliance Risk management processes through Incident Management and Key Risk Indicators. Through these measures, BRI is able to identify and monitor potential sanctions, fines or penalties resulting from violations of regulations, so that steps to control risk can be performed. The Bank's Risk Management and Compliance Division monitor this process by keeping track of the Compliance Risk Profile. At operating unit level, Regional Office and Risk Management Division carry out this activity.

Moreover, Risk Management Division in Head Office and Risk Management Group in Regional Offices monitor compliance level with critical aspects stipulated by the regulators, such as planning, opening and reporting of new Operating Units.

REPUTATION RISK

Reputation risk is risk arising from diminishing stakeholders' trust due to negative perception towards the Bank. The Corporate Secretary Division as BRI's public relations controls the reputation risk function. Periodically, the Corporate Secretary Division evaluates reputation risk parameters and reports the results to the Board of Directors with copy to the Risk Management Division to be incorporated in BRI's corporate risk and reported to the Financial Services Authority.

BRI's public relations' extensive experience in handling negative publicity at both national and local scale has proven as highly effective resource to support the Bank's efforts in maintaining public trust and BRI's customers in particular. Presently, BRI maintains an outstanding reputation, however, negative publicity with respect to all of BRI's operational aspects shall be managed according to prevailing policies and procedures.

The customer complaints or legal cases that pose reputation risk exposure are immediately followed up and responded by BRI. In addition, mitigation of reputation risk or events that pose reputation risk is carried out by considering material principles of problems and cost.

OPERATIONAL SUPPORT REVIEW ◀

Risk Management

Reputation risk management at a time of crisis is regulated in BRI's Business Continuity Management policy, which aim to minimize the impacts of reputation risk during disruption or disaster. To this end, BRI has in place a Crisis Management Team that undertakes critical role during disruption and disaster. The team is responsible to carry out necessary actions, including reputation risk management. The Crisis Management Team structure is established in all BRI's Operating Units, namely at Head Office, Regional Offices and Branch Offices. The strategic aspect that needs to be prioritized in reputation risk management during crisis is to maintain the trust of customers, stakeholders and the public in BRI's reputation.

In order to increase better control of reputation risk in the future, the prevention and recovery actions conducted on reputation risk are accompanied by improvements on control weakness and procedures that expose reputation risk.

Steps taken by BRI on reputation risk management include ensuring consistent communication, by maintaining information transparency to all stakeholders, as well as maintaining harmonious relationships with the media to maintain BRI's corporate brand. These efforts aim to prevent and minimize stakeholder complaints that may result in negative publicity.

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Human Resources



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To support the Bank's business strategy, BRI carried out a learning process transformation, which is a hard skills and soft skills development program for an excellent and competitive Human Resources, as well as providing added value for BRI. The program is realized through several initiatives such as building the BRI Corporate University, establishing Digital Learning Infrastructure, developing a Digital Learning System - BRISmart, and obtaining ISO 9001:2008 certification for Corporate University operations.

”

To develop Human Resources with high competency, BRI has established a regular recruitment system and methodology evaluation. Competency development is conducted by considering the interests, capability and talent of the employees. BRI also conducts Human Resource management by prioritizing mutual relationships that provides benefits between BRI and its employees. The implementation of fair performance management, establishment of clear career paths and delivery of competitive remuneration packages motivate BRI's employees in managing their responsibilities to the company.

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**HUMAN RESOURCES
RECRUITMENT
STRATEGY 2015**

In 2015, BRI focused on implementing selective growth methodology to encourage the creation of an ideal composition of business employees and non-business employees in accordance with the Bank's requirements, and on directing toward optimum technology development. Furthermore, BRI sought to develop Human Resources with specialized or specific competencies in order to prepare the development of overseas operating units and to anticipate the competencies required to manage the satellite program (BRISat).

**HUMAN RESOURCES
OPERATIONAL STRATEGY
2015**

As a company engaged in the service industry, BRI not only provides the best services to its customers and public but also maintains its commitment to deliver the best service for its employees. This has been proven by the attainment of ISO 9001:2008 certification, a quality management system in payment compensation and benefits, employee data management and Human Resources communication with fast, precise and accurate technology-based service.

The implementation of certification is expected to improve the quality of services in Human Resources management, leading to increased employee satisfaction and engagement, and eventually supporting the increasing of employee productivity.

**COMMUNICATION
MANAGEMENT WITH
EMPLOYEES**

BRI continuously builds effective communication between management and employees through various internal media in order to support the implementation of Human Resources policies. The internalization of HR policy is conducted through direct face-to-face socialization activities, video conference, HR Information System Portal (BRISTARS), e-learning media, audio visual materials, and others.

In order to increase the effectiveness of communication, the HR helpdesk has been established to provide consultation services on HR issues, such as direct face-to-face counseling services, online consultation via BRISTARS application and consultation via the HR call center. The HR call center is supported by trained officers with sufficient HR knowledge and periodically updated with the latest information.

**INDUSTRIAL RELATIONS
MANAGEMENT**

In managing Industrial Relations in BRI, the management understands the importance of maintaining a harmonized relationship between BRI and its employees as well as between employees. This is urgently required since the banking business is very competitive and requires high productivity from each employee while considering the balance between the rights and responsibilities of the Bank and employees.

BRI's commitment to maintaining a harmonized relationship with its employees is realized through the following points:

- a. The release of a policy on the Bipartite Collaboration Forum and Dispute Resolution in Industrial Relations has become the foundation for BRI and employees in maintaining good communication at the Head Office and regional level. The Bipartite Collaboration Forum Policy serves to communicate the Bank's policies and/or accommodate all aspirations/ideas from the employees for the Bank's progress; to coordinate between Management as the Bank's representative and employees; and to detect any issues in Operating Units and avoid disputes in industrial relations.
- b. Routine/periodic meetings between the National Union Board and Central Management to discuss the Bank's policies and/or accommodate all aspirations/ideas from employees for the Bank's progress.
- c. Monitoring by Head Office Management on the Bipartite Forum between the National Union Board and Regional Management to detect any issues in each Corporate Operating Unit and avoid disputes in industrial relationship.

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BRI Collective Labor Agreement

The BRI Collective Labor Agreement is the highest regulation in BRI that binds the Bank and all employees of BRI. Pursuant to the prevailing regulations, the BRI Collective Labor Agreement is established based on discussion between employees that are represented by the Labor Union and the Bank represented by the Management based on the deliberations as mandated by the prevailing laws and regulations.

BRI regularly conducts negotiations with the Labor Union in developing the Biannual Collective Labor Agreement with a maximum one-year extension. Currently, the applied Collective Labor Agreement is for the period of 2015-2017. The BRI Collective Labor Agreement has been ratified by the Manpower and Transmigration Ministry of the Republic of Indonesia as the authorized institution to ensure compliance with the legislation. Hence, it can be ensured that all stipulations in the BRI Collective Labor Agreement are in compliance with the prevailing laws and regulations.

Employee Complaints Handling

Employee complaints handling is a consideration of BRI Management in emphasizing the Management's commitment to maintain a harmonious relationship between BRI Management and all employees. The commitment of BRI

Management related to employee complaints is realized through the establishment of Whistleblowing System (WBS) policy, a monitoring tool utilized directly by the Bank's senior management. The WBS mechanism runs via Short Message Service/SMS or written letter addressed directly to the Bank's President Director.

In addition to the WBS, BRI has a communication channel, the HR Call Center, to manage employee complaints related to HR issues. Employees are able to share HR issues related to professional and personal matters that may directly impact their performance. By opening up this communication tool and facility to all employees, BRI shows its commitment to maintain a harmonious relationship between BRI and its employees.

Monitoring Breach of Discipline Resolution

In order to monitor and accelerate the resolution process of breaches of discipline conducted by employees, management has developed the Industrial Relationship automated application system, a web-based portal that integrates BRI operating units across Indonesia in resolving breach of discipline cases. This application also enables Head Office Management to monitor the resolution of breaches in the operating units while considering employees' rights and responsibilities.

HUMAN RESOURCES DEVELOPMENT IN 2015

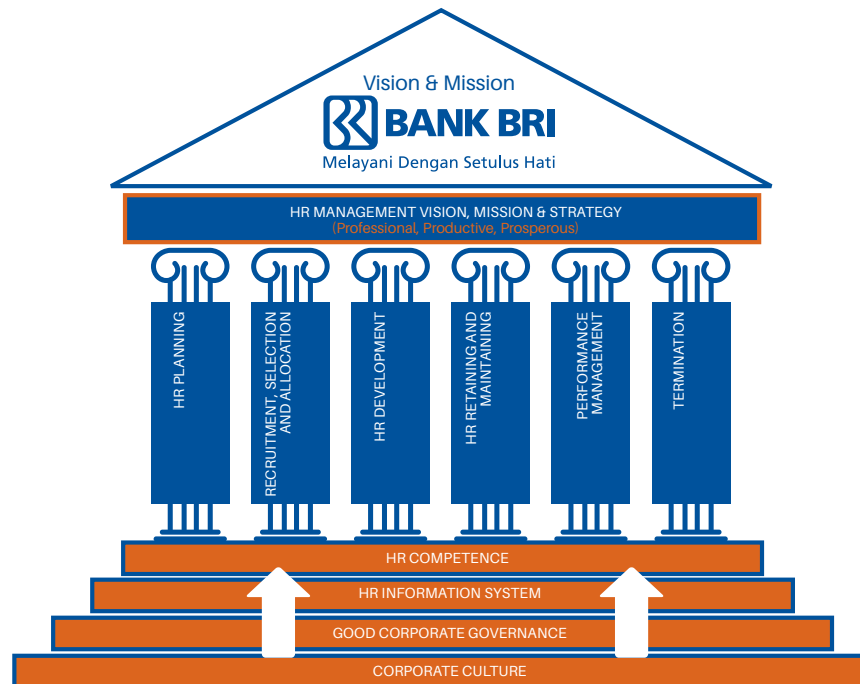
As business grows, BRI's organization also evolves and expands. This development requires continuous support from effective and efficient HR management. To that end, BRI HR management observes the BRI HR Architecture that consists of several pillars established on a strong foundation.

BRI HR Architecture

BRI HR Architecture is the HR Management System that aims to create BRI Human Capital Management. It is a cycle that begins with planning, acquiring (recruitment, selection and allocation), HR development, retaining and maintaining, performance management and termination of work. All activities in this cycle are supported by valid and accurate information system management. The BRI HR Architecture foundation comprises Corporate Culture and Good Corporate Governance (GCG), upon which employees base their conduct and behavior. HR Architecture-based management is incorporated in the working program roadmap of HR Management and developed every five years to adjust to the Bank's requirements.

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In 2015, BRI's HR team delivered development programs as follows:

Learning & Developing

BRI continuously coaches and develops employees to achieve skills and work competencies that can address the Bank's business challenges at the present time and in the future. Through training programs, BRI's employees are directed to be Human Resources with high ability to learn and high motivation to change, innovate and provide creative force for the Bank's progress.

Training programs provided to all employees aim to increase competency in three core areas relating to application, technical and analytical skills, as well as

harnessing employees' managerial capabilities. On the acceleration and competency development in the BRI Satellite Program – BRISat, BRI has delivered a satellite overseas education program that will equip future utilization of the satellite for optimum results.

The learning and developing program also aims to create high leadership competency. BRI believes that the reliability of leadership and managerial competencies of the employees, especially at management level, will lead to good corporate governance, including the achievement of the Bank's vision and mission. As such, BRI incorporates leadership in the employee development program and curriculum for certain job

role levels, as well as enrolling employees to participate in leadership development programs delivered by external parties.

There are at least three training categories delivered by BRI in order to enhance HR competency, namely:

1. Orientation Program (Recruitment)
An education program provided to BRI employee candidates or BRI employees in certain job roles to build employees' competency to perform specific tasks.

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2. Application Education Program (Enhancement)

An education program for BRI employees to enhance their competencies to perform current tasks. Enhancement programs can be delivered internally by BRI or by a third party (external).

3. Development Education Program (Development)

An education program provided to BRI employees to prepare employees and enhance competencies required for a senior job roles.

In 2015, BRI conducted several training programs with the following details:

No	Type of Education	Number of Participants
1	Application (Enhancement)	464,349
2	Orientation (Recruitment)	21,001
3	Development	663
4	Public Course	3,883
5	Certification	2,042
6	Formal Education	14
7	Socialization	173,323
8	Focus Group Discussion	124,502

To support the Bank's business strategy and to face the increasing competitive business environment, BRI has established the BRI Learning Center. The BRI Learning Center aims to enhance BRI HR competencies both in hard skills and soft skills and build highly qualified, excellent and competitive HR, as well as providing added value to BRI in increasing present and future business performance.

In order to realize these goals, the BRI Learning Center delivers learning process transformation through the following steps:

- a. Building the BRI Corporate University
- b. Establishing Digital Learning Infrastructure
- c. Developing the Digital Learning System
- d. Obtaining ISO 9001:2008 Certification on learning operations

The successful transformation in learning and developing shown by the establishment of the BRI Corporate University, which is expected to create a stronger and more professional BRI HR. The development of the education program is aligned and synergized with the business requirements and implemented in the six academies:

1. Microfinance Academy
2. Retail & Consumer Banking Academy
3. Wholesale Academy
4. IT Operation & Support Academy
5. Leadership & Human Capital Academy
6. Subsidiary Management Academy

Performance-Based Career Development

Career development in BRI refers to a policy on career paths. Employees may be allocated to managerial roles based on recommendations by competency-based assessment centers and in accordance with the Bank regulations and requirements.

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Employee transfer is conducted based on Bank requirements, employee years of service and work performance. Career development also includes planned special training, job enrichment and job enlargement. In career development, BRI does not discriminate employees based on ethnicity, belief, race, group or gender.

BRI realizes the importance of the Bank strategy and target alignment, instilling them in organizational functions and in each employee. As such, BRI is perfecting its performance management system in order to achieve the Bank's targets through the establishment of individual employee targets. Performance management is managed through electronic-based or online systems to accelerate the process and assist employees and BRI management in accessing the system.

HR Competency Development Budget

In 2015, a total of Rp617.49 billion of HR Competency Development Budget was realized, or 72.48% of the total budget.

TRAINING BUDGET

No	Type of Education	Budget	Realized	% Achievement
1	Application	275,046	232,005	84,35%
2	Orientation	256,330	179,250	69,93%
3	Development	16,406	3,205	19,54%
4	Public Course	86,955	42,764	49,18%
5	Certification	11,183	5,927	53,01%
6	Formal Education	34,071	16,182	47,50%
7	Socialization	8,344	6,738	80,76%
8	Performance Enhancement Forum/ Focus Group Discussion	157,347	127,643	81,12%
9	Supporting Education	6,315	3,771	59,72%
TOTAL		851,997	617,488	72,48%

EMPLOYEE WELFARE**Remuneration and Benefits**

BRI provides fair and competitive compensation that aligns with the Bank's strategy and business development. The BRI payment structure is designed to compensate employees based on their competencies and job weight, regardless of gender. Compensation is given in a fair and competitive system and in accordance with the Bank's capability and requirements. There are two types of compensation:

- Fixed Compensation, which consists of Basic Salary and Allowances; and
- Variable Compensation, given to employees based on performance achievement.

BRI applies a salary increase policy based on merit in which employees with higher merit receive significant salary increases. To optimize work performance, BRI also provides variable compensation to employees that succeed in achieving and/or exceeding their performance targets. On the contrary, low-performing employees receive low variable compensation, or may not receive variable compensation at all.

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Other than compensation, BRI also provides benefits that are entitled for employees during tenures, such as health care, and post-tenure benefits such as pensions. These benefits aim to enable employees to conduct duties and responsibilities, while providing a sense of security and comfort throughout the employees' tenures.

BRI continuously ensures that the employees' minimum salary from the beginning of tenure is above the minimum wage standard applicable in the Bank's operational regions. The increased number of employees and compensation, as well as benefits has led to the increased budget allocation for employees. However, BRI views this allocation serves to comprehensively enhance employees' competencies, making it a justifiable investment.

EMPLOYEE PENSION PROGRAM

In providing security and comfort to active employees, BRI has in place a benefit program that will maintain sustainable income, which will be received by employees at the completion of tenure.

Pension programs provided include:

- Defined Benefit Pension Plan (*Program Pensiun Manfaat Pasti/ PPMP*)
- Defined Contribution Pension Plan (*Program Pensiun Iuran Pasti/ PPIP*)
- Annuity Program (*Program Tunjangan Hari Tua/ THT*)
- Jamsostek Pension Plan Program (*Program Jaminan Hari Tua/ JHT Jamsostek*)
- Pension Program from BPJS (*Program Jaminan Pensiun BPJS Ketenagakerjaan*)
- Pension Healthcare Program (*Program Pemeliharaan Kesehatan Pensiunan/ Prospens*)

To provide employees with the necessary knowledge, vision and skills hence ensuring employees' readiness in carrying out added values activity during retirement, BRI provides an entrepreneurship education program for employees approaching retirement.

CORPORATE CULTURE REVITALIZATION

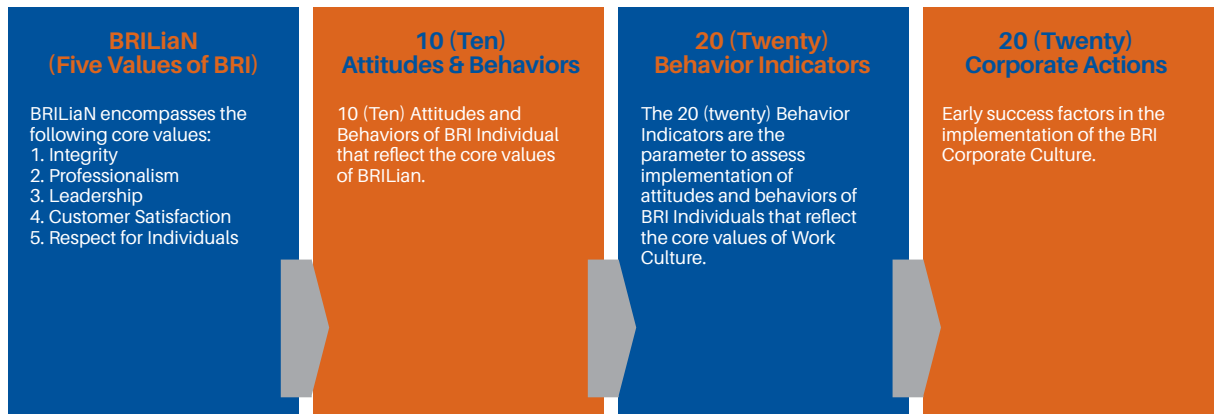
Consistent and strong implementation of BRI work culture is one of the main cornerstones in successfully achieving the Bank's vision and mission. Consistent implementation of the BRI work culture is also required in integrating ways of thinking, behavior and attitudes, as well as strengthening team collaboration and endurance in facing internal and external challenges.

The revitalization of the BRI Work Culture is formulated in:

- The five core values of Work Culture known as BRILiaN. The core values serve as important guidelines for employees in conducting attitude and behavior, whether in relation with customers, fellow employees or external parties.
- Ten core attitudes and behaviors of BRI Individual
- Twenty Behavior Indicators

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Work Culture Revitalization scope of work:

1. BRI Corporate Culture Architecture
2. BRI Corporate Culture Organization
3. Formulation of BRI Corporate Culture
4. BRI Corporate Culture Core Values
5. BRI Corporate Culture Actions
6. BRI Corporate Culture Internalization and Externalization Program
7. BRI Corporate Culture Indicators and Assessment Tools
8. BRI Corporate Culture Media Communication

The implementation of Corporate Culture Revitalization Program is in line with the corporate culture annual time schedule and is an effective communication tool in the implementation of the BRI Corporate Culture. The Corporate

Culture Revitalization Program consists of the two following programs:

- Corporate Culture Internalization Program; and
- Corporate Culture Externalization Program.

Corporate Culture Internalization Program

The BRI Work Culture Internalization Program aims to instill the core values of the BRI Work culture in all BRI employees through activities that support the Bank's performance and strategy. It is organized after the Strategic Forum at Head Office and Communication Forums at Regional Offices.

Following are the BRI Work Culture Internalization Programs:

- a. Performance Enhancement Forum
- b. Focus Group Discussion (FGD)
- c. Family Gathering (FG)
- d. Change Agent Forum (CAF)
- e. The Best Change Agent
- f. New Employee Mentoring
- g. Innovation Day (InnoDay)

Corporate Culture Externalization Program

The BRI Work Culture Externalization Program aims to introduce the BRI Corporate Culture to external parties through socialization activities and publications.

Following are the BRI Work Culture Externalization Programs:

- a. BRI Communities (BRIComm)
- b. Business Gatherings
- c. Corporate Social Responsibility Activities (BRI Peduli)
- d. Religious and Educational Activities

Overall in 2015, BRI continuously delivered Corporate Culture Revitalization, as reflected in the following activities:

1. Re-establishment of Change Agent (CA) in all operating units. The ratio is one CA manages 8 to 10 employees (friends).
2. Training of Trainers to all CA Coordinators in BRI operating units across Indonesia.

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3. Implementation of Work Culture Internalization and Externalization Programs in accordance with the Corporate Culture Annual Time Schedule.
4. Implementation of Indicators and Assessment Tools of the BRI Corporate Culture at every BRI operating unit in Indonesia by BRI CAs.
5. Utilization of various communication and social media tools for the internalization and externalization of the BRI Corporate Culture.
6. Implementation of BRI Corporate Culture Revitalization in 2015 constitutes a commitment of all BRI individuals aimed to address future business challenges with attitudes and behavior that aligned with the BRI Corporate Culture.

Corporate Culture Implementation Monitoring

The implementation of BRI Corporate Culture generates results and output of Corporate Culture Revitalization programs, such as:

1. Corporate Value Self-Assessment (CVSA) of each BRI Operating Unit across Indonesia reflects all BRI individuals' application of Corporate Culture values, namely Integrity, Professionalism, Leadership, Customer Satisfaction and Respect for Individuals. Assigned Change Agents (CA) from each Operating Unit submits the report in real time and online.

2. BRI Internal Service Survey (BISS) at each BRI Operating Unit across Indonesia is customer survey results or inputs, both internal and external, concerning the Service Quality provided to customers, which encompasses service aspects of: Tangibility, Reliability, Responsiveness, Assurance and Empathy.
3. Corporate Culture Index (CCI) at each BRI Operating Unit across Indonesia reflects the ratio between the performance of each BRI Operating Unit and corporate value self-assessment (CVSA) and BRI Internal Service Survey (BISS). CCI value is a measurement index that identifies theoretically in-line relations between Bank performance and organization culture.

Innovative Culture through the Innovation Day (InnoDay) Program

BRI launched the Innovation Day Program as part of the internalization of BRI Corporate Culture that aims to nurture an innovative climate to exceed performance targets. Innovation Day (InnoDay) is expected to accommodate BRI employees' aspirations in creating applicative breakthroughs that can improve business, accelerate attainment of targets, encourage employee engagement and enhance BRI

values for stakeholders. Innovation Day (InnoDay) has been held since 2014. Increased enthusiasm among BRI employees to join InnoDay from 2014 to 2015 indicated the rising innovation climate.

HUMAN RESOURCE INFORMATION SYSTEM MANAGEMENT

BRI has developed reliable and accurate Human Resource Information System Management (HRISM). HRISM is developed as integrated information technology-based in HR management processes, starting from HR planning to the completion of tenure. The IT system is also complemented with a dual control feature capable of generating accurate and comprehensive data or information.

The IT system is continuously improved to increase the effectiveness and efficiency of HR Management, by developing automation and Employee Self Service (ESS) supported by the BRISTARS web-based application. All employees can independently access BRISTARS to manage HR business processes and services.

With this technology support, BRI is able to improve HR management to become more effective and efficient. This leads to accelerated business processes, increased data accuracy, paperless systems and a decreased number of business process officers since services can be implemented independently by employees and the business process is automated by the system.

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Various applications within BRISTARS have been developed to support HR Management with planning, acquiring (recruitment, selection and allocation), developing, retaining and maintaining, performance management and termination, among others are:

1. e-Recruitment

e-Recruitment application is a tool for candidates interested to join BRI through online application and selection in accordance with the requirements. This application has accelerated the selection process and increased the number of potential candidates.

2. Digitized Assessment

Assessment of employees' competency is conducted online via a digitized assessment application with a real-time congruent result of the employees' competency and job profile requirements.

3. Career Development

Employee transfer between operating units is part of the career development process and supported by e-Transfer application that can automate, ease and accelerate the job role fulfillment process in accordance with corporate requirements.

4. Automated Compensation and Benefit Payments

- a. e-Loan Facility for Employees
e-Loan Facility for Employees is an online application for employees to request loan facilities with ease and , in a more accelerated process.
- b. e-Medical Insurance
e-Medical Insurance is an online application for employees to claim reimbursement of medical expenditure with an automated payment process.

All applications of compensation and benefit payment are self service-based to accelerate the business process and integrated with bookkeeping application, allowing an effective and efficient monitoring of HR spending.

5. Automated Online Performance Management System

The Performance Management System is known as the SMK online application and encompasses processes of target setting, mentoring and evaluation of performance achievements. This application is integrated with business applications, which enable

the system to automatically calculate employees' business performance achievements and provides employees with self-service access.

6. Automated Industrial Relationship Management

The Industrial Management Portal application has been developed and integrated with BRI operating units across Indonesia to monitor the resolution process of discipline breach cases, hence the resolution can be resolved on time and employees can receive legal certainty regarding the alleged discipline breach.

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7. e-Retirement

Employees can access the e-Retirement application to seek out information on the estimated benefits received by employees of normal retirement age. Employees can also submit online applications for benefit disbursement and payment by pension funds, etc.

quickly and accurately search for the latest information related to HR in the form of documents, Frequently Asked Questions (FAQ) and presentation slides. The online questions/inputs can also be submitted and will be responded to by HR Helpdesk agents.

EMPLOYEE TURNOVER

In 2015, the turnover rate of BRI HR stood at 1.18%, which is lower than the industry average and considered to be in the low-rate category. This figure reflects a favorable work environment, nurturing employees' spirit to work and innovate.

8. e-Corporate Culture

The e-Corporate Culture Application has been developed to monitor the implementation of BRI Corporate Culture and ensure effective implementation of the internalization program of work culture core values in all BRI individuals. With this application, the Bank can measure the success of work culture implementation in each operating unit and conduct analysis on the success against operating unit performance achievement.

10. e-Filling: Automated Tax Reports

The e-Filling application was developed to facilitate taxpayers in online reporting of the annual income tax (PPH 21). It is integrated with the Directorate General of Taxation, hence allowing BRI employees to report taxes in real time.

EMPLOYEE ENGAGEMENT

The BRI employee engagement survey is conducted annually and aims to measure employee engagement level towards the company. In 2015, the employee engagement survey reached 3.3 out of 4 scales. This was aligned with the low employee turnover rate of 1.18%..

9. HR Consultation and Information

HR Consultation and Information application is a one of effective communication tool between the management and employees. Employees can access the application to

11. e-Office: Digital Office

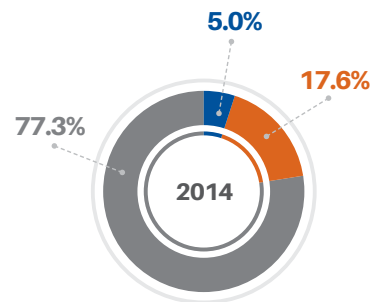
Digital Office was developed to increase the effectiveness and efficiency of electronic internal correspondence to accelerate the recipient of letters in real time, which is courierless, paperless and can be monitored and archived in secured servers with minimum space requirements.

BRI HUMAN RESOURCE PROFILE

As of the end of 2015, by generation, BRI HR profile indicated 4,649 (5.0%) baby boomer employees, 16,321 (17.6%) generation X employees and 72,604 (77.3%) generation Y employees.

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Keterangan :
 ■ Baby Boomer
 ■ Gen X
 ■ Gen Y

BRI Employees by Generation (%)

Employees by Employment Status

By employment status, BRI employees consist of 55,123 permanent employees (including trainee), 37,451 contract employees and 37,195 outsourced employees with the following details:

Status	Number of Employees		
	2013	2014	2015
Permanent Employee	41,848	48,814	54,859
contract employees	38,355	41,739	37,451
Trainee	1,035	811	264
Total	81,238	91,364	92,574

* excluding outsourced employees

Employees (Permanent, Contractor, Trainee) based on Education Level

Based on education level, the majority of BRI employees are undergraduates with Bachelor Degrees and Diplomas. The number and composition of employees with Bachelor Degrees and Master Degrees have increased, while the employees with Diploma Degrees, High School Degrees and Junior High School Degrees have decreased. Following are the profile and composition of BRI employees based on education and job level:

Education Level	Number of Employees		
	2013	2014	2015
Doctorate Degree	10	10	7
Master's Degree	1,099	1,165	1,195
Bachelor's Degree	48,049	57,393	67,953
Diploma	26,704	28,327	19,769
High School / Equal	5,376	4,469	3,650
Total	81,238	91,364	92,574

* excluding outsourced employees

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Human Resources

Employees (Permanent, Contractor, Trainee) based on Age

The majority of BRI employees based on age and generation derive from Generation Y, which encompasses more than 70% of total employees, amounting to 71,604 employees. The following table is a detailed composition of BRI employee profiles based on age and job level:

Age	Number of Employees		
	2013	2014	2015
< 25 - 30	50,872	59,898	59,056
31 - 40	15,190	16,669	18,988
41 - 50	10,845	10,364	9,881
> 50	4,331	4,433	4,649
Total	81,238	91,364	92,574

* excluding outsourced employees

Employees (Permanent, Contractor, Trainee) based on Job Level

Job Level	Number of Employees		
	2013	2014	2015
Senior Executive Vice President	-	1	4
Executive Vice President	70	63	50
Vice President	153	166	198
Assistant Vice President	403	440	395
Senior Manager	652	685	738
Manager	609	652	731
Assistant Manager	3,334	3,770	4,331
Officer	12,080	12,212	11,837
Assistant	63,937	73,375	74,290
Total	81,238	91,364	92,574

* excluding outsourced employees

OPERATIONAL SUPPORT REVIEW ◀

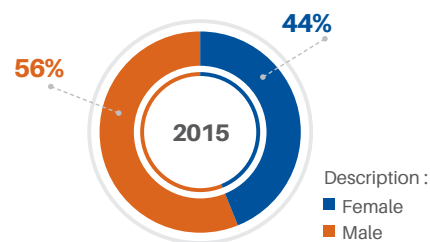
Human Resources

Employees (Permanent, Contract, Trainee) based on Gender

BRI greatly supports gender equality in the recruitment of its employees, which reflects a balanced composition between female employees (44%) and male employees (56%) with the following details:

Gender	Number of Employees		
	2013	2014	2015
Female	35,818	40,334	40,707
Male	45,420	51,030	51,867
Total	81,238	91,364	92,574

* excluding outsourced employees



Composition by Gender
(%)

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Information Technology and Operations



“ In the current digital era, BRI realizes the increasing awareness of technology and expectation on a convenient, fast, and secure transactions. Various operational requirements and mature business considerations, as well as a progressive vision, have encouraged BRI to realize BRI Satellite Program – BRI Sat. ”

The banking industry current developments are no longer driven by various innovative products and services, but heavily influenced by technology and information systems advancements. Customer lifestyles are becoming digitized and expectations of convenient banking service are increasing. This has created technology-based competition among banks in which services are assessed according to speed, ease, security, availability and convenience as the characteristics to win customers' loyalty.

BRI's vast operational network across Indonesia has been its strength and is continuously improved by latest reliable information technology. BRI is committed to develop banking information technology management, known as Information System and Technology (IST), which enables fast, secure, accurate and easy access on BRI products and services by the public across the nation.

IST WORK OBJECTIVE, VISION AND MISSION

Improvement of IST is conducted based on the Bank's strategic plan that drives the IST objective and work direction. The IST objective leads to the creation of IST vision and mission that defines the final goal of IST, namely supporting the Bank's performance and profitability.

OPERATIONAL SUPPORT REVIEW ◀

Information Technology and Operations

IST Work Objective, Vision and Mission



STRUCTURE AND POLICY

As BRI's business development and requirements to support business growth are expanding, IST management has become more complex and extensive. Following more aggressive development agendas, the Bank realizes the importance of rearrangement of IST management structure and ensures each development agenda is developed with a good strategy, the right goals and effective and efficient implementation.

Development of the IST organization structure aims to support the latest information technology program, namely BRISat or BRI Satellite, a big breakthrough in the Indonesian and global banking industry.

As such, in 2015, BRI established a new operating unit called the IT & Satellite Strategy under the leadership of the Senior Executive Vice President (SEVP). This unit supervises IST Planning and Development and the operating unit of Satellite Management.

IST DEVELOPMENT STRATEGY IN 2015

IST development aims to support business growth based on BRI's short-term and long-term strategic plans. The long-term plan in information technology is developed in reference to the BRI Destination Statement of 2013-2017.

The Destination Statement drives the guidance and goals of IST development in order to be aligned with and able to support the Bank business as elaborated in the following table:

2015			
The Biggest National Payment Bank			
Optimized transaction through BRI e-channel and e-banking	Increased fee-based income portion of BRI total revenue	Empowerment of BRI HR's role as a financial advisor to customers	Optimized BRI customer closed system financing
Development of New Internet Banking	Development of ATM and EDC features	Optimized BRISMART application (e-learning feature) for socialization, training, and education. E-library application (http://elibrary.bri.co.id/elibrary/) provides the latest information to support BRI HR in customer service.	Development of Cash Management Systems and Services

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Information Technology and Operations

WORK PROGRAM AND ACTIVITIES IN 2015

Referring to the above development strategy, the work programs implemented in 2015 are as follows:

a. Development of New Internet Banking

The latest version of Internet Banking was launched to facilitate BRI customers in conducting multi-account transactions including Simpedes savings, Demand Deposits, and BritAma etc.

In addition, a single-token security feature for each transfer transaction has been added in the latest version and sent via SMS to customers. The SMS adds Server ID verification, transaction destination and transaction nominals that increase security in transactions through BRI Internet Banking.

b. Development of ATM, CDM and EDC features.

Additional e-Form feature aims to simplify the account-opening process.

c. Development of e-Learning and e-Library Information System: BRISmart

System development aims to facilitate online distribution of information and internal policy as part of the Knowledge Management System.

d. Development of the Cash Management System to support Transaction Banking business performance.

e. Development of communication network infrastructure using fiber optics in Jakarta to anticipate increased data traffic. Currently, BRI is the only bank that has permission to establish Special Telecommunications Network in the form of fiber optic network ownership.

BRI SATELLITE PROGRAM (BRISAT)

In the current digital era, BRI realizes the increasing awareness of technology and expectation on a convenient, fast, and secure transactions. Various operational requirements and mature business considerations, as well as a progressive vision, have encouraged BRI to manifest BRI Satellite Program – BRISat.

Background

IT development has influenced changes in the banking business process. In the past few years, Internet and smartphone technology development have shifted banking transaction method requirements from conventional method to e-channels and Internet banking. To accommodate this phenomenon, a strong and reliable communication network and facilities are an absolute requirement for the banking industry.

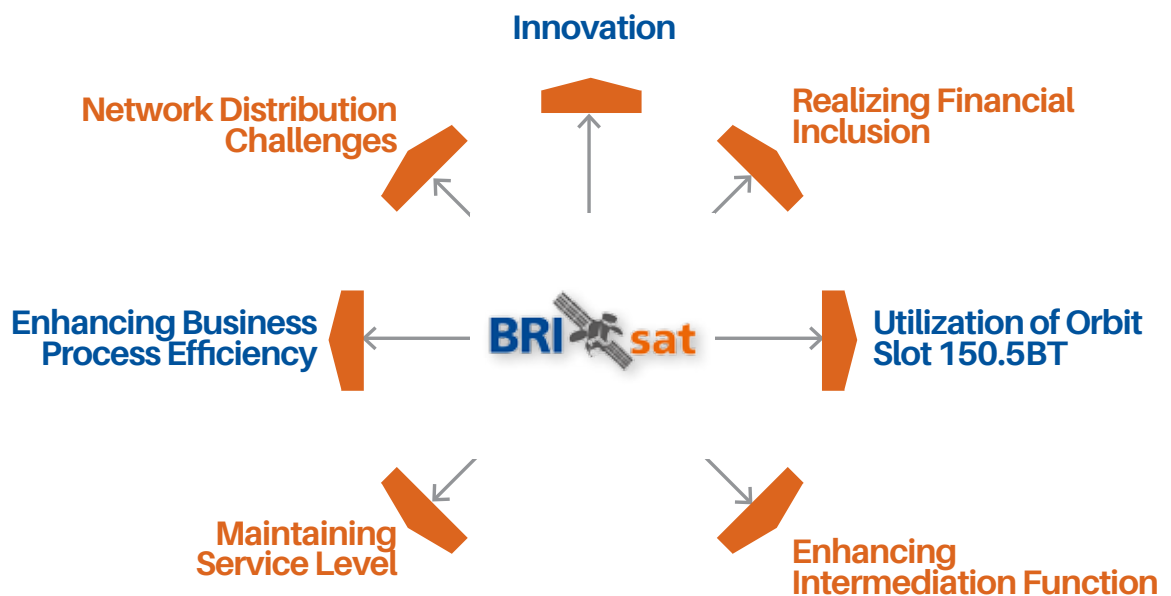
BRI's communication network requirements are currently established through service providers by the leasing of Multiprotocol Label Switching (MPLS) terrestrial service and Satellite Service (Very Small Aperture Terminal/VSAT). Despite the satisfactory level of the service, yet challenged by the limited capacity, in particular the satellite-based communication network, which further restraining the BRI's IT development work plan in the communication network.

The limited availability of capacity was mentioned in a PT Telkom Indonesia Review, including projections of the 2016 requirements of total Ku-band and C-band transponders reaching 420 transponders (Source: Euroconsult and PT Telkom R&D in APSAT 2013). Meanwhile, the number of transponders available in 2016 is only reaching 253, leaving Indonesia with a shortage of 167 transponders. The national transponder shortage will continue to increase since demand projection will also increase. Satellite service providers' domestic capacity in Indonesia has been experiencing a deficit since ten years ago and will continue in the next seven to nine years. Limited national supply causes high dependency of national corporations on foreign communication network service providers.

OPERATIONAL SUPPORT REVIEW ◀

Information Technology and Operations

Reviewing the communication network requirement and increasing leasing cost in the years ahead, BRI has decided to purchase its own satellite as the best solution to address effective, secure and efficient communication network requirement. In addition to increased operational speed and convenient access to banking services, the satellite is also expected to support government programs.

**BRISat Specification**

- BRI Satellite has the capacity (transponder) of 36 C-Band and 9 Ku-Band transponders;
- Acquisition costs are more economic than leasing the satellites from other service providers;
- BRISat coverage area reaches Indonesia and North Asia.



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Information Technology and Operations

BRISat development was carried out through a procurement process that adheres to and implements the principle of Good Corporate Governance (GCG) and in compliance with the prevailing regulations. BRI has also assigned reliable professional partners in their respective areas, both at the national and international level, with good track records among their competitors in the respective industry.

Role and Benefits of BRISat

In addition to increase banking communication technology, the role and benefits of BRISat in BRI are:

1. Expanding the communication network to wider coverage area (Indonesia and North Asia) with efficient cost.
2. Controlling the BRI IT network performance independently.
3. Realizing technology-based banking services for remote areas economically by deploying remote terminals (VSAT).
4. Increasing flexibility in product development and banking services with minimal network capacity challenge.

IST Operational Performance in 2015

a. Communication Network Performance

Currently, several service providers are supplying the communication networks for BRI's banking activities. The network quality evaluation is using the Service Level Agreement (SLA) index that measured based on Availability, which is an online network availability percentage in one-month period. The Average SLA Availability of communication network reached 99% in 2015.

b. e-Channel Network Performance

The e-Channel network, especially ATM, EDC, Internet Banking and Mobile Banking, evaluated the SLA success rate index. In 2015, the SLA Success Rate reached 98%.

IST Governance

BRI adheres to the regulations set by Bank Indonesia, the Financial Services Authority (OJK) and the State-Owned Enterprises Ministry, as such BRI IT governance continuously refers to the prevailing regulations. Several regulations related to governance are:

- Bank Indonesia Regulation No. 9/15/PBI/2007 on Risk Management Implementation in IT Utilization by Commercial Banks
- State-Owned Enterprises Ministry Regulation No. PER-02/MBU/2013 on Development Guidance of State-Owned Enterprises IT Management

In addition to domestic regulations, BRI also refers to international standard best practices for IT governance such as:

- COBIT (Control Objectives for Information and related Technology)
- ITIL (Information Technology Infrastructure Library)

IST Human Resources

IT Human Resources consists of 264 permanent employees and contract employees engaging in Planning, Development and Operational processes.

Development Plan in 2016

BRI IT Development Plan in 2016 is prepared to support the achievement of the corporate vision and mission, such as service level enhancement and customers facilitation for convenient transaction in BRI.

OPERATIONAL SUPPORT REVIEW ◀

Information Technology and Operations

Aligned with technology advancement, BRI continues to provide holistic financial services by utilizing vast channels, a wide variety of products, an online network that connects all operating units and reliable technology. In addition, IT policy is designed to motivate and increase the innovation and productivity of IT employees.

The development conducted by BRI aims to:

- Improve products and services in supporting transaction banking business development
- Enhance SLA quality to improve customer satisfaction during transactions
- Improve BRI IT security level
- Optimize BRISat usage with applications and infrastructure

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Operations Center



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BRI has established and developed a fully centralized, fast and low-risk Operations Center to provide reliable and accurate supports towards continuous operational banking transactions in 10,612 BRI network outlets and 211,499 e-channel networks that connected in real-time and online. The Operations Center is also designed to prepare the operation plan of BRISat Satellite and accommodate BRI electronic transaction and operational activities

”

BRI has established the Operations Center with the responsibility to process and monitor the banking operational transactions in conventional and e-banking networks. To achieve the target of Operations Center ownership set by international best practices in the banking industry, BRI has established and developed a fully centralized, fast and low-risk operational system. The operational

system also has an integrated monitoring and control system in accordance with BRI requirements.

The Operations Center serves various types of transactions with a massive customer database and is capable to process millions of transactions daily with high complexity. The Operations Center has been established and developed to provide reliable and

accurate supports towards fluent operational banking transactions in 10,612 BRI network outlets and 211,499 e-channel networks that connected in real-time and online. The Operations Center is also designed to prepare the operation plan of BRISat Satellite and accommodate BRI electronic transaction and operational activities.

OPERATIONAL SUPPORT REVIEW ◀

Operations Center

**BUSINESS PROCESS
REFINEMENT AND
OPERATIONAL
EFFICIENCY**

To optimize fast and accurate services as part of its commitment to customer satisfaction, BRI consistently improves its business processes, including the improvement of internal business process in all back office transactions and enterprise reconciliation.

BRI increases operational efficiency intensively to reduce costs whilst still considering inherent risk, for example by applying paperless settlement, e-banking transactions and centralized settlement of ATM cash differences. Through this efficiency program, BRI is able to control the operational costs that impacts BRI's financial performance and align with green banking – one of the parameters of operational performance in the banking industry.

**IMPROVEMENT
PROGRAM RESULTS**

The realization of business process improvement strategy and operational efficiency program has successfully supported the increased volume of customer transactions through various features, such as:

**1. e-Banking BRI
Transaction
Development**

The total e-banking transactions in 2015 reached 2,305 million transactions, or significantly increased by 39% compared with 1,663.2 million

transactions in 2014, with total transaction value of Rp1,689 trillion.

**2. RTGS and Clearing
Transactions
Development**

In 2015, total BRI incoming RTGS transactions recorded transaction value of Rp6,815 trillion with 621 thousand transactions. The total transaction value of outgoing RTGS was recorded at Rp6,805 trillion with 767 thousand transactions.

**3. Remittance Transaction
Development**

The total Collaborative Incoming Remittances from 50 collaborating institutions reached 4.1 million transactions with the value equivalent to USD1.6 billion. Meanwhile, Non-Collaborative Incoming Remittance transactions in 2015 was recorded at 113 thousand transactions, with transaction value equivalent to USD24.8 billion. The Outgoing Remittance transactions in 2015 reached 53.8 thousand transactions with the value equivalent to USD27.2 billion.

**CERTIFICATION OF ISO
9001:2008 - QUALITY
MANAGEMENT SYSTEM**

BRI Operations Center activity has supported Good Corporate Governance and obtained ISO 9001:2008 certification (Quality Management System) from the LRQA Certification Service (Lloyd's Register Quality Assurance), which

is accredited by the International Accreditation Service UKAS (United Kingdom Accreditation Service) and the National Accreditation Committee (Komite Akreditasi Nasional/KAN) for the following scopes:

- Operation Center System for RTGS Settlement & Clearing
- Remittance
- Complaint Resolution
- Card Perso Processing
 - e-Banking Reconciliation
 - ATM Reconciliation
- Treasury & e-Banking Settlement

Development in 2016

Moving forward in 2016, BRI has prepared a strategic plan regarding operational processes to increase operational performance and service levels enhancement to customers through the following programs:

- Implementation of SKNBI Gen II Individual and Bulk Modules and RTGS Gen II
- Implementation of a Chip-based Credit Card Program (NSICCS)
- Development of remittance transaction automation

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Fixed Assets Management and Logistics



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BRI is committed to continue improving assets management and procurement processes in order to support BRI's optimum business growth. Currently, BRI has in place an integrated assets management system that is able to manage fixed assets and procurement of goods and services efficiently.

”

FIXED ASSETS MANAGEMENT

Fixed Assets Management Strategy

Fixed Assets management strategy in 2015 will be continued into 2016 with an emphasis on the acceleration of procurement processes, especially procurement of property (land/buildings) and building supporting facilities. Moreover, it will also focus on the accuracy of BRI-owned properties' monitoring and reporting.

OPERATIONAL SUPPORT REVIEW ◀

Fixed Assets Management and Logistics

**Information System:
Logistics Portal Application**

Assets management is conducted using the Logistics Portal application, which is developed in-house by the BRI Information Technology and System Division. Subsequent processes are managed by the Logistics Portal, including budgeting, procurement, management, insurance, relocation, fixed assets reclass and write-off.

The Logistics Portal Application can be accessed at Branch Offices Level or Education Center Level that enables a more efficient and effective fixed assets management as follows:

1. Fixed assets online monitoring enable minimum shortage of physical fixed assets with detailed data recorded in the system.
2. Automation on fixed assets depreciation charges to avoid errors in manual bookkeeping.
3. Increasing flexibility in the process of relocating fixed assets between working units.
4. Accelerate the insurance cover and claim process on assets loss, which is done online by insurer.

5. Accelerate and simplify budget request processes. Budget requests can be submitted online, which enables the Head Office to process direct analysis in developing budget requirements.
6. Monitor fixed assets procurement processes from the procurement permission to fixed assets distribution for the operating units. As such, the improvement processes evaluation can easily be conducted.
7. Fulfill fast information requirements, which leads to convenient process of decision-making.

Performance of Non-Productive Assets Optimization in 2015

As a result of optimization steps, a total number of 396 properties of idle properties, non-productive assets or idle assets was decreased in 2015. The breakdown was 225 plots of land and 171 buildings, decreased from 418 unused properties – consist of 239 plots of land and 179 buildings in 2014.

As of 31 December 2015, BRI has settled 35 unused properties (23 plots of land and 12 buildings). Of the 23 plots of land, 14 units were

transformed into operating units and nine units into supporting facilities for operational activities. Out of 12 building properties, five units have become operating units and seven units have become supporting facilities for BRI operational activities.

Non Earning Fixed Assets Revaluation in 2015

Revaluation process on BRI's fixed assets, especially lands and buildings, was begun at the end of 2015 and will be continued into 2016.

Fixed Assets Management Strategy in 2016

In 2016, BRI plans to develop a Procurement Plan List (DRP) to compile a list of goods/services required by operating units early in the year. With the Procurement Plan List, procurement delivery will be more directed and on time. In addition, the 2016 work plan also includes improvement of the Logistics Portal application, procurement SLA adjustment and blanket order implementation for certain types of goods.

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Fixed Assets Management and Logistics

PROCUREMENT OF GOODS & SERVICES

Procurement Strategy in 2015

Procurement of goods and services plays a supporting role in the Bank operations and general business performance. To provide the best services and adhere to the principle of good corporate governance, BRI is committed to create secure, effective and efficient procurement processes.

The following strategies were implemented in 2015:

- **Multi Vendor Procurement Implementation**
BRI gains competitive prices and increased efficiency by the strategy application.
- **Blanket Order Procurement Implementation**
The strategy application accelerates routine procurement processes with large procurement package.
- **Logistics Portal Application Development**
The Information System enables online monitoring of procurement processes.

Procurement Work Program in 2015

Transparent Procurement and e-procurement Implementation

BRI conducts high-quality procurement and emphasizes the importance of the application of Good Corporate Governance principles. Thus, in order to create high-quality procurement processes, one of the steps that must be done is to maintain transparency in every procurement process.

OPERATIONAL SUPPORT REVIEW ◀

Fixed Assets Management and Logistics

The following working programs were conducted to achieve continuous procurement process transparency:

- Financial assessment using the E-Procurement Application and E-Auction Module
- Announcement of procurement tenders through various prints and electronic media
- **ISO 9001:2008 Certification**
The certification was attained in the administrative procurement process such as in the payment, administration and procurement distribution areas. By obtaining this certification, BRI expects partners' trust level will increase due to the transparency towards better procurement procedures.

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CORPORATE GOVERNANCE REPORT



BRI IS CONTINUOUSLY IMPLEMENTING GCG BASED ON REGIONAL AND INTERNATIONAL BEST PRACTICES, AND RECEIVES SEVERAL AWARDS ON EXCELLENT GCG IMPLEMENTATION



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Corporate Governance Report



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One of the foundations on which BRI's reputation is built is good corporate governance. BRI management is committed to continuously improve internal procedures quality to ensure the fulfilment of Transparency, Accountability, Responsibility, Independency and Fairness that are adjusted to BRI's latest condition, the laws and regulations and the development of banking industry in order to maintain the trust of not only customers and shareholders but also other Stakeholders.

”

GOOD CORPORATE GOVERNANCE (GCG) IMPLEMENTATION LEGAL REFERENCE

As a good corporate citizen with intermediary role in Indonesia's economy as well as a State-Owned Enterprise (SOE) listed on the Indonesia Stock Exchange (IDX), BRI is fully committed to continuously improve the quality implementation

of Good Corporate Governance best practices in its business operations.

GCG implementation in BRI refers to several prevailing laws and regulations for banking industry in particular and for public companies in general, which includes:

- Republic of Indonesia Law No. 7 of 1992 on Banking as amended by the Law No. 10 of 1998.
- Republic of Indonesia Law No. 40 of 2007 on Limited Liability Companies.

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- Republic of Indonesia Law No.19 of 2003 on State-Owned Enterprises.
- Republic of Indonesia Government Regulation No. 21 of 1992 dated 29 April 1992 concerning Change of Legal Status of Bank Rakyat Indonesia to Limited Liability Company (Persero).
- Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011 dated 1 August 2011 on the Implementation of Good Corporate Governance in State-Owned Enterprises(SOE), as amended by the Regulation of the Minister of State-Owned Enterprises (SOE) No. PER-09/MBU/2012 dated 6 July 2012.
- Bank Indonesia Regulation No. 8/4/PB1/2006 dated 30 January 2006 on the Implementation of Good Corporate Governance for Commercial Banks, as amended by Bank Indonesia Regulation No. 8/14/PB1/2006 dated 5 October 2006.
- Bank Indonesia Circular Letter No. 15/15/DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks.
- Financial Services Authority Regulation No. 18/ POJK.03/2014 dated 18 November 2014 on the Implementation of Integrated Corporate Governance for Financial Conglomerates.
- Financial Services Authority Regulation No. 21/ POJK.04/2015 dated 16 December 2015 on the Implementation of Guidelines on Corporate Governance by Public Companies.

To conform its GCG implementation To conform its GCG implementation to the latest condition, BRI also implements and is guided by the best practices generally applicable in the industry and in banking sector.

Followings are some of BRI's references:

- Principles of Corporate Governance from Organization for Economic Cooperation and Development (OECD).
- ASEAN Corporate Governance Scorecard.
- Indonesia GCG General Guidelines from the National Governance Policy Committee (KNKG).
- Indonesian Banking GCG Guidelines from the National Governance Policy Committee (KNKG).

In order to ensure business sustainability, BRI has formulated a corporate governance which refers to 5 GCG principles, namely:

Transparency, promoting openness in the decision-making process and willingness to disclose material and relevant information regarding the Bank.

Accountability, promoting clarity of functions, implementation and accountability of the organs to ensure company's effective management.

Responsibility, highlighting the consistency between the company's management practices and the prevailing laws and regulations whereby the company is professionally managed, free from conflict of interests and influence of pressure from any parties that is inconsistent with prevailing laws and regulations and sound corporate principles.

Independency, a condition whereby the Bank is professionally managed, free from conflict of interests and influence/pressure from any parties that is inconsistent with prevailing laws and regulations and sound corporate principles.

Fairness, namely fair and equal treatment in fulfilling the rights of stakeholders arising from agreements and applicable laws and regulations.

Moreover, in the context of complementing the guidelines on GCG implementation according to each division and work function, BRI has prepared and implemented operational policies and guidelines for daily operations of each division and operating units.

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Corporate Governance Report

OBJECTIVES OF GCG IMPLEMENTATION

Good Corporate Governance (GCG) practices have long been implemented by BRI both in its organs and corporate business process. The commitment to GCG implementation has proven to provide positive impacts and is in line with the increasing company's performance achievement while still being compliant with the principles of transparency and accountability to maintain the trust of not only the customers and shareholders but also other stakeholders.

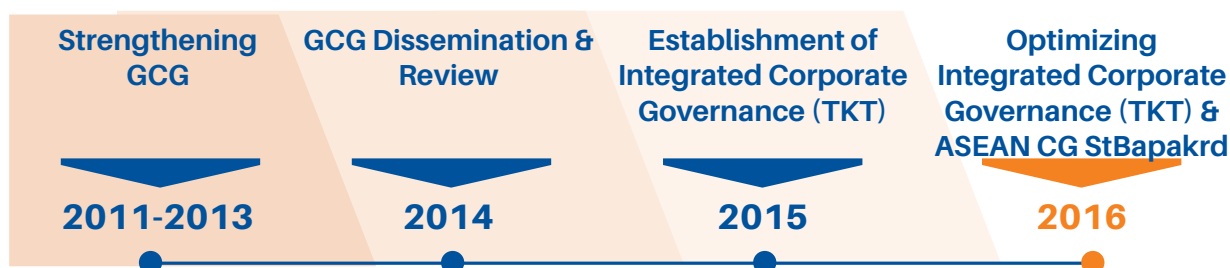
Sustainable and consistent implementation of corporate governance is aimed to:

- Support the achievement of the Bank's Vision and Mission.
- Support the Bank's achievements through significant improvement of performance.
- Maximize the company's value.
- Reinforce the shareholders' and other stakeholders' confidence and trust in the Company.
- Ensure the Bank's sustainable soundness and enhancements.
- Supporting a more efficient and effective management of the Bank's resources.
- Optimize risk-return relationship to be consistent with business strategy.
- Promoting decision-making process based on GCG principles across the Bank's organization.
- Driving the culture of good corporate governance and good corporate citizen.

CORPORATE GOVERNANCE ROADMAP

GCG Roadmap

The improvement of corporate governance practices serves as one of the means to drive financial and operational performance and to improve investors' trust, which will ultimately lead to improved competitiveness of the company. In the context of improving such implementation quality, BRI implements GCG through 4 phases, namely Formulation, Implementation, Monitoring & Evaluation, and Goal, which are managed sustainably and continuously to ensure the realization of the expected final phase/objective of GCG Roadmap, namely GCG Excellent.



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GCG Implementation

The implementation of BRI GCG Roadmap, since its first conception until 2015, includes the following activities:

2002-2005	2006-2009	2010-2012	2013	2014	2015
• GCG Policy Revision • BRI's Code of Conduct • Board Manual for the Board of Commissioners and Board of Directors • Corporate Secretary Manual • Transparency and Disclosure Manual • Audit Committee Charter • Risk Management General Policy • Revision of Guidelines on Internal Audit Policy • Regulation on Manpower • Policy on Disciplinary Regulations • Revision of General Policy on Technology and Information System • Policy on Technology and Information System Security • Revision of General Policy on Logistics	• GCG Policy Revision • Revision of the Board Manual for the Board of Commissioners and Board of Directors • Revision of Corporate Secretary Manual • Revision of Transparency and Disclosure Manual • Revision of Audit Committee Charter • Guidelines for the Risk Management Supervisory Committee • Guidelines for Nomination & Remuneration Committee • Provisions of Disclosure of the Bank's Confidential Information • Internal Audit Charter • Revision of Policy on Disciplinary Regulations • Provisions of Whistleblowing System • Human Resources Architecture • Revision of Policy on Disciplinary Regulations • Revision of Policy on Technology and Information System Security • Revision of Service Quality Monitoring System	• GCG Policy Revision • Revision of Code of Conduct • Revision of Board Manual for the Board of Commissioners and Board of Directors • Revision of Board Manual and Work Manual for the Board of Commissioners along with committees it supervises • Compliance Charter • Policy on Compliance Culture Implementation • Guidelines on Conflicts of Interest Handling • Policy on Anti-Fraud Strategy • Revision of General Policy on Technology and Information System • Revision of General Policy on Fixed Assets and Logistic Management • Revision of Service Quality Monitoring System • StBapakrd Service Level Agreement (SLA)	• Revision of Provisions of Whistleblowing System • GCG Policy Revision • Revision of Code of Conduct • Policy on Gratuity • Guidelines on the Drafting and Utilization of Budget for Education • Policy on Know-Your-Employee Principles • Revision of Guidelines on Risk-Based Rating of the Bank's Soundness Level • Implementation of Environment Development Program • Revision of Reward and Punishment System in the Context of Improving Service Quality • Revision of Accounting Policy on BRI's Financial Statements Preparation and Presentation	• Review of Provisions of Conflicts of Interest • Update of policy and procedures for Internal Audit • Implementation of New Employee Assistance Program (PPB) • Operation Manual for the Implementation of Anti-Money Laundering and Counter-Terrorism Financing in Operational Work Units • Guidelines on Risk-Based Rating of the Bank's Soundness Level (Risk-Based Bank Rating) • Classification of Customers and Walk-In Customers (WIC) by using riskbased approach. • Internal Capital Adequacy Assessment Process (ICAAP) • BRI's Key Risk Indicators (KRI)	• General Policy on BRI's Long-Term Plans • Guidelines on Implementation of BRI's Long-Term Plans • General Policy on BRI's Fixed Assets and Logistic Management (KEMAL) • Policy on Integrated Risk Management • Risk Management General Policy • BRI's Anti-Fraud Strategy Guidelines on Risk-Based Rating of the Bank's Soundness Level (Risk-Based Bank Rating) • Policy and Procedures for Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program • Guidelines on Integrated Corporate Governance for Financial Conglomerates • BRI's Internal Audit Charter • Information Technology Strategic Plan • Assessment of Maturity Level of Risk Management Implementation

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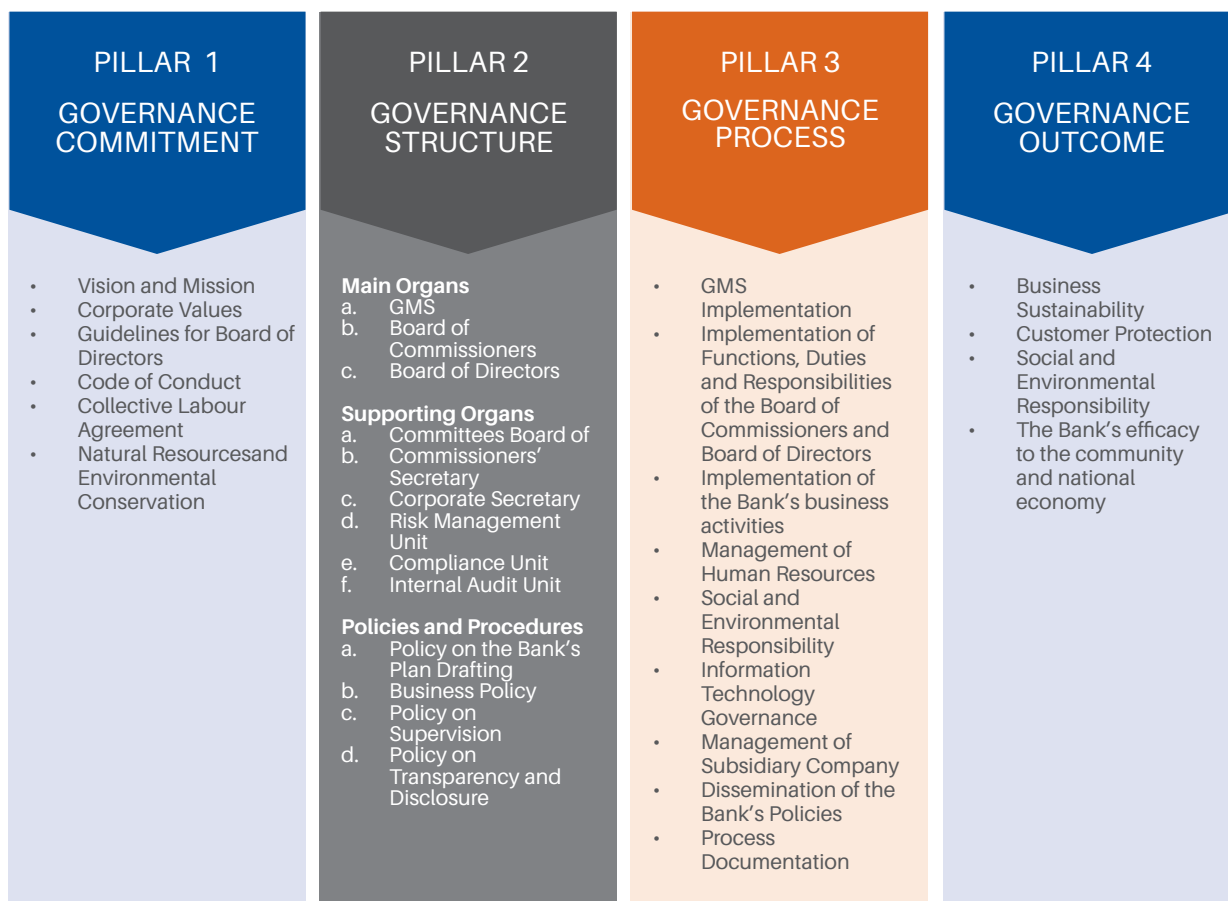
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GOVERNANCE GUIDELINES/POLICY

The increasingly complex risks encountered by a Bank means increased need of Good Corporate Governance practices. Good Corporate Governance implementation is essential to build the trust of, not only the customers and public but also the international world.

As the manifestation of its commitment to the implementation of Good Corporate Governance, BRI has in place the Good Corporate Governance policy (GCG Policy/ Charter), which is applicable to the entire organization and employees of BRI, namely Joint Decree of the Board of Commissioners and Board of Directors of BRI No. 05-KOM/BRI/12/2013 jo. Nokep

S.64-DIR/DKP/12/2013 dated 16 December 2013. The Joint Decree (GCG Policy/Charter) that was formulated based on BRI's business development, evaluation of the previous guidelines, as well as GCG best practices, includes 4 (four) aspects of corporate governance, namely commitment, structure, process and governance outcome, illustrated in the following chart:



In addition to GCG Policy/Charter, BRI also has other GCG guidelines or GCG Manual, which includes the code of conduct, the Board of Commissioners and Board of Directors charters along with the committees, as well as other supporting procedures and policies such as Whistleblowing System policy, Risk Management policy, Compliance policy, Audit policy, and so forth. The adequacy of these GCG Manuals is reviewed regularly for policy adjustment in order to be consistent with the Bank's needs while at the same constituting the Bank's compliance with the prevailing regulations.

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GOVERNANCE POLICY

Pillar 1. Commitment to Corporate Governance

In the course of its business journey, BRI is committed to continuously enhance, improve and refine the GCG implementation to be in line with the latest development of laws and regulations as well as business condition. BRI's commitment to GCG is embedded in its vision and mission, core values, and business policy strategy, which are then set out in the Bank's business fundamental elements, as follows:

Vision and Mission

BRI has outlined its vision that reflects future goals. Mission statement then details BRI's measures to realize the vision. Detail explanations on Vision and Mission are presented in the "Company Profile" sub-Chapter.

Corporate Values (Core Values)

BRI's core values include the values and culture, which serve as the basis of thinking, behaviour and conduct, to be further embedded as Corporate Culture which translates into Corporate Behaviour. Detail explanations on Core Values are presented in the "Company Profile" sub-Chapter.

Manual/Charter for the Board of Commissioners and Board of Directors

BRI has in place a Manual or Charter for the Board of Commissioners and Board of Directors, which contains the structure, distribution of duties and responsibilities, work ethics, procedures for meetings, organization, and work relationship between the Board of Commissioners and Board of Directors, which serves as the reference in performing their duties to achieve the Company's business objectives. Detail explanations on Code of Conduct are presented in the "Board of Commissioners" sub-Chapter.

Code of Conduct

BRI has prepared the Bank's code of conduct as the guidelines for business ethics, work ethics and behaviour of BRI's employees in implementing good corporate governance practices, including during interaction with stakeholders. BRI's Code of Conduct applies for all employees throughout all levels of the organization. Detail explanations on Code of Conduct are presented in the "Code of Conduct" sub-Chapter.

Collective Labour Agreement (CLA)

Collective Labour Agreement (CLA) is prepared to set out working terms and conditions which are the result of the discussion and agreement between BRI and BRI's workers' union, which will then serve as the guidelines for both parties in conducting work relationship and as the key reference in the event of dispute during work relationship. CLA constitutes the mBapakte of the law on manpower, which basically upholds harmonious industrial relationship between the company and the workers. Detail explanations on Collective Labour Agreement are presented in the "Human Resources Operational Review" section.

Natural Resources and Environmental Preservation

Responsibility of natural resources and environmental preservation reflects BRI's commitment to participate in sustainable economic development to improve life and environmental quality, which are beneficial to BRI, local community, as well as the public at large. BRI's implementation of social and environmental responsibility is published to the stakeholders through regular reports. Detail explanations on BRI's role in natural resources preservation are presented in the "Corporate Social Responsibility" section.

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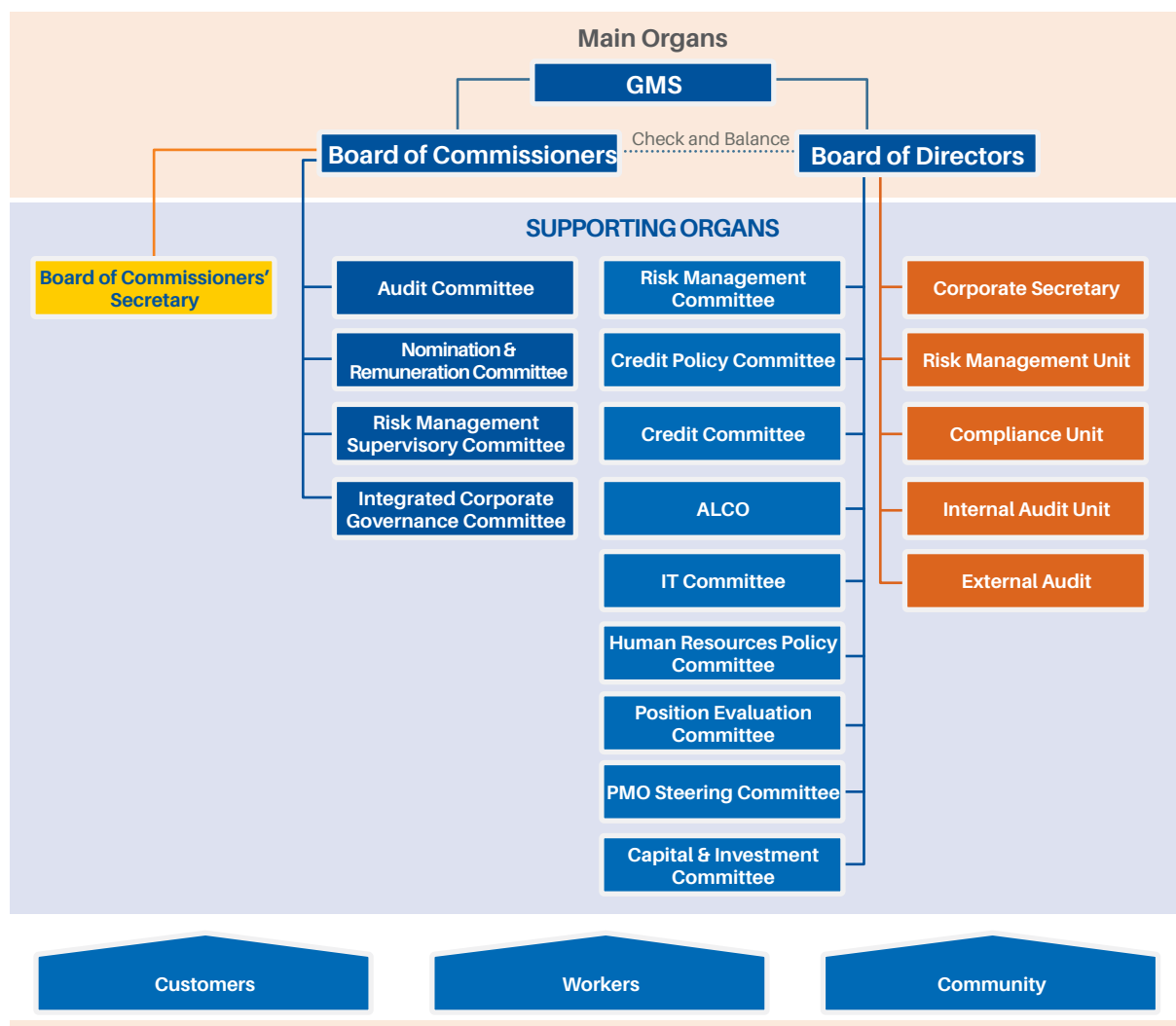
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Pillar 2. Governance Structure

The Bank's governance structure includes main organs, supporting organs as well as policies and procedures.

Chart of BRI's Corporate Governance Structure



MAIN ORGANS IN THE GOVERNANCE STRUCTURE

a. General Meeting of Shareholders (GMS)

GMS is the highest organ in GCG structure. GMS constitutes the shareholders' forum for decision-making, which also requires accountability on matters related to BRI's

business interest with due observance to the articles of association and laws and regulations. GMS consists of:

- a. **Annual GMS**, which is convened once a year, and must be convened

within no more than 6 (six) months following the end of the financial year. MBapactory agenda in BRI's Annual GMS includes: approval of Annual Report, ratification of financial statements and

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ratification of report on the Board of Commissioners' supervisory duties and actual use of net profit earned as well as determination of external auditor.

- b. Extraordinary GMS**, which may be convened at any time as required for the Company's interest. The convention of GMS refers to the Bank's articles of association and the prevailing laws and regulations. Several agenda, which may be approved by an Extraordinary GMS, include: the appointment and dismissal of members of the Board of Directors and the Board of Commissioners, and corporate actions, which bring significant impact.

b. Board of Commissioners

The Board of Commissioners serves as the organ that carries out supervisory function on the management of the Company by the Board of Directors. The Board of Commissioners has the right to request information and accountability of the Board of Directors and Committees under the Board of Directors concerning the Bank's management, including measures taken to reach business objectives. The Board of Commissioners consists of Commissioner and Independent Commissioner. The Independent Commissioner is stipulated to cover at least 50% (fifty percent) of total members of the Board of Commissioners.

The Board of Commissioners is not involved in the decision-making of the Bank's operational activity, in the exception of:

- a. Funding for related parties, and
- b. Matters regulated in the Bank's Articles of Association or prevailing laws and regulations.

The Board of Commissioners' duties and responsibilities refers to the Bank's Articles of Association, as well as prevailing laws and regulations. Detailed explanation of the Board's duties and responsibilities is stated on the Board Charter.

c. Board of Directors

The Board of Directors serves as the organ that implements the Bank's management as well as holds the responsibility on business achievements and shall conduct GCG principles in every Bank's business activity in all organizational levels or elements.

The Board of Directors is responsible to the General Meeting of Shareholders and the President Director shall be independent from the Ultimate Shareholders. The Board of Directors' duties and responsibilities refer to the Bank's Articles of Association, including prevailing laws and regulations. Detailed explanation of the Board of Directors' duties and responsibilities is stated on the Board Charter.

SUPPORTING ORGANS IN THE GOVERNANCE STRUCTURE

a. Committees Under the Board of Commissioners

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Oversight Committee
- Integrated Corporate Governance Committee

Detailed references on the committees under the Board of Commissioners are stated on the Board of Commissioners Charter, Risk Management Oversight Charter, Nomination and Remuneration Committee Charter, and Audit Committee Charter.

b. Committees Under the Board of Directors

- Risk Management Committee (RMC);
- Credit Policy Committee (CPC);
- Credit Committee (CC);
- Asset Liability Committee (ALCO);
- IT Steering Committee (ITSC);

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- Human Capital Policy Committee;
- Capital & Investment Committee;
- Job Evaluation Committee;
- Other Committees that can be assigned in the future date.

Detailed references on the committees under the Board of Directors are stated in each Committee's Decree.

c. Secretary of the Board of Commissioners

Secretary of the Board of Commissioners is the organ appointed by the Board of Commissioners and has the duty and responsibility to assist the Board of Commissioners. Detailed references on the Secretary's duties and responsibilities are stated in the Secretary of the Board of Commissioners Guidelines.

d. Corporate Secretary

The Bank appoints a Corporate Secretary to assist the Board of Commissioners and Board of Directors in the implementation of their duties and responsibilities, which related to the corporate governance implementation and serves as a liaison and communication management between the company to internal parties, as well as external that includes shareholders, regulators and other stakeholders. Detailed references on Corporate Secretary's duties and responsibilities are stated in the Corporate Secretary Guidelines.

e. Risk Management Unit

Risk Management Unit has the duties to implement the Enterprise Risk Management (ERM) that covers four following pillars:

- Active supervision of the Board of Commissioners and Board of Directors
- Adequacy of policy, procedure and limitations
- Risk management process and risk management information system
- Internal control system

Detailed references on Risk Management Unit's duties and responsibilities are stated in the Risk Management General Policy (KUMR) and Risk Management Implementation Guidelines (P3MR).

f. Compliance Unit

The Compliance Unit is an independent unit responsible in the management of compliance in BRI. Detailed references on the duties and responsibilities of Compliance Director and its elements are stated in the Compliance Charter.

g. Internal Audit Unit

The Internal Audit is a structural unit that has direct responsibility to the President Director and communication line with the Audit Committee. The Internal Audit has the duties to provide independent

and objective assurance and consultation, by conducting evaluation of risk management adequacy and effectiveness, internal control, and corporate governance process, which aims to improve the Bank's added value and operational. The Internal Audit's duties and responsibilities are regulated based on the Internal Audit Charter.

h. External Audit

The Bank's audit is also conducted by external auditors, namely Bank Indonesia, Audit Board of the Republic of Indonesia (BPK), other auditors in accordance with the regulations and Public Accountant Firms. The Bank shall appoints Public Accountant Firm registered in the Financial Services Authority for the audit of Bank's financial statements.

POLICIES AND PROCEDURES

a. Bank's Plan Policy

The Bank's plan consists of:

1. Long-term plan (RJP/ corporate plan) - a strategic long term plan that outlines the Bank's 5 (five)-year plan. Policies relating to RJP are stated in RJP General Policy and RJP Implementation Guidelines.

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2. Bank's Business Plan (RBB) – details of strategy implementation, work program, and the Bank's 3-year performance target. Policies relating to RBB are stated in RBB General Policy and RBB Implementation Guidelines.
3. Corporate Work Program and Budgeting (RKAP), contains the Bank's performance target for 1 (one) year. Policies relating to RKAP are stated in the Bank's Circular Letter regarding RKAP.

b. Business Policy

BRI's internal policy and regulations include StBapakrd Operating Procedure, which covers circular letters, decrees, Operating Procedures Manual, and/or Operating Manual that are determined in line with the GCG policies. GCG's principles must be reflected in all Bank's internal policies and regulations, whether related to the Bank's business or to the Bank's internal management. Each development of new product and/or business activity must be ensured for its consistency with the applicable rules. The provisions related to the Bank's new products and/or activities are governed in a separate provision.

c. Oversight Policy

The Bank's oversight is implemented through the concept of 3 (three) lines of defense, namely:

1. First Line of Defense
Constitutes the supervision conducted by Business/Operational work unit as the party responsible to maintain output quality and business process to comply with the prescribed policies and procedures.
2. Second Line of Defense
Constitutes function implementation conducted by risk management unit and compliance unit as governed in the provisions of Bank Indonesia.
3. Third Line of Defense
Constitutes the supervision conducted by internal audit by means of evaluation of the First Line and Second Line of Defense as well as by reports submission to the President Director and the Board of Commissioners independently.

BRI's Oversight Policies consist of:

- i. Internal control policy, drafted by taking into account the following scopes:
 - a. Controlled environment, for example: implementation of the three lines of defense concept.

- b. Business risk review and management, for example: risk assessment of the Bank's products and/or business activities
- c. Control activities conducted at each level of the Bank's structure, for example: direct superior oversight policy, dual control, etc.
- d. Information and communication system, for example: information available in the Data Ware House (DWH)
- e. Monitoring, evaluation and follow up on internal control activities, for example: policy on implementation of risk management subset.
- ii. Internal control policies, which includes internal audit policy, anti-Fraud strategy, legal and compliance.
- iii. External Oversight Policies. External oversight is implemented by external auditors and banking supervisory body in accordance with the prevailing regulations.

d. Transparency and Disclosure Policies

The Bank's internal policies with regards to transparency and disclosure are set out in:

- a. The Bank's internal policies

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- b. Bank's Confidentiality Policy
- c. Policies on reporting, both internal and external, including reports to banking regulatory and authority bodies, stipulated separately according to type of report

Evaluation and improvement of the Bank's internal policy is conducted regularly by the policy owners according to the Bank's needs and development.

Pillar 3. Governance Process

Governance process is a mechanism carried out by the company organs and staff members in the implementation of duties and responsibilities, to achieve the governance outcome, which are consistent with GCG principles. BRI's Governance Process includes:

1. Convention of General Meeting of Shareholders

GMS/Other GMS are convened pursuant to the time and procedures prescribed in the prevailing laws and regulations. The GMS resolutions will be published to the stakeholders in accordance with the applicable provisions.

2. Implementation of Functions, Duties and Responsibilities of the Board of Commissioners and Board of Directors

Directors carry out their functions, duties, and responsibilities in good faith, with prudence, and professionalism that satisfy the requirements set out in existing laws and regulations, articles

of association, and Board of Commissioners and Board of Directors' manuals. Board of Commissioners and Board of Directors' performance evaluation is carried out based on an established mechanism in accordance with the laws and regulations.

3. Bank's Business Activities Implementation

The Bank's business activities are conducted in line with the vision, missions and core values of the company, by following the Bank's strategy, toward the direction prescribed and guided by good corporate governance principles.

4. Human Resources Management

The Bank's Human Resources management is conducted in reference to the articles of association and the work plan of Human Resources Department, guided by GCG principles, while supporting the achievement of the Bank's business objectives.

5. Social and Environmental Responsibility

The Bank's social and environmental responsibility shall become part of the Bank's strategic objectives, and shall be conducted based on GCG principles.

6. Information Technology Governance

Reliable, effective, efficient, accurate and trusted information technology is essential in the Bank's interest. As such, the Bank continuously ensures the development of IT is guided by GCG principles

and will provide strategic values for the company, and support the management of risks encountered by the company.

7. Management of Subsidiaries

The development of subsidiaries' business is conducted in the context of providing added values and supporting the Bank's main business. As such, the management of subsidiaries shall follow the GCG guidelines and best practices, and shall be based on sound business principles.

8. Bank's Policies Dissemination

All Bank's policies must be well and completely disseminated/communicated to employees according to their field of work/duties to serve as their reference during work performance, as well as to other relevant stakeholders.

9. Process Documentation

All governance process must always be documented as evidence of activities performance as well as the materials for activity evaluation. Document retention has also been conducted in accordance with the applicable provisions.

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Pillar 4. Governance Outcome

The manifestation of all pillars of BRI's GCG policies mentioned above is reflected on:

1. Business Sustainability

BRI maintains its business sustainability through the implementation of GCG best practices throughout all organizational elements, by referring to GCG principles: transparency, accountability, responsibility, independency, reliability, and fairness.

2. Customer Protection

BRI continuously maintains customers' trust and satisfaction according to GCG principles, which will be further explained in sub-Chapter Responsibility towards Consumer in Corporate Social Responsibility Section.

3. Social and Environmental Responsibility

As a good corporate citizen, BRI aims not only to generate profit but is also committed to contributing to the community. This is achieved through CSR programs. These programs aim for empowerment and providing benefits to the community, in particular to Micro and Small Business segments.

In addition, BRI also supports environmental programs, one of which is through its Green Office commitment in daily operational and Green Financing in loan disbursement process.

4. The Bank's efficacy to the Community and National Economy

In line with BRI's objectives and missions in 2015, to become the biggest national payment bank, BRI is committed to provide services which are supported with technology reliability, vast network, and improved products and services closer to the community. This is proven through its diverse products and technology and network innovations, one of which is through People Business Loans (Kredit Usaha Rakyat-KUR) disbursement to reach potential customers that are un-bankable, Teras Kapal implementation to reach the outermost areas and cooperation with BRILink agents to support financial inclusion program by expanding the coverage of access to banking services for the community.

CORPORATE GOVERNANCE IMPLEMENTATION**Corporate Governance Information System**

In implementing corporate governance principles, BRI is equipped with Information system tools, which includes:

1. Operational Risk Assessor (OPRA) - Incident Management Module
Information system in managing incident (risks events and near misses) has been implemented in all operating

units. It is expected that each report on potential risk events can be well documented and accounted for.

2. Knowledge Management System (KMS)
BRI has implemented KMS to manage expertise of each employee of BRI to minimize dependency on certain employees, facilitate transfer of knowledge among employees, and it is expected to increase transparency in terms of various internal and external policies affecting the Bank's operational activities.
3. Management Information System (MIS)
BRI's financial performance data is managed by MIS under the financial directorate. The data provided by MIS is accessible to all operating units to create equality in access to the bank's business performance information. This equality in information access is expected to encourage relevant operating units to continuously improve the accuracy of presented data.
4. Balanced Scorecard (BSC)
In 2015, the implementation of BSC-based performance rating system was under ongoing development and piloting phase. Such implementation of BSC constitutes the enhancement of Performance Management System (SMK) currently used and is expected to improve Fairness in each performance assessment.

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IMPLEMENTATION IN 2015

Consistent operation of the company with adherence to GCG principles (TARIF) in all operating units and by all employees does not occur only at the level of the Board of Commissioners and Board of Directors, but also at all level of BRI's employees, which is reflected through:

Relationship between the Board of Commissioners and Board of Directors

Check and Balance

Work relationship between the Board of Commissioners and Board of Directors constitute a check and balance relationship. Despite having different duties and responsibilities, both parties must continuously coordinate and cooperate to achieve the company's objectives and business sustainability.

Independence of the Board of Commissioners and Board of Directors

In the system applicable in Indonesia, the same individual may not appointed as the president commissioner and the president director. Pursuant to the Company's articles of association, members of the Board of Commissioners and Board of Directors may not have any family relations up to the third degree, whether lineal or horizontally, including relationships occurred through marriage in order to maintain independency.

The Board of Commissioners' Supervisory Function

The core duties of the Board of Commissioners are aimed for supervisory and advisory. The Board of Commissioners is requested to not intervene in the Company's operational decision making. Meanwhile, the main duties of the Board of Directors are to perform the GMS resolutions and to manage the company's operation with due observance of directions and recommendations from the Board of Commissioners.

Report on the Board of Commissioners' Supervisory Duties

Each year, the Board of Commissioners submits accountability report on supervisory functions over the Board of Directors' performance. In addition to discussion about the bank's financial and operational performance, such report also contains the evaluation of risk profile, GCG implementation, performance of committees under the Board of Commissioners, corporate social responsibility. Based on such evaluation, the Board of Commissioners also provides recommendations for BRI's future business development for sustainable business growth.

Synergy in Vision

Based on the principle that each party has a duty to maintain the Bank's long term business sustainability, and shall have the ultimate objective of the Bank's progress and soundness, the Board of Commissioners and Board of Directors shall have a similar perception about the Bank's vision, missions, corporate values and strategy.

In order to unite the perception and to decide on important issues related to the Company's business sustainability and strategic decision, the Board of Commissioners and Board of Directors shall continuously hold a regular meeting of at least once in a month, whether in the context of discussion on the company's performance, joint approval of long-term work plan, annual budget, as well as strategic issues and other matters related to the implementation of laws and regulations as well as Good Corporate Governance implementation.

Renewal of Policy

Renewal of policy with regards to GCG includes:

- Board of Directors Charter
- Corporate Plan General Policy.
- Corporate Plan Implementation Guidelines
- Fixed Assets Management and Logistic General Policy (KEMAL)
- Integrated Risk Management Policy
- Risk Management General Policy
- Anti-Fraud Strategy
- Risk-Based Bank Rating Guidelines
- Policy and Procedures of Anti-Money Laundering and Counter-Terrorism Financing
- Integrated Corporate Governance of Financial Conglomerates Guidelines
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2016 STRATEGY

In addition to continuing the 2015 performance, BRI also has the aspiration to continuously implement good corporate governance best practices in accordance with the best practice stBapakrd set out in GCG Implementation Roadmap.

ASSESSMENT OF CORPORATE GOVERNANCE IMPLEMENTATION

In order to facilitate the process of identification, adjustment and update of GCG policies to the Bank's operational policies, and to follow the development of best practices as well as to maintain the harmonious relationships among the stakeholders, the corporate governance shall be implemented in a directed, systematical and measured manner.

In this advancement and adjustment, BRI has performed regular assessment of the Company's GCG implementation. The GCG assessment is conducted by two assessment methods, namely self-assessment and assessment by external/independent party.

Internal Self-Assessment**1. GCG Self-Assessment**

The criteria applied by BRI in GCG self-assessment implementation are based on the provisions of Bank Indonesia. Based on such assessment, BRI's GCG self-assessment result for 2015 is "Very Good" with the following general conclusion:

Bank	Percentage	Individual Composite Score	Consolidated Composite Score
BRI	96.30	1.15	1.11
BRI Syariah	2.75	1.61	0.04
BRI Agro	0.95	2.11	0.02
Total Consolidated Composite Score			1.17

* Up to the publication of this Annual Report, such assessment has not been evaluated by the FSA.

Several matters to be noted in the integrated or consolidated GCG implementation assessment are:

- Consolidated GCG implementation assessment involves only the GCG implementation results of Subsidiaries, which are considered to have significant impacts on BRI's consolidated GCG, namely BRI Syariah, BRI Agro.
- The weight of GCG assessment of Subsidiaries towards BRI's consolidated GCG is calculated based on the amount of assets being managed.

2. Self-Assessment of Integrated Governance

BRI conducts a self-assessment of Integrated Governance pursuant to Regulation of the Financial Services Authority No. 18/ POJK.03/2014.

Self-assessment Result of BRI's Integrated Governance Implementation for semester I of 2015	
Rating	Definition of the Rating
2	The Integrated Governance implementation of BRI financial conglomerate is assessed as generally good. This is reflected on the adequate fulfilment of the Integrated Governance principles implementation. In the event of the weakness of Integrated Governance implementation, it is generally insignificant and can be resolved through normal measures by BRI and/or BRI LJK financial conglomerate.

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Self-assessment Result of BRI's Integrated Governance Implementation for semester I of 2015

Rating	Definition of the Rating
1	The Integrated Governance implementation of BRI financial conglomerate is assessed as generally very good. The Integrated Governance implementation of the financial conglomerate is assessed as generally very good. This is reflected on the adequate fulfilment of the Integrated Governance principles implementation. In the event of the weakness of Integrated Governance implementation, it is generally insignificant and can be resolved through normal measures by parent entity and/or BRI LJK financial conglomerate.

GCG Assessment by External Parties

In addition to self-assessment, BRI GCG implementation during 2015 was also assessed by competent external parties relevant to financial services industry, which includes:

a. Assessment by Corporate Governance Perception Index (CGPI) 2014

A research and rating program of GCG implementation through CGPI 2014, which took the theme "Good Corporate Governance in the Perspective of Value Creation" held from June to November 2015 which comprises of the following phases:

Self Assessment (Score 17.72)	Documents Assessment (Score 23.55)	Paper Assessment (Score 21.91)	Observation (Score 23.74)	Result 86.92

BRI's assessment result in CGPI 2014 was "Most Trusted" (Indonesian Most Trusted Companies) with a total score of 86.92, a rating that has been consistently achieved by BRI for 3 consecutive years:

Period	Predicate
2011	Trusted Company
2012	Most Trusted Company
2013	Most Trusted Company
2014	Most Trusted Company

b. Indonesia Most Trusted Companies 2015 - GCG Aspects

This assessment was based on a survey to investors and analysts regarding GCG implementation conducted by SWA Magazine to 252 respondents (investors, analysts, and investment managers), with a total response reaching 2,212. The rating result constitutes a reflection of the average total score of assessed aspects. The better the GCG implementation of a company, the higher such average total score will be. Survey results of Indonesian Most Trusted Companies in 2014 and 2015 are:

Survey results of Investor and Analysts Assessment

Aspects and Weight	Issuers Code: BBRI	2014
Transparency (32.1%)	77.82	
Accountability (27.2%)	76.88	
Responsibility (16.4%)	72.42	
Independency (12.6%)	76.34	
Fairness (11.7%)	76.94	
Total Score	76.39	
Rating	Trusted Company (trusted company)	

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c. ASEAN CG Scorecard 2014

In ASEAN Corporate Governance Scorecard (ACGS) assessment by CG experts, BRI obtained the predicate "Good" with a total score above the average score of 100 public companies (the entire issuers) and 15 banks. Such predicate was awarded based on the assessment of the following components:

- a. Rights of the Shareholders
- b. Equal Treatment to Shareholders
- c. Roles of Stakeholders

- d. Disclosure and Transparency
- e. Responsibilities of the Board of Commissioners and Board of Directors

Based on ASEAN Scorecard 2015, the predicate awarded to BRI is still above the average of 100 public companies or issuers at the stock exchange and gained above the average score of 15 Banks enrolled in this 2015 assessment. The overall score for GCG practice (ASEAN Scorecard) obtained by BRI for 2015 is 88.5%

d. Performance Assessment of Excellent Companies (KPKU)

The Performance Assessment of State-Owned Enterprises (SOEs) is conducted by an independent team established by the Ministry of SOE. This assessment involves the Company with majority ownership by the government (ministry of SOE). Based on the assessment results of KPKU in 2015, BRI was classified in the category of "emerging industry leader".

Category	Explanation
1	Leadership
2	Strategy Implementation
3	Focus on Customers
4	Knowledge Measurement, Analysis & Management
5	Focus on Manpower
6	Focus on Operation
7	Result

Awards Related to GCG Implementation

Several awards achieved by BRI in terms of GCG implementation include:

- Annual Report Award, 2nd position in the category of Listed Financial SOEs for financial year 2014, Grand Champion for financial year 2013 and 1st position in the category of Listed Financial SOEs for financial year 2012.
- SOE Track Magazine, Indicator SOE Award, fourth position in the category of Transparency.
- Indonesian Institute for Corporate Directorship as part of the Top 50 Public Listed Companies.
- Category of Indonesian Most Trusted Company from IICG in cooperation with SWA Magazine.

The awards received by BRI can be further viewed on the Highlights Section of this Annual Report.

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GENERAL MEETING OF SHAREHOLDERS

“

Shareholders exercise their rights equally through GMS. This includes the right to express opinion, to provide a response, and to cast votes in important decision-making that will determine the course of the Bank's development and future.

”

The General Meeting of Shareholders (GMS) is the highest company organ. Pursuant to the laws, regulations, and the Bank's Articles of Association, the GMS have exclusive authority that is not transferrable to the Board of Commissioners and Board of Directors. This authority includes the appointment of members of the Board of Commissioners and Board of Directors, the approval or rejection of reports from the Board of Commissioners and Board of Directors, to endorse amendment to Articles of Association, the approval of annual report, and the determination of the Bank's retained earnings usage.

GMS Legal Reference

GMS in general refers to the Bank's Articles of Association and prevailing laws and regulations, Law No. 40 of 2007 on Limited

Liability Company, Law No. 19 of 2003 on State-Owned Enterprise, Financial Services Authority (FSA) Regulation No. 32/Pojk.04/2014 on the Plan and Implementation of Public Companies' GMS, and Indonesia Stock Exchange Regulation No. I-E on the Obligation to Disseminate Information.

Shareholders

Shareholders are individual or legal entity that is a legitimate owner of the Bank's shares. Shareholders do not intervene with the function, duties, and authorities of the Board of Commissioners and Board of Directors.

GMS is the forum for shareholders to take decisions in a fair and transparent manner for the longterm interest of the Bank. In GMS, shareholders have the authority to exercise their rights pursuant to the articles of association and prevailing laws and regulations.

Shareholders' Rights and Responsibilities

BRI observes the prevailing laws and regulations to protect the interest of shareholders:

Shareholders' Rights and Authority

BRI shares are categorized into 2 (two) types, namely Series A Dwiwarna shares and Series B shares. The Series A Dwiwarna shareholders are controlling shareholders, which owned only by the Government of Indonesia. The controlling shareholders reserve the privileges to:

- Nominate members of the Bank's Board of Directors or Board of Commissioners;
- Approve the appointment and dismissal of members of the Board of Directors or Board of Commissioners;
- Approve the amendment of Articles of Association including capital amendment;
- Approve merger, consolidation, acquisition, and divestment of the Bank; file for bankruptcy; and liquidation of the Bank;
- Request and/or receive report from the Board of Commissioners;
- Request report and elaboration on certain matters to the Board of Directors and/or Board of Commissioners by taking into account the prevailing laws and regulations.

Aside from the privileges reserved for the shareholders of Series A Dwiwarna shares, except otherwise specified by the Articles of Association, the shareholders of Series A Dwiwarna and Series B shares have equal rights to:

- Attend, express opinion, and cast a vote in the GMS.
- Receive corporate information in timely, proper, and regular manner, unless concerning confidential matters.
- Receive share of the Bank's profits appropriated for shareholders in the form of dividend and other profit sharing as well as assets resulting from liquidation.

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- d. Receive comprehensive and accurate information concerning the procedures of GMS.
- e. 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.
- f. Request for the Bank to purchase its shares with a fair price in the event that the shareholder disagree with the Bank's actions that cause the Bank of shareholders to
 - i. Amendment of articles of association;
 - ii. Transfer or pledging of the Bank's assets in a value that exceeds 50% (fifty percent) of the Bank's net assets; or
 - iii. Merger, consolidation, acquisition, or divestment.
- g. 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 Bank's interests.

Shareholders' Responsibilities and Obligations

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 of the Bank's organs;

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.

The minority shareholders are responsible to exercise their rights pursuant to the Bank's articles of association and prevailing laws and regulations.

Information Access for Shareholders

BRI provides the information access and channels to enable the shareholders to exercise their rights and responsibilities, through the following communication media:

- a. GMS, as the media for the Bank to communicate with shareholders, to present the corporate information and the possibility of shareholders' participation in decisionmaking that requires the shareholders' approval;
- b. Electronic media, such as corporate website, which is accessible in both Indonesian and English with the availability of various reports and publications that are easily downloaded by the shareholders and the public;
- c. Corporate email as a channel to disseminate and stay updated with the latest corporate information;
- d. Other communications channels, including conference calls, investor/analyst meetings, non-deal roadshows, conferences, public exposé, and investor/analyst gatherings.

Shareholders' Composition

The Government of the Republic of Indonesia is BRI's majority shareholder with 56.25% ownership of shares.

As of 31 December 2015, BRI has 18,267 shareholders, consisting of 16,534 domestic and 1,733 foreign shareholders.

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Shareholders	2003	2011	2012	2013	2014	2015
Government of the Republic of Indonesia	59.50%	56.75%	56.75%	56.75%	56.75%	56.75%
Public	40.50%	43.25%	43.25%	43.25%	43.25%	43.25%
Domestic retail investor	2.74%	1.05%	1.47%	1.56%	0.97%	1.04%
Domestic institutional investor	5.74%	5.90%	5.96%	7.55%	6.61%	8.43%
Foreign investor	32.02%	36.30%	35.83%	34.14%	35.68%	33.78%

Total Investors	2003	2011	2012	2013	2014	2015
Government of the Republic of Indonesia	1	1	1	1	1	1
Domestic retail investors	33.903	17.152	14.820	17.152	10.898	15.902
Domestic institutional investors	238	487	556	614	487	631
Foreign investors	361	1.820	1.688	1.613	1.820	1.733
Total	34.503	19.460	17.460	19.380	13.206	18.267

Further information on shareholders' composition is available under the Shareholders composition section in Key Highlights.

GMS PROCEDURE AND MECHANISM

Pursuant to the Bank's articles of association, GMS consists of 2 (two) meetings, namely:

a. Annual General Meeting of Shareholders

The Annual GMS shall be convened every year within 5 (five) months following the end of a fiscal year. The purpose of Annual GMS is to:

1. Approve the annual reports, financial statements, and the Board of Commissioners supervisory report. The approval also provides full acquittal and discharge of responsibilities to members of the Board of Commissioners and Board of Directors as long as no criminal offence has been committed.

2. Propose the appropriation of retained earnings, where the Bank generates positive profits;
3. propose the appointment of public accountant for the year by taking into account recommendation from the Board of Commissioners, or grant the authority to appoint public accountant to the Board of Commissioners.
4. Other matters that require GMS approval in the interest of the Bank.

collectively, which represents 1/10 (one tenth) or more of the total shares with legitimate voting rights.

GMS Organization Stages

The general requirements to convene the GMS is set forth in POJK No 32/ POJK.04/2014 dated 8 December 2014. The stages are as follows:

b. Other General Meeting of Shareholders (Extraordinary General Meeting of Shareholders)

Other GMS or the Extraordinary GMS can be convened at any time that the Board of Directors sees as necessary, or at written request from the Board of Commissioners and/ or shareholders, individually or

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NOTIFICATION	ANNOUNCEMENT	INVITATION	GMS	GMS RESOLUTION ANNOUNCEMENT
Notify Financial Services Authority (OJK) of the plan to convene a GMS. Notification must be made no later than 5 (five) working days prior to issuing GMS announcement	Announcement must be made no later than 14 (fourteen) days prior to issuing meeting invitation. The announcement is made in at least 1 (one) national newspaper published in Indonesian, on the IDX website, and on the corporate website	Meeting invitation for shareholders must be announced no later than 21 (twenty one) days prior to the GMS and made in at least 1 (one) national newspaper published in Indonesian, on the IDX website, and on the corporate website		A summary of GMS Minutes must be announced within 2 (two) days after the conclusion of GMS. The summary must be published in at least 1 (one) national newspaper published in Indonesian, on the IDX website, and on the corporate website

1. Information in GMS Notification

- GMS notification submitted to
- 1. the Financial Services Authority
- 1. includes the meeting's agenda

2. Information in GMS announcement

- GMS announcement from the Bank to shareholders includes the following information:
- a. Date of GMS Invitation
- b. Shareholders entitled to participate/attend as proxy and to cast votes in GMS are BRI's shareholders whose names are recorded in BRI Shareholders' Register or holders of securities account in collective depository of PT Kustodian Sentral Efek Indonesia as of 1 (one) day prior to GMS announcement.

- c. Shareholders may propose agenda for discussion in the GMS, pursuant to Article 24 paragraph (6) of BRI's Articles of Association and Article 12 paragraph (2) and (3) of Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014. The proposal must be received by the Board of Directors at the latest 7 (seven) working days prior to the date of GMS invitation.

3. Information in GMS Invitation

- BRI's GMS invitation to shareholders include the following information:
- a. Date, location, and agenda of GMS
- b. Invitation is not delivered separately to the shareholders. The invitation shall be treated as an official invitation.

- c. General requirements to attend GMS
- d. Explanation of each agenda
- e. GMS materials may be retrieved from the Company's website and the hardcopy of the materials are available during office hours if requested in writing.

4. Information in GMS resolution announcement

- BRI announces the GMS Minutes Summary/resolutions to the shareholders. The announcement includes the following information:
- a. GGMS date, location, time, and agenda
- b. List of Board of Directors and Board of Commissioners members that attends the GMS
- c. Total and percentage of shares with legitimate voting rights that attends the GMS

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- d. Opportunity for shareholders to extend the request and/or provide opinions to each of the GMS agenda
- e. Total shareholders that extends questions and/or provides opinions to GMS agenda
- f. Voting results – approve, against, or abstain votes for each agenda
- g. GMS resolutions
- h. Cash dividend payout, if any resolutions concerning dividend payment is made

GMS Code of Conduct

1. GMS code of conduct should be circulated to all attending shareholders prior to the commencement of the GMS.
2. GMS Chairperson extends the opportunity to shareholders or their proxies to pose questions/ responses and/or proposals to the GMS agenda
3. GMS Chairperson or a Director appointed by the GMS Chairperson to answer or address the questions/ comments from the shareholders.
4. Voting commences after all questions/comments are addressed; only the shareholders or their legitimate proxies have the right to cast a vote.
5. Vote counting and/or validation in a GMS are conducted by an independent party, namely a notary, assisted by the company-appointed Share Registrar.

GMS Chairman

The GMS is led by a member of the Board of Commissioners that is appointed by the Board of Commissioners. In the event that all members of the Board of Commissioners are unavailable to attend the meeting, the GMS is led by one of the Board of Directors members appointed by the Board of Directors. An attending shareholder, appointed from among and by the GMS participants, may lead the meeting where all members of the Board of Commissioners and Board of Directors are unavailable to attend the GMS.

The GMS chairperson should be independent towards any of the GMS' agenda. In the event of all members of the Board of Commissioners and Board of Directors have a conflict of interest in the GMS, a non controlling shareholder lead the meeting based on the majority of votes from attending participants.

GMS Resolutions

1. GMS resolutions are resolved based on amicable deliberation to reach a mutual consensus.
2. A voting is in order if the resolutions failed to be reached. Voting observes the requirements of quorum in terms of attendance as well as in terms of passing the GMS resolutions, pursuant to the Bank's Articles of Association and prevailing laws and regulations.

GMS Attendance and Decision Quorum

The GMS resolutions on certain material agendas need to meet quorum and voting threshold:

1. Transfer or placement as collateral assets that represent 50% or more of the Bank's net assets in 1 (one) transaction or several related or separate transactions.
 - Attendance quorum: GMS attended by shareholders that represent at least 3/4 (three fourth) of total shares with legitimate voting rights.
 - Voting quorum: approved by more than 3/4 (three fourth) of total shares with voting rights that attend the meeting.
2. Approval of transactions carrying conflict of interests.
 - Votes of shareholders with conflict of interests are deemed the same as votes approved by independent, or shareholders without conflict of interest.
 - Attendance quorum: meeting is attended by independent shareholders that represent at least 1/2 (one half) of total shares with voting rights of independent shareholders.
 - Voting quorum: approved by more than 1/2 (one half) of total shares with voting rights owned by independent shareholders that attends the GMS.

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3. Changes of the Board of Directors and Board of Commissioners, changes in Articles of Association that does not require ministerial approval, issuance of equity securities and or increase of issued and paid-up capital.
 - Attendance quorum: Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 1/2 (one half) of total shares with legitimate voting rights.
 - Voting quorum: approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 1/2 (one half) of total shares with voting rights that attends the meeting.
4. Changes to Articles of Association that require ministerial approval.
 - Attendance quorum: Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 2/3 (twothird) of total shares with legitimate voting rights.
 - Voting quorum: Approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 2/3 (two third) of total shares with voting rights that attends the meeting.
5. Resolution on corporate merger, consolidation, acquisition, spin-off, filed for bankruptcy, and dissolution.
 - Attendance quorum: Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 3/4 (threefourth) of total shares with legitimate voting rights.
 - Voting quorum: approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 3/4 (three-fourth) of total shares with voting rights that attends the meeting.
6. Other agenda other than specified above.
 - Attendance quorum: Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 1/2 (one half) of total shares with legitimate voting rights.
 - Voting quorum: approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 1/2 (one half) of total shares with voting rights that attends the meeting.
- Shareholders or their proxies that do not raise their hands are deemed in favor of the proposed agenda or item in discussion
- Shareholders or their proxies that are abstain will be counted as the same votes with the majority of shareholders who cast their votes
- Voting result is announced by the notary
- 3 The attendance of a shareholder in the GMS can be represented by other shareholders or by a third party authorized by a letter of attorney. 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

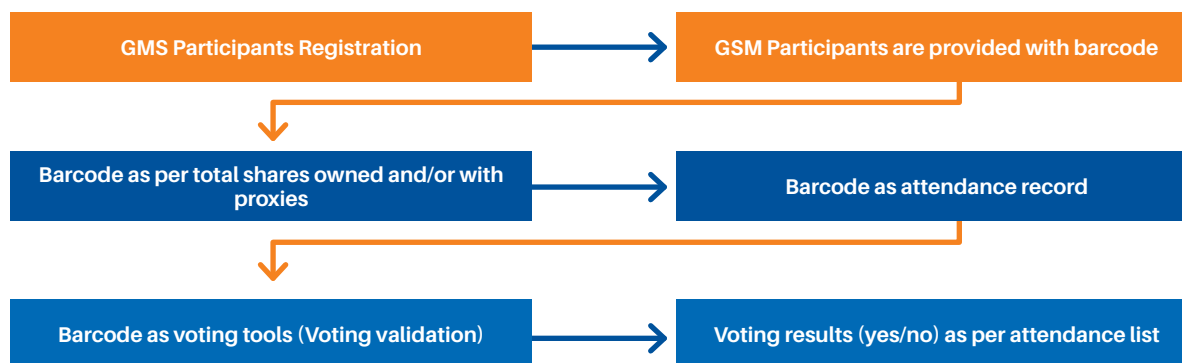
- 1 Every 1 (one) share extends its holder 1 (one) voting right.
- 2 Voting mechanism in GMS:
 - Shareholders or their proxies that are abstain and against the proposed agenda are requested to raise their hands and submit their votes

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GMS Voting Method with Electronic Tools



GMS Voting Method Involving Independent Parties

In conducting a GMS, BRI invites not only shareholders but also third parties especially in voting and vote counting. The third parties are notary and the Share Registrar.

Notary

Pursuant to the prevailing laws and regulations, a listed company must create a minutes or report of GMS. The minutes or report can be privately made or authenticated by a notary. As a public company and to exercise good corporate governance, BRI consistently creates a notarized GMS minutes/

report. As such, in any GMS, BRI invites notary that witness the GMS process firsthand. The notary may also provide opinion/suggestions/correction necessary for the GMS.

Share Registrar

BRI appoints PT Datindo Entrycom as the Share Registrar tasked to administer the registry of securities holder and to periodically update the list for the Bank. The agency's involvement in a GMS serves a number of purpose, among others:

- 1) 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.

- 2) To register and validate shareholders that attends the GMS.
- 3) To perform electronic count of attendance quorum and votes for each agenda item.
- 4) To provide printed materials relating to voting administration.

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GMS IN 2015

In 2015, BRI convened 3 (three) GMS, which are 1 (one) Annual GMS and 2 (two) Extraordinary GMS.

BRI Annual GMS 2015

The Annual GMS 2015 was convened on Tuesday, 19 March 2015, at the 21st floor of BRI I Building, Sentra BRI, Jl. Jenderal Sudirman No 44-46, Jakarta 10210.

BRI convened the Annual GMS 2015 with the following details of notification, announcement, invitation, agenda, resolutions, and resolutions implementation:

Notification	Announcement	Invitation	Implementation	Resolutions Announcement
GMS notification submitted to the Financial Services Authority (OJK) on 30 January 2015	GMS announcement published on 10 February 2015 on BRI website in Indonesian and English, and published in Kompas and Bisnis Indonesia daily newspapers.	Published on 25 February 2015 on BRI website in Indonesian and English, and published in Kompas and Bisnis Indonesia daily newspapers.	Date: 19 March 2015 Venue: BRI Head Office BRI I Building, 21st floor.	Published on 23 March 2015 on BRI website in Indonesian and English, and published in Kompas and Bisnis Indonesia daily newspapers.
	36 (thirty six) calendar days prior to GMS	25 (twenty five) calendar days prior to GMS		2 (two) working days after the GMS

Agenda 1

AGMS Agenda	Approval of the Annual Report including Ratification of the Company's Financial Report and Approval of the Board of Commissioners' Supervisory Report as well as Ratification of the Annual Report and Financial Statements on the Partnership and Community Development Program for the financial year of 2014		
AGMS Explanation	The first to fourth agenda items are routine agenda of the Bank's annual GMS, pursuant to the Articles of Association		
AGMS Resolutions	1. Approved the 2014 Annual Report and ratified the Supervisory Report of the Board of Commissioners and the Financial Statements for the financial year of 2014 which had been audited by the Public Accountant Firm Purwantono, Suherman and Surja according to the Report No. RPC-6591/PSS/2015 dated January 16, 2015, and provided full release and discharge (acquit et de charge) to the Board of Directors and the Board of Commissioners for their management and supervision during the financial year ended on 31 December 2014 provided that the action is not categorized as a criminal action and is reflected in the Company's Annual Report. 2. Ratified the Annual Report of the Partnership and Community Development Program for the financial year of 2014 including the Financial Statements audited by the Public Accountant Firm Purwantono, Suherman and Surja, according to the Report No. RPC-6769/PSS/2015 dated February 18, 2015 and provided full release and discharge (acquit et de charge) to the Board of Directors and the Board of Commissioners for their management and supervision on the Partnership and Community Development Program provided that the action is not categorized as a criminal action and is reflected in the Company's Annual Report of the Partnership and Community Development Program.		
AGMS Vote Counts	Affirmative Vote 20,814,803,678 votes (99.68%)	Non Affirmative Vote 10,645,700 votes (0.05%)	Blank/Abstain 56,148,200 votes (0.27%)
AGMS Realization/ Follow-up	Approved by the GMS. The annual reports and financial statements have been submitted to FSA and Indonesia Stock Exchange and have been published on BRI and Indonesia Stock Exchange's websites on 25 February 2015.		

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Agenda 2

AGMS Agenda AGMS Agenda Approval for the distribution of the Company's net profit for the financial year of 2014

AGMS Explanation Refer to Agenda 1

AGMS Resolutions

1. Approved the distribution of Net Profit of the Company for the financial year of 2014 amounted to Rp 24,241,649,766,770.30 as follows:
 - a. Rp 7,272,494,930,031.00 or amounting to 30% was designated as the 2014 Financial Year dividend
 - b. Rp 2,666,581,474,344.00 or amounting to 11% will be used for Appropriated Reserve to support investment
 - c. The rest is allocated as the Company's Retained Earnings Granted authority to the Board of Directors to set the schedule and the procedure of cash dividend payment of the financial year of 2014 in accordance with the prevailing laws and regulations.

AGMS Vote Counts	Affirmative Vote	Non Affirmative Vote	Blanko/Abstain
	20,792,712,256 votes (99.57%)	28,036,514 votes (0.13%)	61,848,808 votes (0.30%)

AGMS Realization/ Follow-up The allowance and retained earnings components in the capital structure was increased. The dividend payout mechanism was announced on 23 March 2015 in Kompas and Bisnis Indonesia newspapers, on the Indonesia Stock Exchange and the Bank's websites. The dividend payout was implemented on 22 April 2015.

Agenda 3

AGMS Agenda Approval on the salaries/honorarium including facilities and other allowances in 2015, as well as tantieme for financial year of 2014 for the members of the Board of Directors and the Board of Commissioners

AGMS Explanation Refer to Agenda 1

AGMS Resolutions Granted power and authority to the Company's Board of commissioners with prior approval from Series A Dwiwarna Shareholders to determine tantiem for the 2014 Financial Year to all members of the Board of Directors and Board of Commissioners who served during financial year 2014, as well as the salary/ honorarium, allowances and also other facilities for the members of the Board of Directors and the Board of Commissioners for the year of 2015.

AGMS Vote Counts	Affirmative Vote	Non Affirmative Vote	Blanko/Abstain
	19,678,152,578 votes (94.24%)	814,944,752 votes (3.90%)	388,500,248 votes (1.86%)

AGMS Realization/ Follow-up BRI's Board of Commissioners Decree No. 01-KOM/01/2015 dated 20 January 2015 on the Remuneration of the Board of Directors, Board of Commissioners, and Corporate Secretary

Agenda 4

AGMS Agenda Appointment of Public Accountant Firm to audit the Company's Financial Statements and the Partnership and Community Development Program's Financial Statements for the financial year of 2015

AGMS Explanation Refer to Agenda 1

AGMS Resolutions Granted the authority to the Board of Commissioners to appoint Public Accountant Firm and a substitute Public Accountant Firm in the event that the appointed Public Accountant Firm for any reasons whatsoever fails to complete the audit of the Company's Financial Statements and the Financial Statements of the Partnership and Community Development Program for the financial year of 2015, as well as to determine the honorarium and other terms applicable to the appointed Public Accountant Firm and the substitute Public Accountant Firm.

AGMS Vote Counts	Affirmative Vote	Non Affirmative Vote	Blanko/Abstain
	19,849,223,908 votes (95.06%)	620,218,244 votes (2.97%)	412,155,426 votes (1.97%)

AGMS Realization/ Follow-up BRI's Board of Commissioners Letter No. B.139-KOM/09/2015 concerning the Appointment of Public Accountant Firm to Conduct General Audit on BRI Financial Statements and the Financial Statements of Partnership and Community Development Program 2015

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Agenda 5			
AGMS Agenda	Amendment of the Bank’s Articles of Association		
AGMS Explanation	Amendment of the Bank’s Articles of Association pursuant to, among others, FSA Regulation No. 32/POJK.04/2014 on the Plan and Implementation of GMS for Public Companies (“POJK No. 32”); and FSA Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Listed or Public Companies (“POJK No. 33”).		
AGMS Resolutions	1. Approved the changes of the Company’s Articles of Association, among others, to comply with the Indonesia Financial Services Authority (FSA) Regulations No. 32/POJK.04/2014 regarding the Plan and Implementation of General Meeting of Shareholders for Issuers or Public Companies and Financial Service Authority Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of the Issuers or Public Companies. 2. Approved to restate the entire provisions of the Articles of Association in connection with the changes as referred to in point 1 (one) above. 3. Granted power and authority to the Board of Directors with the right of substitution to perform all necessary actions related to the meeting resolutions in accordance with the prevailing laws and regulations and report these changes to the relevant authorities.		
AGMS Vote Counts	Affirmative Vote 15,442,686,103 votes (73.95%)	Non Affirmative Vote 4,401,674,336 votes (21.08%)	Blanko/Abstain 1,037,237,139 votes (4.97%)
AGMS Realization/ Follow-up	Notarial Deed from the Notary Fathiah Helmi, SH. No.1 dated 1 April 2015. The deed has been registered in the Receipt of Notification of Amendment to the Company’s Articles of Association with the Ministry of Justice and Human Rights and registered in the Companies Registry No. AHU-0159871. AH.01.11 Year 2015.		
Agenda 6			
AGMS Agenda	AGMS Agenda Changes in the Company’s Board of Commissioners and Board of Directors		
AGMS Explanation	The sixth agenda was included among others due to the completion of term of service of several members of the Board of Directors and Board of Commissioners upon the conclusion of GMS, and due to new assignment of several members of the Board of Directors to other SOEs		

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AGMS Resolutions

1. Approved and honorably discharged as members of the Company's Board of Commissioners, as below:
 - Mr. Bunasor Sanim: President Commissioner/Independent Commissioner
 - Mr. Adhyaksa Dault: Independent Commissioner
 - Mr. Hermanto Siregar: Independent Commissioner
 - Mr. Heru Lelono: Commissioner
 - Ms. Dwijanti Tjahjaningsih: Commissioner

The completion of the term of office is effective as of the GMS conclusion, with gratituton for the contribution and thought given during their term of service as members of the Board of Commissioners.
2. Re-assigned the position of Mr. Mustafa Abubakar from Vice President Commissioner/Independent Commissioner to President Commissioner/Independent Commissioner, effective as of the approval from the Financial Services Authority (OJK) on Fit and Proper Test. The term of office resumed the previous term of office as Vice President Commissioner/Independent Commissioner.
3. Approved and appointed the following names as members of the Company's Board of Commissioners:
 - Mr. Gatot Trihargo: Vice President Commissioner
 - Mr. Fuad Rahmany: Independent Commissioner
 - Mr. Adhyaksa Dault: Independent Commissioner
 - Mr. Sonny Kerat: Independent Commissioner
 - Mr. Jeffry J. Wurangian: Commissioner
 - Mr. Gatot M. Suwondo: Commissioner

The appointment of the members of the Board of Commissioners shall be effective as of the approval from FSA on Fit and Proper Test and the fulfillment of the prevailing regulations, except for the appointment of Mr. Adhyaksa Dault which shall be effective as of the closing of GSM. The end of the term of office of the appointed members of the Board of Commissioners shall be until the closing of the 5th Annual GSM since their appointment without prejudice to the right of GMS to dismiss those members at any time.
4. Confirmed the discharge of the following names with gratituton for the contribution and thought given during their term of service as the Board of Directors:
 - Mr. Sofyan Basir and Mr. Sarwono Sudarto, since their appointment as President Director and Director of PT Perusahaan Listrik Negara (Persero) dated 2 January 2015.
 - Ms. Lenny Sugihat, since her appointment as President Director of Perusahaan Umum Badan Urusan Logistik dated 2 January 2015.
5. Approved and honorably discharged the following names as members of the Board of Directors:
 - Mr. Djarot Kusumayakti: Director
 - Mr. Sulaiman Arif Arianto: Director
 - Mr. Suprajarto: Director
 - Mr. Achmad Baiquni: Director

The completion of the term of office is effective as of the GMS conclusion, with gratituton for the contribution and thought given during their term of service as members of the Board of Commissioners.
6. Diverting the positon of Mr. Asmawi Syam from Director to President Director effective as of fit and proper test approval from FSA. The term of office resumed the previous term of office as Director.

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7. Approved and appointed the following names as members of the Board of Directors:

- Mr. Sunarso: Vice President Director
- Mr. Djarot Kusumayakti: Director
- Mr. Mohammad Irfan: Director
- Mr. Haru Koesmahargyo: Director
- Mr. Donsuwan Simatupang: Director
- Mrs. Susi Liestiwaty: Director
- Mr. Zulhelfi Abidin: Director

The appointment of the members of the Board of Directors shall be effective as of the approval from FSA on Fit and Proper Test and the fulfillment of the prevailing regulations, except for the appointment of Mr Djarot Kusumayakti which shall be effective as of the GSM conclusion. The completion of the term of office of the appointed members of the Board of Directors shall be until the closing of the 5th Annual GSM of the Company since their appointment without prejudice to the right of GSM to dismiss those members at any time.

8. With regards to the above appointments, the composition of the Board of Commissioners and Directors are as follows:

Board of Commissioners

- President Commissioner/Independent Commissioner: Mustafa Abubakar*
- Vice President Commissioner: Gatot Trihargo*
- Independent Commissioner: Fuad Rahmany*
- Independent Commissioner: Ahmad Fuad
- Independent Commissioner: Adhyaksa Dault
- Independent Commissioner: Sonny Keraf*
- Commissioner: Vincentius Sonny Loho
- Commissioner: Jeffry J. Wurangian*
- Commissioner: Gatot M. Suwondo*

Board of Directors

- President Director: Asmawi Syam*
- Vice President Director: Sunarso*
- Director: Djarot Kusumayakti
- Director: Gatot Mardiwastito
- Director: A. Toni Soetirto
- Director: Randi Anto
- Director: Susy Liestiwaty*
- Director: Zulhelfi Abidin*
- Director: Donsuwan Simatupang*
- Director: Haru Koesmahargyo*
- Director: Mohammad Irfan*

*) Effective as of the FSA fit and proper test approval and the fulfillment of the prevailing regulations.

9. Granted authority and power with the substitution right to the Board of Directors to perform all necessary actions related to this agenda resolution in accordance with the prevailing laws and regulations, including to state in a separate notarial deed and to notify the changes of the composition of the Board of Directors and Board of Commissioners to the Minister of Justice and Human Rights, and to request the FSA to undergo a Fit and Proper Test on the Board candidates according to the prevailing laws and regulations.

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AGMS Vote Counts	Affirmative Vote	Non Affirmative Vote	Blanko/Abstain
	15,119,190,736 votes (72.40%)	5,084,434,194 votes (24.35%)	677,972,648 votes (3.25%)
AGMS Realization/ Follow-up	1. Notarial Deed from the Notary Fathiah Helmi, SH. No.1 dated 23 April 2015. The deed has been registered in the Receipt of Notification of Amendment to the Company Articles of Association with the Ministry of Justice and Human Rights and registered in the Bank No. AHU-3496712.AH.01.11 2. Result of FSA Fit and Proper Test:		
	Board of Commissioners a. Mr. Gatot Trihargo (Vice President Director), FSA Letter No. SR.99/d.03/2015 dated 1 June 2015; b. Mr. A Sonny Keraf, FSA Letter No. SR.98/d.03/2015 dated 1 June 2015 c. Mr. A. Fuad Rahmany, FSA Letter No. SR.85/d.03/2015 dated 19 May 2015 d. Mr. Jeffry J. Wurugian, FSA Letter No. SR.137/d.03/2015 dated 3 July 2015		
	Board of Directors a. Mr. Asmawi Syam (President Director) FSA Letter No. SR.61/d.03/2015 dated 16 April 2015 b. Mr. Sunarso (Vice President Director), FSA Letter No SR.62/d.03/2015 dated 16 April 2015 c. Mr. Mohammad Irfan, FSA Letter No. SR.100/d.03/2015 dated 1 June 2015 d. Mr. Donsuwan Simatupang, FSA Letter No. 101/d.03/2015 dated 1 June 2015 e. Mrs. Susy Liestiwaty, FSA Letter No. SR.108/d.03/2015 dated 8 June 2015 f. Mr. Haru Koesmahargyo, FSA Letter No. SR.109/d.03/2015 dated 8 June 2015 g. Mr. Zulhelfi Abidin, FSA Letter No. SR.138/d.03/2015 dated 3 July 2015		

Questions & Answers in 2015 BRI GMS

Agenda	Question/Comments	Answer
One	None	None
Two	How much is the dividend payout per share? Since profits increased, dividend ratio could be increased to 35%	Dividend from fiscal year 2014 was at 294,8010 per share. The ratio remained 30% as previous year's ratio, however the amount of payout increased. Dividend payout took into account the Bank's strategy and needs
Three	None	None
Four	None	None
Five	None	None
Six	None	None

BRI First Extraordinary GMS 2015

BRI convened the First Extraordinary GMS 2015 with the following details of notification, announcement, invitation, agenda, resolutions, and realization:

Notification	Announcement	Invitation	Implementation	Result Announcement
GMS notification submitted to the Financial Services Authority (OJK) on 26 June 2015	GMS announcement published on 6 July 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.	Published on 21 July 2015 on BRI website in Indonesian and English, and published in Kompas daily newspaper.	Date: 12 August 2015 Venue: BRI Head Office BRI I Building, 21st floor.	Published on 14 August 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.
	37 (thirty seven) calendar days prior to GMS	22 (twenty two) calendar days prior to GMS		2 (two) working days after the EGMS

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Agenda 1			
EGMS Agenda	Changes in the Company’s Board of Directors and/or Board of Commissioners		
EGMS Explanation	The agenda accommodated a stipulation of the Bank’s Articles of Association and FSA Regulation No. 33/POJK.04/2014, which stated that members of the Board of Directors and/or Board of Commissioners are appointed and/or terminated by the GMS; the Board candidates are proposed by Series A Dwiwarna shareholders and the proposal is binding for the GMS.		
EGMS Resolutions	1. Appointed Mr. Kuswiyoto as Director of PT Bank Rakyat Indonesia (Persero) Tbk with the following conditions: the appointment is effective as of the FSA fit and proper test approval and in compliance to regulatory requirements; the completion of term of service is upon the closing of fifth Annual GSM since the appointment with observance to the Capital Market regulations and without prejudice to the GMS’ right to dismiss a member at any time. 2. The composition of the Board of Directors and Board of Commissioners as of the GSM conclusion are as follows: Board of Directors President Director: Asmawi Syam Vice President Director: Sunarso Director: Gatot Mardiwasisto Director: A. Toni Soetirto Director: Randi Anto Director: Susy Liestiwaty Director: Zulhelfi Abidin Direector: Mohammad Irfan Director: Donsuwan Simatupang Director: Haru Koesmahargyo Director: Kuswiyoto* Board of Commissioners President Commissioner/Independent Commissioner: Mustafa Abubakar Vice President Commissioner: Gatot Trihargo Independent Commissioner: A. Fuad Rahmany Independent Commissioner: Ahmad Fuad Independent Commissioner: Adhyaksa Dault Independent Commissioner: Sonny Keraf Commissioner: Vincentius Sonny Loho Commissioner: Jeffry J. Wurangian * E ffective as of the FSA fit and proper test approval and in compliance with the prevailing regulations.		
AGMS Vote Counts	Affirmative Vote	Non Affirmative Vote	Blanko/Abstain
	15,015,915,024 votes (73.29%)	4,544,906,063 votes (22.18%)	926,828,494 votes (4.52%)
AGMS Realization/ Follow-up	1. Notarial Deed from the Notary Fathiah Helmi, SH. No.1 dated 14 December 2015. The deed has been registered in the Receipt of Notification of Amendment to the Company’s Articles of Association with the Ministry of Justice and Human Rights and registered in the Bank No. AHU-3592452.AH.01.11. 2. Result of FSA Fit and Proper Test of Mr. Kuswiyoto, FSA Letter No. SR.99/d.03/2015 dated 4 November 2015..		

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Questions and Answers in the First Extraordinary GMS

Questions/Comments	Answer
None	None

BRI Second Extraordinary GMS 2015

BRI convened the Second Extraordinary GMS 2015 with the following details of notification, announcement, invitation, agenda, resolutions, and realization:

Notification	Announcement	Invitation	Re-Invitation	Implementation	Resolutions Announcement
GMS notification submitted to the Financial Services Authority (OJK) on 16 October 2015	GMS announcement published on 26 October 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.	Published on 10 November 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.	Changes in GMS date from 2 December 2015. Published on 20 November 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.	Date: 14 December 2015 Venue: BRI Head Office BRI I Building, 21st floor.	Published on 16 December 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.
	49 (forty nine) calendar days prior to GMS	34 (thirty four) calendar days prior to GMS	24 (twenty four) calendar days prior to GMS		2 (two) working days after the GMS

Agenda 1

EGMS Agenda	Approval of the Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BJS") including approval of Draft of Acquisition		
EGMS Explanation	In line with the Bank's Business Plan, in order to complement the Bank's financial services and to enhance its goals in providing the end-to-end service to customers especially in life insurance, the Bank required the GMS approval on the corporate action of the acquisition of BJS shares directly from BJS' shareholder, Pension Fund of Bank Rakyat Indonesia.		
EGMS Resolutions	1. Approved the maximum acquisition of 2,002,022 (two million two thousand and twenty-two) shares of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BJS"), or equivalent to 91.001% (ninety one point zero zero one percent) of the total shares issued and paid-up capital of BJS exercised directly from BRI Pension Fund. 2. Approved the acquisition deed draft. 3. Approved and granted authority with substitution right to the Company's Board of Directors to perform all necessary actions related to the approval above and to meet all trading requirements as well as prevailing regulations, including to amend the draft of acquisition deed.		
AGMS Vote Counts	Affirmative Vote 17,293,825,735 votes (83.41%)	Non Affirmative Vote 3,333,222,446 votes (16.07%)	Blanko/Abstain 104,625,500 votes (0.50%)
AGMS Realization/ Follow-up	1. FSA approval No. S.151/PB.31/2015 dated 23 December 2015 on the Approval of BRI Capital Investment in BJS. 2. Share acquisition deed of PT Asuransi Jiwa Bringin Jiwa Sejahtera signed on 29 December 2015 according to the deed of Notary Fathiah Helmi, SH. No. 41.		

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Agenda 2			
EGMS Agenda Item	The determination of validation of SOE Minister Regulation No. Per-09/MBU/07/2015 dated 3 July 2015 on the Partnership and Community Development Program.		
EGMS Explanation	This agenda accommodated Article 2 of SOE Minister Regulation No. Per-09/MBU/07/2015		
EGMS Resolutions	Approved the determination of validation of SOE Minister Regulation No. Per-09/MBU/07/2015 dated 3 July 2015 on the Partnership and Community Development Program as guideline for the Board of Directors in implementing the program, and effective as of 2016.		
AGMS Vote Counts	Affirmative Vote 20,712,392,481 votes (99.90%)	Non Affirmative Vote 0 vote (00.00%)	Blank/Abstain 19,281,200 votes (0.09%)
AGMS Realization/ Follow-up	Implementation in 2016		

Questions and Answers in Second Extraordinary GMS

Agenda Item	Questions/Comments	Answer
One	Percent of downpayment in acquisition?	Acquisition downpayment is 10%.
	Impact of acquisition to existing management/employees?	Some adjustments will be required as needed; BRI expected key employees would continue their tenures
	Plan for termination?	
Second	None	None

SHAREHOLDERS, BOARD OF DIRECTORS, AND BOARD OF COMMISSIONERS
ATTENDANCE IN GMS

The following table presents details of the Bank's shareholders, Board of Commissioners, and Board of Directors attendance in GMS:

Participant	Annual GMS	EGMS I	EGMS II
Shareholders	Attended/represented shares in annual GMS amounted to 20,881,597,578 shares or equal to 84.65% of total shares with legitimate voting right issued by the Bank	Attended/represented shares in Extraordinary GMS amounted to 20,487,649, 581 shares or equal to 83.049% of total shares with legitimate voting right issued by the Bank.	Attended/represented shares in Extraordinary GMS amounted to 20,731,673,681 shares or equal to 84.26% of total shares with legitimate voting right issued by the Bank.
Board of Directors	Asmawi Syam Sulaiman A. Arianto Achmad Baiquni Suprajarto Djarot Kusumayakti Randi Anto Gatot Mardiwasisito	Asmawi Syam Sunarso A.Toni Sutirto Randi Anto Gatot Mardiwasisito Mohammad Irfan Zulhelfi Abidin Susy Liestiowaty Donsuwan Simatupang Haru Koesmahargyo	Asmawi Syam Sunarso A.Toni Sutirto Randi Anto Gatot Mardiwasisito Mohammad Irfan Zulhelfi Abidin Susy Liestiowaty Donsuwan Simatupang Haru Koesmahargyo Kuswiyoto

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Participant	Annual GMS	EGMS I	EGMS II
Board of Commissioners	Bunasor Sanim	Mustafa Abu Bakar	Gatot Trihargo
	Mustafa Abu Bakar	Gatot Trihargo	Ahmad Fuad
	Hermanto Siregar	Ahmad Fuad	Adhyaksa Dault
	Adhyaksa Dault	Adhyaksa Dault	A. Fuad Rahmany
	Ahmad Fuad	A. Fuad Rahmany	Sonny Keraf
	Vincentius Sonny Loho	Sonny Keraf	Vincentius Sonny Loho
		Vincentius Sonny Loho	Jeffry J. Wurangian
		Jeffry J. Wurangian	

DIVIDEND POLICY

The dividend payout is exercised only when the Bank records positive profit balance and in accordance with the Bank's financial capacity. The dividend payout is stipulated in the Annual GMS, and the time of payout, payout mechanism, and form of dividend are taking into account the prevailing laws and regulations as well as the location where the Bank's shares are listed. If the GMS decide on cash dividend payout, the Bank must exercise payment to shareholders no later than 30 (thirty) days after the publication of GMS minutes that sets out the cash dividend resolution.

Proposals in GMS and Approval

The proposal of dividend payout is stated in the agenda distributed to the shareholders in conjunction with GMS invitation. The approval of dividend payment and execution is discussed in the GMS.

Dividend Payout Mechanism

The dividend payout schedule and mechanism is published by the Bank together with GMS resolutions announcement. For the dividend payout of fiscal year 2014, the information was published on 23 March 2015 in Kompas and Bisnis Indonesia daily newspaper as well as Indonesia Stock Exchange and BRI's websites. The dividend payout of fiscal year 2014 was exercised on 22 April 2015.

Amount of Dividend Payout

The amount of dividend payout of fiscal year 2014 was 30% of the profits, or amounted of Rp7,272,494,930,031.00.

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BOARD OF COMMISSIONERS



The Board of Commissioners constitutes as one of the main organs in the Governance Structure. The Board of Commissioners has collective duties and responsibilities to oversee the company's policies and management activities in accordance with the set forth business objectives. The Board of Commissioners shall provide advisory to the Board of Directors upon request or whenever deemed necessary. The Board of Commissioners also serves to ensure the implementation of Good Corporate Governance in the company.

Legal Reference

BRI's Board of Commissioners is assigned in accordance with the prevailing laws and regulations, among others are as follows:

- a. Law No. 40 Year 2007 regarding the Limited Liabilities Company that requires all companies incorporated under the jurisdiction of Indonesian Law to have Board of Commissioners.
- b. Law No. 19 Year 2003 regarding the Board of Commissioners of State-Owned Enterprises.
- c. Regulation of the Financial Services Authority No. 33/

POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Listed Companies.

- d. Government Regulation No. 45 year 2005 regarding the Establishment, Management, Supervision, and Dissolution of State Owned Enterprises.
- e. Regulation of Bank Indonesia No. 8/4/PBI/2006 concerning Good Corporate Governance Implementation for Commercial Banks and its amendment, Regulation of Bank Indonesia No. 8/14/PBI/2006.
- f. Regulation of Ministry of Stateowned 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.
- g. Regulation of Bank Indonesia No. 12/23.PBI/2010 dated 29 December 2010 regarding the Fit and Proper Test.

Board of Commissioners Charter

BRI has in place the Board of Commissioners Charter, or the Board of Commissioners Manual which describes the duties, authorities, responsibilities, division of works, working hours, work ethics, procedures of meeting and decision making, and restrictions for members of the Board of Commissioners. The Manual also elaborates the duties and responsibilities of the Board of Commissioners' organs that consist of the Audit Committee, Risk Management Oversight Committee, Nomination and Remuneration Committee, Integrated Governance Committee and the Secretary of the Board of Commissioners. In addition

to the Board of Commissioners Manual, in carrying out its duties and responsibilities, the Board of Commissioners is also guided by the Company's Articles of Association and the set forth Internal rules.

Board of Commissioners' Composition

As of the end of 2015, the composition of BRI's Board of Commissioners consists of 8 (eight) members, 5 (five) of which are Independent Commissioners. This number has met the requirement for the maximum number of Board of Commissioners' members, which should not exceed the total of 11 (eleven) members, and the composition of Independent Commissioner that should not exceed 62.5% of the entire Board of Commissioners. All members of the Board of Commissioners have excellent financial integrity and reputation.

Members of BRI's Board of Commissioners do not hold concurrent posts as Commissioner, Director, or Executives in other banks, with the exceptions as stated in Bank Indonesia's regulations on GCG implementation in Commercial Banks.

Diversity of the Board of Commissioners' Composition

As a State-owned Enterprise which majority of share is owned by the Government through the Series A Dwiwarna Shareholders, in the determination of structure and composition of the Board of Commissioners, there are no specific requirements from the Series A Dwiwarna Shareholders in terms of gender diversity in the Board of Commissioners' composition.

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However, given the complexity and heterogeneity of the Company's business, BRI believes that the diversity in competence, experience and educational background, and also profession is indispensable in carrying out the supervisory function.

Overall, changes in the composition of the Board of Commissioners has not affected the mix of competence, experience, educational backgrounds and professions, as stated in the profiles of each member of the Board of Commissioners, namely from the backgrounds of academics, bureaucracy, and experienced decision/policy makers on the regulatory or corporations, which includes banking, economics, finance, law, capital markets, governance, human resources, management and others that support the implementation of duties and responsibilities of the Board of Commissioners in accordance with the Company's requirements.

Diversity of the Board of Commissioners' Composition

1	Name	Mutafa Abubakar
	Jabatan	President Commissioner/Independent Commissioner
	Age	66 years old
	Professional Experience	1. Inspectorate General of Department of Sea Exploration and Fisheries. 2. Regional Government of Nanggroe Aceh Darusalam Province, 3. Indonesian Bureau of Logistics (BULOG) 4. Ministry of SOEs 5. PT Bank Rakyat Indonesia (Persero) Tbk
	Experience in Directorate/Executive Institutions	1. Inspectorate General Department of Sea Exploration and Fisheries, 1999-2001 2. Inspectorate General Department of Sea and Fisheries, 2001-2005 3. Governor of Nanggroe Aceh Darusalam Province, 2005-2007 4. President Director of Indonesian Bureau of Logistics (BULOG), 2007-2009 5. Minister of SOE, 2009-2011 6. Deputy Commissioner, Bank Rakyat Indonesia 2012-2015. 7. President Commissioner, Bank Rakyat Indonesia 2015 - present
	Education	• Bachelor Degree in Water Resources, Bogor Agricultural Institute • Master Degree in Marine Engineering, Bogor Agricultural Institute • Doctorate in Marine Engineering, Bogor Agricultural Institute
	Concurrent Positions	1. Member of the National Banking Advisory Board (PERBANAS) 2. Advisory Board Member of the Indonesian Agricultural Economics Association (PERHEPI) 3. Advisory Board Chairman of the Republic of Indonesia Wredhatama Association (PWRI) 4. Advisory Board Member of Alumni Association of National Resilience Institute (IKAL) 5. Advisory Board Member of Leuser International Foundation (YLI) 6. Academic Senate of STIE Indonesia Banking School 7. Vice President of the Supervisory Board of the Indonesian Bankers Association (IBI)

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2	Name	Gatot Trihargo
	Jabatan	Vice President Commissioner
	Age	55 years old
	Professional Experience	1. Department of Information and Administration of the Ministry of SOEs, 2. PT Adhi Karya (Persero) Tbk 3. PT Jiwasraya (Persero) 4. Department of Strategic Industries and Manufacturing Businesses II, Ministry of SOEs 5. Department of Service Businesses, Ministry of SOEs 6. PT Telkom (Persero) Tbk 7. Pertamina 8. Department of Financial, Construction and Other Services, Ministry of SOEs 9. Department of Financial Services, Survey and Consultancy Services, Ministry of SEOs 10. PT Bank Rakyat Indonesia (Persero) Tbk
	Experience in Directorate/Executive Institutions	1. Commissioner of PT Adhi Karya (Persero) Tbk, August 2007 – May 2012 2. Commissioner of PT Jiwasraya (Persero), Sept 2008 – September 2012 3. Deputy Assistant of the Department of Strategic Industries and Manufacturing Businesses II, Ministry of SOEs, October 2010 – March 2013 4. Deputy of the Department of Service Businesses, Ministry of SOEs March 2013 – May 2014 5. Deputy of the Department of Financial, Construction and Other Services, Ministry of SOEs, May 2014 – July 2015 6. Deputy of the Department of Financial Services, Survey and Consultancy Services, Ministry of SEOs, July 2015 – present 7. Commissioner of PT Telkom (Persero) Tbk, April 2013 – April 2014 8. Commissioner of Pertamina, April 2014 – March 2015, April 2014 – March 2015 9. Deputy Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk, March 2015 – present
	Education	• Associate Degree, Indonesian State College of Accounting (STAN) • Bachelor Degree, Indonesian State College of Accounting (STAN) • Master of Accountancy and Financial Information Systems (MAFIS), Cleveland State University, Ohio, USA
	Concurrent Positions	1. Member of the National Board of Indonesian Institute of Accountants (IAI) (2014 – present) 2. President of Association Certified Fraud Examiner (CFE) - Indonesia Chapter (2010 – present) 3. Honorary Board Member of the Audit Committee Association of Indonesia (IKAI) (2010 – present) 4. Member of the Board of Examiners for Certified Professional Management Accountant (CPMA) (2009 – present) 5. Member of the Board of Examiners for National Center for Sustainability Reporting (NCSR) (2009-present)
3	Name	Adhyaksa Dault
	Jabatan	Independent Commissioner
	Age	52 years old
	Professional Experience	1. PT Citra Mitra Inti Kusuma 2. PT Mitra Himalaya Perdana 3. PT Kraton Imaji Utama 4. Dault & Associates Law Office, 2000 – 2004 5. Ministry of Youth and Sports, 2004 – 2009 6. PT Bank Rakyat Indonesia (Persero) Tbk,
	Experience in Directorate/Executive Institutions	1. Commissioner of PT Citra Mitra Inti Kusuma, 16 May 1995 – 21 May 1997 2. Commissioner of PT Mitra Himalaya Perdana, 21 June 1997 – 18 June 1999 3. Commissioner of PT Kraton Imaji Utama, 12 April 2000 – 12 April 2002 4. President of Dault & Associates Law Office, 2000 – 2004 5. Ministry of Youth and Sports 2004 – 2009. 6. Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk, 2010 – present
	Education	• Bachelor of Law, Trisakti University • Master Degree in Public Empowerment, FISIP, Indonesia University • Doctorate from Faculty of Fisheries and Marine, Bogor Agricultural Institute
	Concurrent Positions	1. Chairman of National Scouts Organization, 2013 – Present. 2. Lecturer of Post Graduate Program at Jakarta State University. 3. Lecturer of Post Graduate Program of Faculty of Fisheries and Marine, Diponegoro University Semarang.

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4	Name	Ahmad Fuad
	Jabatan	Independent Commissioner
	Age	61 years old
	Professional Experience	1. Bank Indonesia 2. PT Bank Rakyat Indonesia (Persero) Tbk, 2012 - present
	Experience in Directorate/Executive Institutions	1. Supervisor of Bank Indonesia, 1983-2001 2. Deputy Legal Director of Bank Indonesia, 2001 - 2005 3. Director of Banking Investigation and Mediation of Bank Indonesia, 2005 - 2008 4. Legal Director of Bank Indonesia 2008 - 2012 5. Supervisory Board of BI Pension Funds 2010-2012 6. Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk, 2012 - present
	Education	· Bachelor of Law, Universitas Indonesia · MBA, University of Adelaide, Australia
	Concurrent Positions	1. Legal and Compliance Advisor at Bank Sahabat Sampoerna 2. Legal and Compliance Advisor at Bank ICBC Indonesia
5	Name	A. Fuad Rahmany
	Jabatan	Independent Commissioner
	Age	61 years old
	Professional Experience	1. PT Danareksa (Persero) 2. Ministry of Finance 3. PT Bank Internasional Indonesia Tbk 4. Capital Market Supervisory Agency and Financial Institution (Bapepam-LK), 5. Deposit Insurance Agency 6. Directorate General of Taxation 7. Indonesia Export Financing Agency 8. PT Indonesia Asahan Alumunium (Persero) 9. PT Bank Rakyat Indonesia (Persero) Tbk,
	Experience in Directorate/Executive Institutions	1. Director of State Securities Management, Ministry of Finance, Sept 2004 - April 2005 2. Deputy of Finance and Funding Agency for Rehabilitation and Reconstruction of Aceh and Nias, the Ministry of Finance, May 2005 - February 2006 3. President of Capital Market Supervisory Agency and Financial Institution (Bapepam-LK), Ministry of Finance, April 2006 - January 2011. 4. Directorate General of Taxes, Ministry of Finance, January 2011 - December 2014. 5. Commissioner of PT Danareksa (Persero), July 2001 - March 2006. 6. President of the Government Bond Management, Ministry of Finance, Feb. 2001 - Sept 2004 7. Commissioner of PT Bank Internasional Indonesia Tbk, Sept 2002 - April 2006 8. Ex-officio Commissioner of the Deposit Insurance Agency, Nov. 2009 - December 2014 9. Director General of Taxes, Ministry of Finance, January 2011 - December 2014 10. Members of the Non-Executive Board of Directors, Indonesian Exports Financing Agency, August 2013 - August 2014 11. Commissioner of PT Indonesia Asahan Aluminium (Persero), April 2014-2015 12. Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk, 2015 - present
	Education	· Bachelor Degree, Economics, University of Indonesia · Masters Degree, Economics, Duke University, Durham, North Carolina, USA · Doctorate Degree, Economics, Vanderbilt University, Nashville, Tennessee, USA
	Concurrent Positions	None

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6	Name	A. Sonny Keraf
	Jabatan	Independent Commissioner
	Age	57 years old
	Professional Experience	1. Yayasan Obor Indonesia (Publisher) 2. Atma Jaya University Jakarta 3. Ethical Board, Indonesian Corruption Watch (ICW) 4. Ministry of Environment 5. Post Graduate Program, Environmental Science, University of Indonesia 6. Commission VII DPR RI, 7. DPP PDIP Perjuangan 8. National Energy Board, April 9. PT Bank Rakyat Indonesia (Persero) Tbk
	Experience in Directorate/Executive Institutions	1. Editor Staff at Yayasan Obor Indonesia (Publisher), August 1985 – September 1988 2. Lecturer of Business & Professional Ethics in Accounting, Atma Jaya University Jakarta, September 1998 – present 3. Member of the Board of Ethics, Indonesian Corruption Watch (ICW) 1998-1999 4. Minister of Environment, October 1999 – October 2001. 5. Honorary Lecturer for Post Graduate Program, Environmental Science, University of Indonesia, August 2001 – 2014 6. Member of the House of Representatives (DPR-RI), Deputy Chairman of Commission VII DPR RI, October 2004 – October 2009. 7. President of DPP PDIP Perjuangan 2005-2010 8. Member of the National Energy Board, April 2014 – present 9. Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk, 2015 – present
	Education	• Bachelor Degree, Driyarkara School of Philosophy, Jakarta • Master Degree, Philosophy, Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgium • Doctorate, Philosophy, Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgium
	Concurrent Positions	1. Lecturer of Business & Professional Ethics in Accounting, Atma Jaya University Jakarta, September 1998 – present 2. Member of the National Energy Board, April 2014 – present

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7	Name	Vincentius Sonny Loho
	Jabatan	Commissioner
	Age	58 years old
	Professional Experience	1. Sub Directorate of Consolidation and Financial Reporting, Directorate General of Treasury, Ministry of Finance 2. Financial Directorate of General Services Agency, Directorate General of Treasury, Ministry of Finance 3. Accounting and Reporting Directorate, Directorate General of Treasury, Ministry of Finance 4. PT Merpati Nusantara Airlines 5. Inspectorate General of the Ministry of Finance 6. PT Bank Rakyat Indonesia (Persero) Tbk 7. Directorate General of State Assets, Ministry of Finance
	Experience in Directorate/Executive Institutions	1. Director of Finance Development of General Services Agency, Directorate General of Treasury, Ministry of Finance, 2006 to 2008 2. Director of Accounting and Reporting, Directorate General of Treasury, Ministry of Finance, 2008 to 2011 3. Inspector General of the Ministry of Finance, in 2011 -2015 4. Director General of State Assets, Ministry of Finance, 2015-presents 5. Deputy Director of Consolidation and Financial Reporting, Directorate General of Treasury, Ministry of Finance from 2004 to 2006 6. Commissioner of PT Merpati Nusantara Airlines, 2011-2012 7. Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk, 2012 - present. 8. Directorate General of State Assets, Ministry of Finance, 2015 - Present
	Education	• Associate Degree (D3), Indonesian State College of Accounting (STAN) • Associate Degree (D4), Indonesian State College of Accounting (STAN) • Master's Degree from Public Policy and Management, Carnegie Mellon University, Pittsburgh, USA
	Concurrent Positions	1. Director General of State Assets, the Ministry of Finance, 2015 - Present 2. Secretary of the Government Accounting StBapakrds Committee 3. Chairman of the Association of Government Internal Auditors (AAIPI) 4. Member of the IAI Consultative Board for the Public Sector Accountants.

8	Name	Jeffrey J. Wurangian
	Jabatan	Commissioner
	Age	61 years old
	Professional Experience	1. HSBC Bank 2. Bank Danamon, 3. Saseka Finance, 4. Bank Mitraniaga, 5. Bank Sulut, 6. CT. CORP Grup, 7. PT Bank Rakyat Indonesia (Persero) Tbk
	Experience in Directorate/Executive Institutions	1. Accounting, Operation, Credit Analyst, Corporate Banking Department at HSBC Bank, 1984 - 1988 2. Head Credit Reviewer Department, Bank Danamon, May 1988 - February 1989 3. Vice President Saseka Finance, February 1989 - August 1990 4. Director of Operations, Bank Mitraniaga, January 1991 - May 1992 5. Director of Bank Sulut, 2007-2008 6. Director of Marketing, Bank Sulut, 2008-2009 7. President Director of Bank Sulut, 2009 -2012 8. Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk
	Education	• Bachelor Degree in Economics, Sam Ratulangi University • MBA, European University, Antwerp, Belgium • Master Degree, Ag. Economics, Oklahoma State University, USA • Doctorate, Economics, Malang Merdeka University
	Concurrent Positions	None

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Changes in the Board of Commissioners' Composition in 2015

Throughout 2015, there were changes in number and composition of the Board of Commissioners, though it never reached less than three (3) members and or exceeded the total of BRI's Board of Directors and of Independent Commissioners, which is more than 50% of members of the Board of Commissioners, hence it is in accordance with the minimum and maximum number of members of the Board Commissioners and Independent Commissioner as stipulated in the Articles of Association and the Regulation of Bank Indonesia. All members of the Board of Commissioners are of Indonesian citizens and domiciled in Indonesia, and all have been fully approved by the Financial Services Authority (formerly Bank Indonesia) and have gone through the Fit and Proper Test.

Based on the resolutions of the 2015 Annual GMS held on 19 March 2015, 5 (five) members of the Boards of Commissioners were honorably discharged as they have reached the end of their tenure. The discharged members of the Board of Commissioners are:

- Bunasor Sanim (Commissioner/ Independent Commissioner)
- Heru Lelono (Commissioner)
- Adhyaksa Dault (Independent Commissioner)
- Hermanto Siregar (Independent Commissioner)
- Dwijanti Tjahjaningsih (Commissioner)

As their replacement, the GMS has appointed the following:

- Gatot Trihargo (Vice President Commissioner)
- A. Fuad Rahmany (Independent Commissioner)
- Sonny Kerat (Independent Commissioner)
- Jeffry J. Wurangian (Commissioner)
- Gatot M. Suwondo (Commissioner)

In the GMS, transfer of duties was also conducted from Mustafa Abubakar, initially Independent Vice President Commissioner to become Independent President Commissioner, while Adhyaksa Dault (Independent Commissioner) whose tenure ended at the GMS, was reassigned as Independent Commissioner for the second term. Due to his many activities, Gatot M. Suwondo proposed his resignation on June 2015 from his position as Commissioner. The decision for the changes in the Board of Commissioner in the GMS and from the result of the Fit and Proper Test by the Financial Services Authority was addressed in the discussion of the realization of the General Meeting of Shareholders (GMS) resolution.

Criteria of the Board of Commissioners' Members

In accordance with BRI's nomination policy as stipulated in the Board of Commissioners' Decree No. 07-KOM/BRI/07/2015 regarding the Policy for the Nomination of members of the Board of Commissioners and Board of Directors, the criteria and procedures for the assignment of BRI's Board of Commissioners are as follows:

General Qualification

1. Any individuals that are legally competent, except within 5 (five) 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.
 - 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 Board of Commissioners are only allowed to hold concurrent position as:
 - a. Member of the Board of Commissioners, Directors, or Executives in 1 (one) non-financial institution/ company, or

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- b. Member of the Board of Commissioners, Directors, or Executives that has a supervisory function in 1 (one) non-bank subsidiary company that are controlled by the Bank.
5. Not considered as concurrent position, when:
 - a. Non-independent members of the Board of Commissioners 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 Board of Commissioners hold his/her position in a non-profit 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.
7. A written statement by the Prospective Candidates can support the general qualifications stated above

shall meet the requirements of integrity, competency, and financial reputation. To meet the requirements of integrity, the Board of Commissioners' candidate shall have the following:

1. Good character and morals;
2. Commitment to comply with the prevailing laws and regulations;
3. High commitment to the development of sound bank operations; and
4. Excluded from the Disqualified List.

To meet the competency requirements, Members of the Board of Commissioners shall have the following:

1. Adequate knowledge in the field of banking, relevant to his/her position;
2. Experience and expertise in banking and/or finance; and
3. Strategic management skills to develop a sound bank.

Nomination System and Procedure

The assignment procedure of the Board of Commissioners is set as follows:

1. The Nomination and Remuneration Committee selects Prospective Candidates of the Board of Commissioners' members that meet the qualifications.
2. Prospective Candidates of the Board of Commissioners that are considered qualified are proposed by the Nomination and Remuneration Committee to the Board of Commissioners for Evaluation process.

3. The Nomination and Remuneration Committee conducts the evaluation process to explore comprehensive information regarding the qualifications and competence of the Prospective Candidates, by the examination of track records/resume.
4. Information on the Board of Commissioners' Prospective Candidates is discussed in the Nomination and Remuneration Committee meeting to decide on the Candidates for the member of the Board of Commissioners.
5. The discussion results of the Nomination and Remuneration Committee as referred in point 4 (four) is submitted by the Nomination and Remuneration Committee through the Official Memorandum to the Board of Commissioners. The Official Memorandum is considered as document of Committee recommendation for the nomination of the Board of Commissioners' Candidate.
6. The elected Board of Commissioners' Candidates are selected in the Board Commissioners' Meeting, and also considered as the basis for recommendation to the Board of Commissioners through the GMS through Series A Dwiwarna Shareholders.

Pursuant to Regulation No. 12/23/2010 concerning Fit and Proper Test, the Board of Commissioners as Bank Management is required to take the Fit and Proper Test conducted by the Financial Services Authority (formerly Bank Indonesia). The Bank Management

Appointment Procedure

The composition and changes in BRI's Board of Commissioners are stipulated in the GMS. In the event of the appointed members of the Board of Commissioners have not been approved by the FSA, the appointment is not effective until the approval by the FSA.

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To obtain approval of the Board of Commissioners' members, BRI submits an application to the FSA for the fit and proper test. The approval or rejection of the application will be provided by the FSA no later than 30 (thirty) days following the submission of completed application.

The fit and proper test conducted by the FSA includes administrative research and interviews. In the event of candidates that are requested for approval and have been elected in the GMS but are not approved by the FSA, BRI then shall terminate through the GMS.

The candidates of BRI's Board of Commissioners that are not yet approved by the FSA, shall not implement any duties as members of the Board of Commissioners in the Bank's operations and or other activities that poses a significant influence on the Bank's policies and financial condition, even though has been approved and appointed by the GMS.

Termination Procedure

The position of the Board of Commissioners' members are concluded in the event of:

1. His/her passing;
2. End of tenure;
3. Termination by the General Meeting of Shareholders; or
4. Declared bankrupt by the Commercial Court that has a permanent legal force or has been placed under remission by a court decision;
5. No longer qualifies as a member of the Board of Commissioners with due

observance to the BRI's Articles of Association and other laws and regulations (including but not limited to prohibited concurrent positions, and resignation).

A member of the Board of Commissioners is entitled to resign from his/her position by the submission of written resignation regarding his/her intention to BRI. BRI shall convene the GMS to decide on the Board of Commissioners members' resignation within the period of at least 60 (sixty) days following the receipt of resignation letter. The Board of Commissioners' members may also be terminated by the GMS based on other reasons that are considered appropriate by the GMS for the interests and objectives of the Company.

Corporate Orientation Program for the Board of Commissioners

For members of the Board of Commissioners appointed for the first time (new commissioner), a corporate orientation program is provided. The corporate orientation program includes presentations, meetings, company visits and document reviews or other programs. The Corporate Secretary is responsible to implement the introduction program

The introduction program includes:

1. The implementation of the Company's GCG principles;
2. Explanation of the Company related to its purpose, traits, and

scope of activities, financial performance and operations, strategy, short-term and long-term business plans, competitive position, risks and other strategic issues;

3. Information related to a delegation of authority, internal and external audits, internal system and control policies, including the Audit Committee;
4. Explanation of the duties and responsibilities of the Board of Commissioners and prohibition issues.

Board of Commissioners Competency Development Program

BRI has in place a program/ policy to encourage members of the Board of Commissioners to pursue professional education to expand their knowledge on the latest developments in banking and other fields, in relations to the implementation of supervisory duties of the Board of Commissioners. The program is implemented by enrolling the members to various trainings and/ or seminars or workshops, both in Indonesia and abroad. The following are several programs participated in 2015 by members of the Board of Commissioners:

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Commissioner	Education and training	Date	Location
Mustafa Abubakar	Application of Risk Management & Integrated Governance for Financial Conglomerates in Indonesia	26 January 2015	Jakarta
	45th ASEAN Banking Council Meeting	10-12 June 2015	Singapore
	The IIA International Conference	3-13 July 2015	Vancouver, Canada
	ISO 31000 Series 1 : ERM, Fundamentals & International Conference	7-9 December 2015	Denpasar
Ahmad Fuad	Application of Risk Management & Integrated Governance for Financial Conglomerates in Indonesia	26 January 2015	Jakarta
	45th ASEAN Banking Council Meeting	10-12 June 2015	Singapore
	The IIA International Conference	3-13 July 2015	Vancouver, Canada
	ISO 31000 Series 1 : ERM, Fundamentals & International Conference	7-9 December 2015	Denpasar
A. Fuad Rahmany	Analyzing the Role and Function of Commissioners in Improving the Performance of a Healthier and Profitable Banking	19 May 2015	Jakarta
A. Sonny Keraf	Analyzing the Role and Function of Commissioners in Improving the Performance of a Healthier and Profitable Banking	19 May 2015	Jakarta
	Conference & Benchmark : Audit in The Spotlight	18-27 September 2015	Paris
Sonny Loho	Conference & Benchmark : Audit in The Spotlight	18-27 September 2015	Paris
Jeffry J. Wurangian	Analyzing the Role and Function of Commissioners in Improving the Performance of a Healthier and Profitable Banking	19 May 2015	Jakarta
	International Enterprise Risk Management Benchmarking	13-18 September 2015	Barcelona, Spain
	ISO 31000 Series 1 : ERM, Fundamentals & International Conference	7-9 December 2015	Denpasar

Duties and Authority of the Board of Commissioners

Duties of the President Commissioner

The duties of the President Commissioner are:

1. Coordinate the Board of Commissioners' activities on the supervision of the Board of Directors' duties and responsibilities implementation and advisory to the Board of Directors.
2. Coordinate the Board of Commissioners' activities in providing opinions and approval to the Bank's work plan.
3. Coordinate the Board of Commissioners' activities on GCG implementation monitoring and oversight.
4. Coordinate the Board of Commissioners' activities on anti-fraud strategy implementation oversight.
5. Coordinate the Board of Commissioners' activities on the direction, monitoring, and evaluation of the Bank's strategic policy implementation.
6. Coordinate the Board of Commissioners' activities to ensure the follows-up on audit findings and recommendations from Internal Audit Unit, external auditor, as well as Bank Indonesia oversight and/or result of other authority supervision by the Board of Directors.

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7. Coordinate the establishment of committees under the Board of Commissioners and the committees' performance of duties, namely the Audit Committee, Risk Management Oversight Committee, Nomination and Remuneration Committee, and Integrated Governance Committee to ensure effective work performance.
 8. Coordinate the Board of Commissioners' activities in terms of active supervision on Compliance and Risk Management Functions.
 9. Coordinate the Board of Commissioners' activities in providing suggestions to the Board of Directors/management to improve Compliance Function performance.
 10. Lead the Board of Commissioners' internal meeting and Board of Commissioners' joint meeting with the Board of Directors.
 11. Coordinate and monitor the Board of Commissioners work plan implementation.
 12. Preside in the General Meeting of Shareholders (GMS).
 13. Coordinate the submission of reports on the oversight of Bank's Business Plan implementation every semester to FSA pursuant to prevailing laws and regulations.
 14. Coordinate the Board of Commissioners' activities in overseeing the management of Financial Institution Pension Fund (DPLK), to submit written oversight report and appoint public accountant firm to audit the DPLK financial statements.
 15. Coordinate the Bank's performance evaluation quarterly to Series A Dwiwarna Shareholders.
- Duties of the Board of Commissioners**
- Generally, the Board of Commissioners main duty is to exercise supervision over the management of the Company. In practice, the Board of Commissioners' duties are described as follows:
1. Supervision of the Board of Directors' management and policies, including the implementation of the corporate plan that includes the Company's Long Term Business Plans, Bank Business Plans, Company's Budget and Work Plans, Partnership and Community Development Program's Budget and Work Plan, and other work plans of the Board of Directors.
 2. Supervision of the Board of Directors' management and policies related to the Company's Subsidiaries, Pension Fund and Financial Institution Pension Fund.
 3. Provide advisory and approval to the Board of Directors, including supervision on the implementation of the corporate plan that includes the Company's Long Term Business Plans, Bank Business Plans, Company's Budget and Work Plans, Partnership and Community Development Program's Budget and Work Plan, and other work plans of the Board of Directors.
 4. Provide advisory to the GMS regarding any issues that are deemed important to the Company's management.
 5. To report to the General Meeting of Shareholders when there's a decline in the Company's performance.
 6. To propose to the General Meeting of Shareholders concerning the appointment of Public Accountant that will audit the Company's books.
 7. To examine and verify the Board of Directors' periodic reports and Annual Report and to sign the Annual Report.
 8. Provide explanations, advice, and suggestions to the General Meeting of Shareholders regarding the Annual Report, when requested.
 9. Produce Minutes of the Board of Commissioners Meeting and to have a copy in file.
 10. Report to the Company of their and/or their families share ownership in the Company or in any other companies.
 11. Provide advisory to the Board of Directors in managing the Company.
 12. Supervision of the efficacy of the GCG implementation throughout all levels of the Company.
 13. Supervision of the implementation of risk management.
 14. Supervision of the Company's compliance to Bank Indonesia regulations and other prevailing regulations, as well as the Company's commitment to Bank Indonesia and other relevant institutions.

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15. Implement other obligations associated with supervisory and advisory duties, inasmuch as it complies with the laws and regulations, Articles of Association and/or the General Meeting of Shareholders.
16. Prepare a report on the supervisory duties that has been fulfilled during the fiscal year to the General Meeting of Shareholders.

Authority of the Board of Commissioners

The Board of Commissioners has a commitment to carry out the supervisory duties on the management of the Company. To that end, the Board of Commissioners has the following authority:

1. Verify the Bank's books, correspondences and other documents, audit the Bank's treasury for verification purposes, securities, as well as the Company's assets;
2. Access the Company's premises, buildings and offices;
3. Request clarification from the Board of Directors and/ or other management staff regarding all issues related to the Bank's management;
4. To be well informed of any policies and actions that have or will be executed by the Board of Directors;
5. To request the Board of Directors and/or other staff under the Board of Directors, with the Board of Directors' approval, to attend the Board of Commissioners meeting;
6. To appoint and discharge a Secretary for the Board of Commissioners, upon recommendation from the Series A Dwiwarna Shareholders;
7. Temporarily discharge any member of the Board of Directors, as stipulated in the Articles of Association;
8. Establish the Audit Committee, and any other committees if necessary, with consideration of the Company's capacity;
9. Assign external experts for a certain period of time and on the company's expense, if necessary;
10. Manage the Company in certain conditions, for certain periods of time in accordance with the Company's Article of Association;
11. Attend the Board of Directors meetings to provide insights on the discussed topics;
12. Provide written approval on the Board of Directors' following actions:
 - a. Release or sell the Company's stationary property that has exceeded the amount set by the Board of Commissioners Meeting;
 - b. Establish a management contract that is valid for a period of more than three (3) years;
 - c. Establish the organizational structure of 1 (one) level below the Board of Directors;
 - d. Take part either partially or entirely, or participate in the company or other bodies or establish a new company, which aim is not for receivables bailout;
- e. Release partially or entirely on the Company's participation in the company or other bodies or establish a new company, which aim is not for receivables bailout;
- f. Omit the collection either entirely or partially on:
 - i. Bad debts, that have not or have been written off; and/or
 - ii. Bad debts that are the difference of transfer (including the release and/or sales) of bad credit under its principal value to the investor; and/or
 - iii. Transfer (including release and/or sales) of bad debt/credit under its principal value to the investor;
13. Conduct other supervisory authorities as long as it does not conflict with the prevailing laws, legislations, the Articles of Association, and/or GMS resolutions.

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Responsibilities and Obligations of the Board of Commissioners**Responsibilities of the Board of Commissioners**

Each member of the Board of Commissioners 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.

Obligations of the Board of Commissioners

The Board of Commissioners is obligated to:

1. Provide advisory, guidance, and directives to the Board of Directors in management of the Company;
2. Provide opinions and approvals on the Company's business plans which comprise of:
 - a. The Company's Long Term Business Plans
 - b. Bank Business Plans
 - c. Company's Budget and Work Plans
 - d. Partnership and Community Development Program's Budget and Work Plan

- e. Other work plans prepared by the Board of Directors;
3. Follow the progress of the Company's activities, provide opinions and solutions to the GMS on important issues related to the Company's management;
4. To inform the regulators at least 7 (seven) days since the finding of: (a) Violation of regulations in finance and banking; and (b) Circumstances or suspected circumstances that may endanger the Company's business, that have or have not been reported by the Company and/or the Director in charge of the Compliance Function.
5. Report to the Series A Dwiwarna Shareholders upon a decline in the Company's performance;
6. Propose the appointment of a Registered Public Accountant to the GMS, to audit the Bank's reports;
7. Review and analyze the periodic reports and Annual Report prepared by the Board of Directors, and sign the Annual Report;
8. Provide clarification, insight, and advice to the GMS on the subject of Annual Report, if requested;
9. Produce minutes of the Board of Commissioners meetings and to record a copy in file;
10. Report to the Company of their and/or their families share ownership in the Company or in any other companies;
11. Provide reports to the GMS on its supervision activities that was implemented during the past financial year;
12. Provide explanations regarding issues that may be inquired or requested by the Series A Dwiwarna Shareholders with due observance to the prevailing laws and regulations, in particular those applicable in the Capital Market;
13. Maintain the implementation of Good Corporate Governance in all Company's activities throughout all levels of the organization;
14. Supervise the implementation of Integrated Governance;
15. Guide, oversee, and evaluate the execution of the Bank's strategic policies;
16. Prepare the Board of Commissioners work program that become an integral part of the Company's Annual Work Plan and Budget prepared by the Board of Directors;
17. Conduct active supervision of the Compliance Function, by:
 - a. Evaluate the implementation of the Bank's Compliance Function at least 2 (two) times in a year;
 - b. Provide advice(s) to improve the quality of the Bank's Compliance Function.

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18. Conduct active supervision of the Risk Management, which includes the following:
 - a. Approve and evaluate the General Policy on Risk Management, in compliance with the prevailing regulations;
 - b. Evaluate the Board of Directors' accountability for the implementation of risk management policy, in compliance with the prevailing regulations;
 - c. Evaluate and decide on the Board of Directors' proposal related to transactions that require the Board of Commissioners' approval.
19. Ensure the implementation of Integrated Risk Management, to correspond with the characteristics and complexity of Financial Business Conglomeration; and ensure the implementation Risk Management in each LJK in the Financial Conglomeration.
20. Approve the implementation of Anti-Money Laundering and Counter-Terrorism Funding program and supervision for the implementation of the Board of Directors' accountability in the implementation of the said programs;
21. Stimulate the culture and awareness of Risk Management, Compliance and Anti Fraud at all levels of the Bank's organization.
22. Monitor the Bank's level of soundness, as well as taking the necessary steps to maintain and/or increase the Bank's level of soundness by applying the principles of prudence and risk management in conducting business activities;
23. Direct, monitor and evaluate the Information Technology Strategic Plan and the Company's policies related to the use of Information Technology as well as evaluate the Board of Directors' accountability in the implementation of risk management in the utilization of Information Technology;
24. Evaluate the Internal Audit Unit's inspection results. In this regard, the Board of Commissioners has the authority to request the Board of Directors to follow up the Internal Audit Unit's findings;
25. Submit a monitoring report on the implementation of the Corporate Business Plan to the Financial Services Authority every semester, to comply with the prevailing regulations;
26. Supervise the management of the Financial Institution Pension Fund (DPLK) by the Management; submit a written annual report on the monitoring results; and appoint a public accountant to audit the financial statements of the Financial Institutions Pension Fund (DPLK).
27. Submit the evaluation report of the Company's performance on a quarterly basis to the Series A Dwiwarna Shareholders;
28. Ensure the effective performance of duties on the established committees.
29. Carry out other obligations in relations to supervisory and advisory duties, and its compliance to the prevailing regulations, Articles of Association and/or the General Meeting of Shareholders;

Restrictions for the Board of Commissioners

The Board of Commissioners are prohibited:

1. To be involved in the decision making process of the Company's operations, except in the provision of funds to related parties and other matters specified in the Articles of Association or prevailing laws and regulations;
2. To hold concurrent position as:
 - a. Member of the Board of Directors of the SOEs, local government-owned Enterprises, Private Companies;
 - b. Assume official position in a political party and/or candidate/position of legislative member and/or candidate of regional government head/deputy;
 - c. Other positions that may result in conflict of interests and/or other positions as stipulated in the laws and regulations;
3. Take advantage of the Company for personal, family, and/or other parties that may cause loss or reduce the profits of the Company;

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4. Conduct transactions that pose a conflict of interests and/or obtain personal benefit either directly or indirectly from the Company's activities, other than his/her legitimate income as a Member of the Board of Commissioners;
5. Influence by other parties in carrying out duties and decision-making that may lead to abuse of authority and/or improper decision-making;

provide or offer a customer or a Government official and/or other parties to influence or receive either directly or indirectly anything of value in return for his/her favour, and other activities as stipulated in the prevailing laws and regulations.

Board of Commissioners Independency

“BRI has complied with the regulation regarding the Commissioners' Independency, as stipulated in PBI No. 8/14/PBI/2006, whereby 5 (five) of 8 (eight) of the Commissioners are Independent Commissioners.”

Independent Commissioner

The legal references on the appointment of Independent Commissioner are:

- Bank Indonesia Regulation (PBI) No. 8/14/PBI/2006 on the Implementation of Good Corporate Governance for Commercial Banks which stipulates the Bank's assignment of at least 50 percent Independent Commissioners of the total Board of Commissioners members.
- Article 28 of Law No. 19 Year 2003 on SOEs which states that the composition of the Board of Commissioners must be set to enable effective, precise, quick, and independent decision-making.

Independent Commissioners are members of the Board of Commissioners that are devoid of any financial, management, share ownership and/or familial relations up to the second degree with other members of the Board of Commissioners, the Board of Directors, and/or controlling shareholders, or any other relationships that might influence their capability of acting independently.

The assignment of Independent Commissioners is aimed to encourage an independent working environment that values fairness and equality above all other interests including the interests of minority shareholders and other stakeholders.

BRI's independent commissioners shall not have any conflicts of interest and act independently, which means that they do not have

any conflicts of interest that might impair their ability to carry out duties independently and impartially, both in their relationship with other Commissioners as well as with the Board of Directors.

All members of BRI's Board of Commissioners have fulfilled independent criteria, as follows:

- a. Do not have any financial or familial ties with the Board of Directors members and BRI's controlling shareholders, or any other relationship that might influence one's capability to act independently.
- b. Members of the Board of Commissioners do not hold any other position as executives or members of other Boards of Commissioners or Boards of Directors of more than 1 (one) non-financial institution, State-owned Enterprise, local government-owned enterprise, private enterprise, and other positions stipulated in the Company's Articles of Association and the prevailing regulations.
- c. Have passed the Fit and Proper Test, in accordance with Bank Indonesia's regulation on Fit and Proper Test.
- d. Nominated by the Shareholders and appointed in the General Meeting of Shareholders.
- e. Within 5 (five) years prior to his/her appointment:
 - Has never been declared as bankrupt.
 - Has never been a member of the Board

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- f. of Commissioners or a member of the Board of Directors that is guilty for causing the bankruptcy of a Company.
- f. Has never 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.

Independency Statement of the Board of Commissioners

To meet eligibility criteria, all prospective candidates of BRI's Board of Commissioners shall sign the Statement of Independency of the Board of Commissioners. The contents of the Board of Commissioners prospective candidates' statement are as follows:

1. Legally competent, and within 5 (five) years prior to his/her appointment:
 - Has never been a member of any Board of Directors or Commissioners that is proven guilty for causing the bankruptcy of a Company.
 - Has never 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. Are not an official in a political party and/or candidate/position of a legislative and/or candidate of regional government head/ deputy;

3. Are not a head/deputy of regional government, and/or a candidate of head/deputy of regional government.
4. Does not hold any position that according to the laws and regulations are prohibited to be assumed concurrently with the Board of Commissioners position and is willing to resign from the position and/or the position that he/she holds in the time that this statement is made if assign as a member of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.
5. Has never been directly or indirectly involved in any manipulative activities or illicit practices that is against the prevailing laws and regulation
6. Has never done any wrongdoing or been involved in acts that may constitute a breach of commitment that have been made with the Company.
7. Has never been involved in any activities that can be categorized as unlawful profiting to oneself and/or to other parties, as well as with other activities that may cause loss for the Company.
8. Has never been involved in any activities that can be categorized as a violation of the provisions related to the principles of sound company management.
9. No indication of being involved with or related to a case of legal violation, violation of company regulations, including never been convicted on a Specific Crime within 20 (twenty) years prior to the nomination.

10. Are not in the list of bad debts and/or black list of the Financial Sector, as regulated by Bank Indonesia.
11. Does not have any familial ties with members of BRI's Board of Directors and/or Board of Commissioners up to the third degree, either vertically or horizontally, including familial ties resulted from marriage.
12. Physically and mentally healthy (are not suffering from a disease that can hamper one's ability to perform duties as members of the Board of Commissioners).

Disclosure of the Board of Commissioners Concurrent Positions

In compliance with PBI No. 8/14/ PBI/2006, the members of the Board of Commissioners are allowed for concurrent position as members of the Board of Commissioners, Board of Directors, or Executive Officer, with the following conditions:

- a. Concurrent position as members of the Board of Commissioners, Board of Directors, or Executive Officer at 1 (one) non-financial corporate institution.
- b. Concurrent position as members of the Board of Commissioners, Board of Directors, or Executive Officer to carry out the monitoring function at one (1) non-bank subsidiaries controlled by BRI.

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- c. Not considered a concurrent position if the non-independent members of the Board of Commissioners conduct his/her functional duties from the Bank's shareholders that is a legal entity in its group of companies.
- d. Not considered a concurrent position if members of the Board of Commissioners hold the positions at nonprofit organizations or institutions.

The disclosure of concurrent positions held by members of BRI's Board of Commissioners, are as follows:

No	Name	Position in BRI	Concurrent Position(s)
1	Mustafa Abubakar	President Commissioner/ Independent Commissioner	- Member of the National Banking Advisory Board (PERBANAS) - Advisory Board Member of the Indonesian Agricultural Economics Association (PERHEPI) - Advisory Board Chairman of the Republic of Indonesia Wredhatama Association (PWRI) - Advisory Board Member of Alumni Association of National Resilience Institute (IKAL) - Advisory Board Member of Leuser International Foundation (YLI)
2	Gatot Trihargo	Vice President Commissioner	- Member of the National Board of Indonesian Institute of Accountants (IAI) (2014 - present) - President of Association Certified Fraud Examiner (CFE) - Indonesia Chapter (2010 - present) - Honorary Board Member of the Audit Committee Association of Indonesia (IKAI) (2010 - present) - Member of the Board of Examiners for Certified Professional Management Accountant (CPMA) (2009 - present) - Member of the Board of Examiners for National Center for Sustainability Reporting (NCSR) (2009 - present)
3	Ahmad Fuad	Independent Commissioner	- Legal and Compliance Advisor at Bank Sahabat Sampoerna - Legal and Compliance Advisor at Bank ICBC Indonesia
4	Adhiyaksa Dault	Independent Commissioner	- Chairman of the National Youth Committee of Indonesia (KNPI) - Chairman of National Scouts Organization
5	A. Fuad Rahmany	Independent Commissioner	None
6	A. Sonny Keraf	Independent Commissioner	- Lecturer of Business & Professional Ethics in Accounting, Universitas Atma Jaya Jakarta, September 1998 - present - Member of the National Energy Board, April 2014 - present
7	Vincentius Sonny Loho	Commissioner	- Director General of State Assets, the Ministry of Finance - Secretary of the Government Accounting StBapakrds Committee
8	Jeffry J. Wurangian	Commissioner	None

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Board of Commissioners Work Program

The Board of Commissioners Work Program is established by considering the duties, authorities, and obligations of the Board of Commissioners as stipulated in the laws and regulations, which is to supervise the management policies and the general management of the Company and its subsidiaries.

To implement its work program, the Board of Commissioners is assisted by the Audit Committee, Risk Management Oversight Committee, Nomination and Remuneration Committee, and Integrated Governance Committee. The work plan of the Board of Commissioners essentially consolidates the programs of the four committees under it. The Board of Commissioners work plan is composed as the Board of Commissioners Work and Budget Plan developed at the beginning of the year.

Board of Commissioners Duties Implementation

BRI Board of Commissioners effectively and efficiently articulated and implemented its work plan by harnessing the resources at its disposal, namely members of the Board of Commissioners, committees under the Board of Commissioners, and the Board of Commissioners Secretary

The Board of Commissioners duties refer to the defined work plan with due observance to the duties, obligations, and responsibilities as stipulated in the prevailing regulations. The work program is stated in the Board of Commissioners Work and Budget Plan developed annually. In its work program implementation, the Board of Commissioners is assisted by the Audit Committee, Risk Management

Oversight Committee, Nomination and Remuneration Committee, and Integrated Governance Committee. To ensure effective performance of duties, obligations, and responsibilities, the Board of Commissioners harnesses the available resources at its disposal, namely members of the Board of Commissioners, members of committees that are not under the Board of Commissioners, and the Board of Commissioners Secretary.

Regions under the Board of Commissioners' Supervision

In implementing supervisory function on the Board of Directors policies, in addition to meeting with the Board of Directors and related divisions, the Board of Commissioners also performs its oversight duty by visiting the operating units in the regions to learn firsthand on the operational implementation, challenges, and other issues. To deliver effective oversight, the Board of Commissioners has divided regions under its supervision as follows:

No	Commissioner	Supervised Region
1	Mustafa Abubakar	Yogyakarta and Padang
2	Gatot Trihargo	Jakarta 3
3	Ahmad Fuad	BBapakr Lampung, Palembang and Pekanbaru
4	A. Fuad Rahmany	BBapak Aceh, Medan and Bandung
5	Adhyaksa Dault	Semarang, Surabaya and Malang
6	A. Sonny Keraf	Denpasar, Banjarmasin and Jayapura
7	Vincentius Sonny Loho	Jakarta 1 and Jakarta 2
8	Jeffry J. Wurangian	Makassar and Manado

Board of Commissioners' Work Visit

The purpose of the Board of Commissioners Work Visit is to observe firsthand the implementation of the Board of Directors' policies, and to explore the issues and challenges for further information to the Board of Directors as input

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for policy improvement. The Board of Commissioners Work Visit covers all regions and levels, from the level of BRI Unit and Teras Unit BRI.

The following are the Board of Commissioners work visit conducted in 2015:

No	Name	Regional Office/Unit	Schedule
1	Mustafa Abubakar	Jogjakarta	07 s.d 09 October 2015
		Padang	19 s.d 21 November 2015
2	A. Fuad Rahmany	BBapak Aceh	21 s.d 23 November 2015
		Medan	16 s.d 17 December 2015
		Bandung	21 December 2015
		Jayapura	29 s.d 02 April 2015
		Palembang	21 s.d 23 September 2015
3	Ahmad Fuad	Pekanbaru	24 s.d 27 August 2015
		BBapakr Lampung	18 s.d 21 November 2015
		Surabaya	21 s.d 23 December 2015
4	Adhyaksa Dault	Jayapura	19 s.d 21 October 2015
		BRI New York	09 s.d 12 October 2015
5	A. Sonny Keraf	Denpasar	27 s.d 31 October 2015
		Banjarmasin	02 s.d 05 December 2015
		Malang	07 s.d 10 October 2015
6	Jeffry J. Wurangian	Makassar	04 s.d 06 November 2015
		Manado	21 s.d 24 December 2015

The Board of Commissioners is actively carried out the visit, and supervised the progress of BRISat satellite in Palo Alto, United States.

Board of Commissioners Oversight in 2015

In 2015, the Board of Commissioners continuously carried out various supervisory activities in line with its duties and responsibilities. In general, the Board of Commissioners supervisory comprises 2 (two) categories, namely the routine and specific supervision. Routine supervision includes, among others:

1. Evaluation on:
 - a. Strategic policy and Bank's Business Plan implementation on a quarterly basis;
 - b. Quarterly review on pre-published financial statements;
 - c. Audit results conducted by Public Accountant Firm, covering the audit of 2014 financial statements, 2014 management letter, and the audit of the Partnership and Community Development Program 2014;
 - d. Internal audit findings on a quarterly basis;
 - e. Risk profile, compliance function, and anti-fraud strategy on a quarterly basis;
 - f. Bank's soundness level on a quarterly basis;
 - g. GCG-self assessment at every semester;
 - h. Risk Management General Policy;
 - i. Subsidiaries performance;
 - j. Human capital management;
 - k. Information technology, including readiness to launch and manage BRI satellite (BRISat);
 - l. Integrated risk management policy;
 - m. Fund management and BRI pension fund investment; and
 - n. BRI DPLK management.
2. Quarterly monitoring on the follow-up of internal and external audit findings performed by the Board of Directors;
3. Review the Annual Audit Plan 2015 and follow-up of internal audit findings;

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Specific supervision is exercised over matters that require further consideration, strategic matters, or matters that require immediate decision-making. In 2015, the Board of Commissioners performed specific supervisory on:

- a. Information Technology (IT) management and utilization, including the preparation to manage and operate BRI satellite (BRISat), network management, ATMs and e-channel performance;
- b. Risk management, especially with regards to efforts to enhance risk management implementation, risk culture, fraud management, and self-assessment improvement;
- c. Development of subsidiaries (Bank BRI Agro and Bank BRI Syariah), among others related to the plan to increase capital investment in subsidiaries, corporate governance in subsidiaries to achieve integrated governance, integrated risk management, and business alignment between subsidiaries and BRI as parent company;
- d. Organizational structure enhancement and fulfillment of human capital requirements that correspond with business process and best practices, by taking into account the job family in BRI organization.

Board of Commissioners' Supervisory Report in 2015

Details of the Board of Commissioners supervisory report on BRI performance in 2015 are presented in the Management Report chapter.

Board of Commissioners Approval during 2015

In 2015, with respect to its work plan, the Board of Commissioners has issued the following approval to the Board of Directors:

No	Subject of Approval Letter
1	Approval for Partial Disposal of Land and Building Asset for Underpass Construction Project in Jatingaleh, Semarang
2	Approval for Fund Provisioning to Related Party
3	Approval for Annual Audit Plan 2015
4	Approval for Fund Provisioning to Related Party on behalf of Bringin Gigantara
5	Approval for Increasing Capital of BRI Syariah in 2015
6	Approval for Founders' Written Statement With Respect to Changes in BRI Pension Fund Regulations
7	Approval for Joint Decision Letter of BRI Board of Commissioners and Board of Directors regarding the Integrated Governance Guidelines for BRI Financial Conglomeration
8	Approval for Increasing Capital of BRI Agro in 2015
9	Approval for Busines Plan 2015-2017 and Work and Budget Plan 2015 Revision
10	Approval for Replacement of Head of Internal Audit Unit
11	Approval for BRI Risk Management General Policy
12	Approval for BRI organization
13	Approval for Decision Letter Draft on Anti-Fraud Strategy
14	Approval for BRI Integrated Risk Management Policy
15	Appointment of Public Accountant Firm to Perform General Audit on BRI Financial Statements and BRI Partnership and Community Development Program Financial Report
16	Approval for the Replacement of Corporate Secretary Division Head
17	Approval for Uncomitted Credit Line PT BTMU-BRI Finance
18	Approval for the Appointment of Public Accounting Firm for DPLK BRI
19	Approval for Acquisition Plan of PT Asuransi Jiwa Bringin Sejahtera (BJS)
20	Approval for Fund Provisioning to Related Party on behalf of Bringin Gigantara
21	Approval for Fund Provisioning to Related Party on behalf of PT Agro Niaga Tbk
22	Approval for Bank's Busines Plan 2016-2018 and Work and Budget Plan 2016

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Board of Commissioners Reviews on the Vision/Mission

The review on corporate vision/mission is periodically conducted at the same time with the Corporate Plan, whilst the corporate strategy review is carried out at the same time with the Bank Business Plan preparation.

Board of Commissioners Recommendations on 2015 Performance

In addition to supervisory and monitoring function on the policy implementation by the Board of Directors, the Board of Commissioners also provides recommendations and inputs to the Board of Directors. Over the course of 2015, the Board of Commissioners has provided recommendation on the following matters:

No	Recommendations
1	Anti Fraud Strategy Report Mid Year II of 2014
2	Integrated Risk Management Implementation
3	Compliance Function Implementation in November to December 2014
4	BRI Financial Statements as of 31 December 2014 (Audited)
5	Mid Year II of 2014 Reports on Bank Soundness Level, Risk Profile, Compliance Function Implementation, Antri Fraud Strategy Application and Procurement Plan and BRI Satellite Management
6	Annual Audit Report Mid Year I of 2014
7	Supervision Report on Bank Business Plan Mid Year II of 2014
8	Corporate Segment Restructuring
9	Performance Evaluation Report Quarter I of 2015
10	Implementation of Public Accountant Firm Appointment for 2015 General Audit
11	Compliance Function Implementation Report on February and March 2015
12	FSA Feedbacks on Supervision Report on Bank Business Plan Mid Year II of 2014
13	Bancassurance and BRI Reference on Business Development
14	BRI Pension Fund Financial Statements Performance 2014
15	Annual Audit Report Fiscal Year 2014
16	Board of Commissioners Feedbacks on BRI Organizational Amendment Proposal
17	Compliance Function Implementation Report Mid Year I of 2015
18	e-channel Offline Report on 2-3 August 2015
19	Supervision Report on Bank Business Plan Mid Year I of 2015
20	Performance Evaluation Result Report Mid Year I of 2015
21	Loans Restructuring of Middle and Corporate Segments 2015
22	Feedback on Budget and Work Plan Amendment and Bank Business Plan 2015-2017
23	BRI DPLK Performance Report on August 2015
24	Mid Year I of 2015 Reports on Bank Soundness Level, Risk Profile, Compliance Function Implementation, Antri Fraud Strategy Application and Procurement Plan and BRI Satellite Management
25	Board of Commissioners Feedbacks on BRI Organizational Amendment Proposal
26	Feedback on Management and Employee Stock Option Proposal
27	Performance Evaluation Result Report Quarter III of 2015
28	Submission of Annual Report and Audit Result Report
29	Submission of Evaluation Result on Loans Strategy, Employees Remuneration and Employment Policies

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Board of Commissioners Share Ownership

The following table lists the details of share ownership of the Board of Commissioners individual member that reaches or exceeds 5% (five percent) of the paid-up capital in domestic and overseas entities:

No	Name of the Board of Commissioners Members	BRI Share Ownership	
		Beginning of Year	End of Year
1.	Mustafa Abubakar	Nil	Nil
2.	Gatot Trihargo	Nil	Nil
3.	Adhyaksa Dault	Nil	Nil
4.	Ahmad Fuad	Nil	Nil
5.	A. Fuad Rahmany	Nil	Nil
6.	A. Sonny Keraf	Nil	Nil
7.	Vincentius Sonny Loho	Nil	Nil
8.	Jeffrey J. Wurangian	Nil	Nil

Corporate Share Transaction Exercised by the Board of Commissioners' Members

Members of the Board of Commissioners did not perform any sales/purchase during 2015.

Affiliation Between Members of the Board of Commissioners, Board of Directors, and Controlling Shareholders of the Bank

Board of Commissioners Financial Relations

None of the Board of Commissioners members have financial relations between fellow members or with members of the Board of Directors and with the Bank's Controlling Shareholders.

Familial Relations

The Board of Commissioners members do not have familial relations between fellow members or with members of the Board of Directors and with the Bank's Controlling Shareholders.

Board of Directors Financial Relations

None of the Board of Directors members have financial relations between fellow members or with members of the Board of Commissioners and with the Bank's Controlling Shareholders.

Familial Relations

None of the Board of Directors members have familial relations between fellow members or with members of the Board of Commissioners and with the Bank's Controlling Shareholders.

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BOARD OF DIRECTORS

“

Board of Directors is the Bank's organ responsible for and has the authority to manage the Bank, and to act on behalf of and for the interest of the Bank in line with business objectives and purposes as stated in the Articles of Association and approved by the GMS. The individual member of the Board of Directors has specific responsibilities; however, the Board of Directors is collectively responsible for all decisions and actions related to the Bank's management.

”

Legal Reference

The appointment and stipulation of members of the Board of Directors is based on and refer to the following regulations:

1. Republic of Indonesia Law No. 7 of 1992 concerning Banking, as amended by the Law of Republic of Indonesia No. 10 of 1998.
2. Republic of Indonesia Law No. 8 of 1995 regarding the Capital Market.
3. Republic of Indonesia Law No. 19 of 2003 regarding the State-Owned Enterprises.
4. Republic of Indonesia Law No. 40 of 2007 regarding the Limited Liability Companies.
5. Government Regulation No. 45 of 2005 regarding the Establishment, Management,

Supervision, and Dissolution of State-Owned Enterprises.

6. Bank Indonesia Regulation No. 13/27/PBI/2011 regarding the Commercial Banks that members of the Board of Directors shall comply with the requirements of integrity, competency, and financial reputation.
7. Bank Indonesia Regulation No. 12/23/PBI/2010 regarding the Fit and Proper Test, which stipulates the Board of Directors candidates shall pass the fit and proper test and obtain approval from Bank Indonesia prior to performance of duties and functions.
8. Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.

Board of Directors Charter

BRI has in place the Board Charter or the Board Manual as the Board of Directors' guideline in performing its management roles and functions, and as the reference for good corporate governance implementation. The Board Charter (or Board Manual) also guides the Board of Directors in carrying out its daily duties and exercising its authority. The Board Charter also specifies the work relationship of the Board of Directors and Board of Commissioners.

The Board Charter articulates the Board of Directors' activities in details in a structured, systematic, clear, measurable and consistent manner and covers, among others:

1. General rules on the positions of the Board of Directors members
2. Board of Directors duties and authority
3. Board of Directors rights and obligations
4. Board of Directors division of duties and authority
5. Implementation of the Board of Directors Management duties
6. Decision-making principles by the Board of Directors
7. Board of Directors Meetings
8. Corporate Secretary
9. Relations with Subsidiaries

Board of Directors' Composition

As of the end of 2015, the Board of Directors consisted of 11 (eleven) members, all of which are independent directors. All members of the Board of Directors have adequate financial reputations. Members of BRI Board of Directors do not serve concurrent positions as commissioner, director, or executive officer in other banks, except for the positions as stipulated by Bank Indonesia regulation concerning the GCG implementation in commercial banks.

Board of Directors Diversity

As the SOE with majority of shares owned by the government through the ownership of Series A Dwiwarna Shareholders, a gender diversity in the composition of the Board of Directors is not specified by the Series A Dwiwarna Shareholders. However, considering the complexity of the Bank's business, BRI believes that competency, experience, and education background of the Board of Directors members are in line with the Bank's requirements.

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Changes in the Board of Directors composition in general does not affect the combination of competency, experience, education background, and profession as described in the profile of members of the Board of Directors, namely banking professionals.

Board of Directors Diversity

1	Name	Asmawi Syam
	Position	President Director
	Age	60 years old
	Date of Appointment	5 September 2007
	Term of Office	8 years
	Experience	BRI Director of Institutional & SOE Business, BRI Head of General Business Division, BRI Head of Consumer Banking, BRI Head of Bandung Regional Manager, BRI Head of Denpasar Regional Manager
	Education Background	• Bachelor Degree, Economics Faculty, Hasanuddin University, Makassar • Master Degree in Management, Padjadjaran University, Bandung
2	Name	Sunarso
	Position	Vice President Director
	Age	52 years old
	Date of Appointment	19 March 2015
	Term of Office	1 year
	Experience	Commercial & Business Banking Director of Bank Mandiri, Executive Vice President Group Head Corporate Banking Agro Based Group of Bank Mandiri
	Education Background	• Bachelor Degree, Agronomics, Bogor Agricultural Institute, Bogor • MSc., Business Administration, University of Indonesia, Jakarta
3	Name	A. Toni Soetirto
	Position	Consumer Director
	Age	57 years old
	Date of Appointment	30 May 2006
	Term of Office	9 years
	Experience	Commercial Business Director of Bukopin, Risk Management & Compliance Director of Bukopin
	Education Background	• Bachelor Degree, Agribusiness, Bogor Agricultural Institute, Bogor
4	Name	Randi Anto
	Position	Credit Risk & Asset Management Director
	Age	54 years old
	Date of Appointment	28 April 2011
	Term of Office	4 years
	Experience	BRI Compliance Director, BRI Head of HR Management Division, BRI Head of Palembang Reginal Manager, BRI Head of Credit Administration Division, BRI Head of Compliance & Risk Management Division
	Education Background	• Bachelor Degree in Economics, Diponegoro University, Semarang • MBA St. Louis University, United States

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5	Name	Gatot Mardiwasisto
	Position	Human Capital Director
	Age	62 years old
	Date of Appointment	28 September 2011
	Term of Office	4 years
	Experience	Deputy Assistant for Banking Business in SOE Ministry, BTN Commissioner, Finance Director PT Kliring Berjangka Indonesia
	Education Background	- Bachelor Degree, Business Law, University of Indonesia, Jakarta - Master in Management, Ecole Superieure, Lyon, France
6	Name	Susy Liestiowaty
	Position	Compliance Director
	Age	55 years old
	Date of Appointment	19 March 2015
	Term of Office	1 years
	Experience	BRI Head of Credit Risk Analysis Division, BRI Head of Agribusiness Division, Bank BRI Agroniaga Commissioner, Chairman of BRI Swakarya Cooperative, Commissioner of Bringin Srikandi Finance
	Education Background	- Bachelor Degree, Agronomics, Bogor Agricultural Institute, Bogor - MBA, Management, Case Western Reserve University, United States - Doctorate, Bogor Agricultural Institute, Bogor
7	Name	Zulhelfi Abidin
	Position	Operations Director
	Age	53 years old
	Date of Appointment	19 March 2015
	Term of Office	1 years
	Experience	BRI Senior Executive Vice President Coordinator of Technology & Information System, BRI Head of Technology & Information Division, Commissioner of BRI Syariah, President Commissioner of Bringin Gigantara, Head of Technology & Information System of Bukopin
	Education Background	- Bachelor Degree, Informatics Engineering, Bandung Institute of Technology, Bandung - Master of Science, University of Wollongong, Australia
8	Name	Donsuwan Simatupang
	Position	Commercial Director
	Age	54 years old
	Date of Appointment	19 March 2015
	Term of Office	1 years
	Experience	BRI Head of General Business Division, BRI Head of Surabaya Regional Manager, BRI Head of Medan Regional Manager, BRI Head of Retail Loans Division
	Education Background	- Bachelor Degree in Economics, Parahyangan University, Bandung - MBA, Virginia Polytechnic Institute, United States

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9	Name	Haru Koesmahargyo
	Position	Finance Director
	Age	49 years old
	Date of Appointment	19 March 2015
	Term of Office	1 years
	Experience	Head of Treasury Division, BRI New York General Manager, President Commissioner BTMU-BRI Finance
	Education Background	• Bachelor Degree, Agritlucral Engineering, Brawijaya University, Malang • MBA, Investment Banking, Emory University, United States
10	Name	Mohammad Irfan
	Position	Micro Director
	Age	56 years old
	Date of Appointment	19 March 2015
	Term of Office	1 years
	Experience	BRI Head of Jakarta 1 Regional Manager, BRI Head of Semarang Regional Manager, BRI Head of Padang Regional Manager, BRI Head of Technology & Information Division
	Education Background	• Bachelor Degree in Fisheries, Bogor Agricultural Institute, Bogor • Master of Management, IPPM, Jakarta
11	Name	Kuswiyoto
	Position	Institutional Business Director
	Age	50 years old
	Date of Appointment	12 August 2015
	Term of Office	1 years
	Experience	BRI Head of Jakarta 1 Regional Manager, BRI Head of Makassar Regional Manager, BRI Head of Agribusiness Division, Commissioner of Bringin Indotama Sejahtera Finance
	Education Background	• Bachelor Degree, Economics, Airlangga University, Surabaya • MBA, Finance, Washington University, United States

Notes: Members of BRI Board of Directors do not serve concurrent positions as director/commissioner in other companies or other public ("Tbk.") companies.

Changes in the Composition of BRI Board of Directors in 2015

There were changes in the Board of Directors composition during 2015. However, the total members of the Board of Directors are never less than 3 (three) directors pursuant to the requirement of minimum and maximum members of the Board of Directors in the Bank's Articles of Association and Bank Indonesia Regulation. The Board of Directors members are all Indonesian citizen domiciled in Indonesia, and have passed the fit and proper test and approved by Financial Services Authority (formerly Bank Indonesia).

Pursuant to resolutions of the 2015 Annual GMS and Extraordinary GMS, 5 (five) Board of Directors members were honorably discharged. This was due to new assignments of some members in other SOEs, while others had completed their tenures. The Board of Directors members were:

- Sofyan Basir (President Director)
- Djarot Kusumayakti (Director)
- Sulaiman Arif Arianto (Director)
- Suprajarto (Director)
- Sarwono Sudarto (Director)
- Lenny Sugihat (Director)
- Achmad Baiquni (Director)

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The GMS further transferred the responsibilities of former directors, and appointed new Board of Directors members, which are:

- Asmawi Syam (President Director)
- Sunarso (Vice President Director)
- Mohammad Irfan (Director)
- Haru Koesmahargyo (Director)
- Donsuwan Simatupang (Director)
- Susy Liestiwaty (Director)
- Zulhelfi Abidin (Director)
- Kuswiyoto (Director)

The GMS also transferred the position and duties of Mr. Asmawi Syam from Director to President Director. The Board of Directors appointment and changes in the GMS, as well as result of fit and proper test issued by the Financial Services Authority are disclosed in the sub-chapter of General Meeting of Shareholders (GMS) - Resolutions.

Board of Directors Members Criteria

Pursuant to Article 11 paragraph (3) of the Bank's Articles of Association concerning the Board of Directors jo. Article 93 Law 40 of 2007 on Limited Liability Companies, the Board of Directors member criteria is as follows:

General Criteria

1. An individual that have strong character, moral principle, and integrity and is legally capable, with the exception that the individual has, within 5 (five) years prior to his/her appointment and during tenure:
 - a. Declared bankrupt;
 - b. Served as member of the Board of Directors and/or Board of Commissioners that is found guilty for causing the bankruptcy of a company;
 - c. Convicted of criminal offence that causes financial losses to the state and/or criminal offence related to the financial sector;
 - d. Serve as a member of the Board of Directors an/or Board of Commissioners that, during the board's term:
 - Fails to hold an annual GMS;
 - His/her accountability report as member of the Board of Directors and/or Board of Commissioners is not accepted by GMS, or has failed to provide accountability report as member of the Board of Directors and/or Board of Commissioners to the GMS; and
 - Has caused the company that has obtained license, approval, or registry from FSA to fail in meeting its obligation to submit the annual reports and/or financial statements to the Financial Services Authority.
2. Has the integrity, dedication, and capacity related to the company's management issues with regards to one of the management functions; has adequate knowledge in banking, and is committed to provide sufficient time to perform his/her 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. Does not have familial relations with other members of the Bank's Board of Directors and/or Board of Commissioners up to the third degree, horizontally and vertically, including relationship by marriage.
5. The general criteria shall be stated in the written statement signed by candidate members of the Board of Directors and to be submitted to the Bank.

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Pursuant to Bank Indonesia Regulation No. 12/23/2010 on Fit and Proper Test, the Board of Directors candidates as the Bank's Executives shall pass the fit and proper test administered by the Financial Services Authority (formerly Bank Indonesia).

The Bank's Executives shall also meet the integrity, competency, and financial reputation requirements. In order to meet integrity requirement, the Board of Directors candidate shall:

1. Have strong moral principle;
2. Have the commitment to comply with all laws and regulations;
3. Have strong commitment to sound banking operations; and
4. Not included in the fit and proper test failure list.

Whilst to fulfill the competency requirements, the Board of Directors members shall:

1. Have the adequate knowledge in banking and the field relevant to his/her position;
2. Have experience and expertise in banking and/or finance; and
3. Have the capacity to carry out strategic management to achieve sound banking development.

Nomination System and Procedure

The assignment procedure of members of the Board of Commissioners are:

1. Nomination and Remuneration Committee selects the Board of Commissioners candidates that meet the determined criteria.

2. Nomination and Remuneration Committee proposes names of the Board of Commissioners candidates that deems adequate to the Board of Commissioners for evaluation.
3. Nomination and Remuneration Committee evaluates the candidates to comprehensively explore information concerning their qualifications and competencies, among others, by tracking the candidates' history/list of past experience.
4. Nomination and Remuneration Committee convenes to discuss the information result on the Board of Commissioners candidates for further decision as the Board of Commissioners nominees.
5. Nomination and Remuneration Committee submits the result of discussion as described in point 4 (four) above to the Board of Commissioners by virtue of an office memo. The office memo is also a documentation of the Nomination and Remuneration Committee recommendation on the nomination of the Board of Commissioners candidates.
6. Approval on the Board of Commissioners nominees is stipulated in the Board of Commissioners meeting. The approval will be taken as a basis of the Board of Commissioners recommendation to GMS through the Series A Dwiwarna Shareholders.

Professional Search Firm for the Director Candidates Assignment

The Nomination and Remuneration Committee (NRC) selects the potential Board of Directors candidates according to defined qualifications. This process involves external institutions, Assessment Center Indonesia (ACI) and Telkom Assessment Center. Assessment result is then submitted to NRC.

Appointment Procedure

The composition and changes of BRI Board of Directors are stipulated in the GMS. In the event of members of the Board of Directors that are not yet acquired the FSA approval; his/her appointment is not effective until the issuance of FSA approval. To obtain the approval, BRI submits the request to FSA for fit and proper test. The approval or rejection of the request is issued by FSA no later than (30 (thirty) days following the receipt of the completed documents application.

The fit and proper test by FSA consists of administrative assessment and interview. In the event of members appointment by the GMS, but rejected by the FSA, BRI through the GMS then shall discharge the individual.

A nominee of BRI Board of Directors with pending approval by the FSA, and despite the appointment by GMS, he/she may not conduct any duties as a director and be involved in the Bank's operations or in any other activities that have significant impacts to the Bank's policies and financial conditions.

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Termination Procedure

Tenure of the Board of Directors members is completed upon:

- a. His/Her passing;
- b. Tenure expiration;
- c. Termination by the GMS; or
- d. Declared bankrupt by a commercial court in final and legally binding decision, or placed under a custodial care pursuant to a court's decision.
- e. Failed to meet any of the requirements as member of the Board of Directors according to BRI's Articles of Association and other laws and regulations (including but not limited to prohibited concurrent positions and resignation)

Member of the Board of Directors has the right to resign from his/her position by the submission of a written notice to BRI. BRI shall hold a GMS to prepare a stipulation upon the resignation of the Board of Directors members no later than 90 (ninety) days following the receipt of the resignation letter.

The GMS may also discharge members of the Board of Directors on the grounds that the GMS find justifiable to protect the interests and objectives of the Bank.

Substitute Director Mechanisms

To anticipate a vacant position of a director, BRI has formulated a Substitute Director mechanism as follows:

No	Rules of Substitute Director
1	The appointed Substitute Director has a corresponding field of work with the substituted Director position
2	First Substitute for President Director is Vice President Director.
3	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 Credit Risk & Asset Management Director and Compliance Director are exempted.
4	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.
5	Second Substitute of Vice President Director is 1 (one) Director, should the President Director and Vice President Director are unavailable for any reasons, the Credit Risk & Asset Management Director and Compliance Director are exempted.
6	Substitute Director for Compliance Director shall meet Bank Indonesia's requirements regarding the implementation of compliance function in commercial banks, as follows: a. Compliance Director may not oversee business & operational functions, risk management that serves as the decisionmaking authority on the Bank's business activities, treasury, finance and accounting, logistics, and goods & services procurement, information technology, and internal audit. b. A Director that carries out the duties of Director in charge of Compliance Function shall comply with the requirement stated in point a. Should the Substitute of Compliance Director oversees the functions as specified in point a, his/her main duties shall be taken over by a Substitute Director, with the exception of Human Capital Director.
7	Substitute Director is effective when a Director is absent or unavailable for any reasons for at least 1 (one) day.
8	First Substitute Director is effective when a Director is absent or unavailable for any reasons, without having to prove the situation to a third party.
9	Second Substitute Director is effective when a Director and First Substitute Director is absent or unavailable for any reasons, without having to prove the situation to a third party.
10	Third Substitute Director is established when First Substitute Director and Second Substitute Director are absent or unavailable for any reasons, without having to prove the situation to a third party.

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Orientation Program for New Members of the Board of Directors

Reinforced by the Board of Directors succession program, BRI prepares new Board of Directors members for the Bank's management that are in line with the vision and mission of other Bank's leaders. To that end, new members of the Board of Directors will participate in the orientation program to align the strategy, target, and plan of his/her specific area of responsibility with the Bank's overall objectives, hence to ensure optimum contribution of the new member toward BRI achievements. The orientation program is delivered through presentation sessions, meetings, discussions, visits, or company document reviews. The Corporate Secretary and Human Capital Directorate coordinate the orientation program.

Board of Directors Competency Development Program

As with the Board of Commissioners, BRI also enforces the competency-building program for the Bank's leaders, including Board of Directors. The dynamic banking industry and economic situation shall be met with strong capability, knowledge, aptitude, and expertise to enable realization of the Bank's growth target and effective management. Training programs are available for new and re-appointed members of the Board of Directors.

BRI provides training and competency building programs for the Board of Directors, both in general and specific issues related to their respective scope of works. The programs aim to ensure that all members of the Board of Directors acquire latest information and knowledge relevant to Indonesia's economic and banking industry. Training programs in BRI observe the following principles:

- a. Training programs are designed to enhance the function and effectiveness of the Board of Directors.
- b. Training program cost is stated in the Board of Directors's Work and Budget Plan.
- c. Members of the Board of Directors that attends the program, including but not limited to seminars, trainings, and workshops, are expected to share the knowledge to other Board of Directors members that are not participating in the same programs.
- d. Materials received from the program shall be properly documented in a separate archive.
- e. Corporate Secretary is responsible for training documentation and the material shall be available upon request.

The following are training activities of the Board of Directors members during 2015.

No	Date	Name of Participant	Position	Venue
1	03-07 February 2015	Achmad Baiquni	54th ACI (Association Cambiste Internationale) World congress	Milan, Italy
2	17-18 September 2015	A. Toni Soetirto, Randi Anto & Gatot Mardiwasto	Revamping The Capability In Loan Analysis	Yogyakarta
3	11-13 November 2015	Susy Liestiowaty	National Conference VII Banking Internal Auditor Association	Yogyakarta

Board of Directors Duties and Responsibilities

The Board of Directors' duties comprise the Bank's management, maintain and manage the Bank's assets, and represent the Bank in both legal and non-legal conditions. In its duties implementation, the Board of Directors shall conduct in the interest of the Company and in line with the Company's aims and objectives; to act in faith and responsibility, and with due observation to the prevailing regulations, the Bank's Articles of Association, and the General Meeting of Shareholders' resolutions.

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Board of Directors Duties and Responsibilities

The following section discloses comprehensive duties and responsibilities of BRI Board of Directors:

No	Board of Directors Duties and Responsibilities
1.	Duties and responsibilities related to the Board of Commissioners and shareholders, are: - Implement the GMS resolutions. - Develop the Corporate Plan, Bank Business Plan, and Annual Work and Budget Plan, and other work plans including any changes for the approval of the Board of Commissioners. - Convene the GMS at the written request of one or more shareholders that represent at least 1/10 (one tenth) of total issued shares with legitimate voting rights. - Create and administer the shareholders' registry and specific list on the shares ownership of members of the Board of Commissioners and Board of Directors including their families, in the Bank and in other companies. - Consult loans provision above certain amount with the Board of Commissioners, with due observance to the prevailing regulations. - Submit the annual reports within at least 5 (five) months following the closing of a financial year to the GMS for approval. The reports shall be reviewed beforehand by the Board of Commissioners.
2.	Duties and responsibilities related to accounting and annual report: - Maintain the Bank's bookkeeping and administration in accordance with common practices. - Ensure the compliance of the Bank's accounting system with financial accounting standards and the principles of internal control, especially in terms of management, bookkeeping, archiving, and monitoring. - Prepare the Annual Reports including the financial statements.
3.	Duties and responsibilities related to risk management and control
4.	Oversee risk management process, including to: - Ensure that the Bank has proper and systematic procedures in risks identification, measures, and control. - Monitoring and assessment of robust management process that is capable to determine the adequacy of risk management and internal control system, financial reporting, and compliance. - Ensure the adequacy of an effective control system to maintain information reliability and integrity; compliance with prevailing policies, procedures, and applicable rules and regulations; Bank's assets; economical and efficient use of resources; achievement of operational objectives and targets.
5.	Conduct the annual assessment to issue public statements concerning the Bank's internal control and assurance that all significant aspects of internal control have been taken into account in the assessment year up to the annual reports' approval date.
6.	Create organizational structure, define clear duties and responsibilities, and appoint the management.

Division of Duties and Responsibilities

For an effective, measurable, focused, and progressive management of the Bank, each member of BRI Board of Directors is tasked with specific duties and responsibilities. The individual Board of Directors member will be personally held accountable for any decisions or actions taken that are not agreed upon by the Board of Directors meetings, unless the actions and decisions are agreed upon in the meeting. The President Director therefore has the authority to coordinate all activities of the Board of Directors members.

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The Board of Directors duties and responsibilities are defined as follows:

President Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings.
5. Assist the Board of Directors members to accelerate the Bank's target achievements.

Vice President Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings.
5. Assist the Board of Directors members to accelerate the Bank's target achievements.

Institution Business Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Institutions and SOE Business.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Institutions and SOE Business.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

Commercial Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Commercial Business.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Commercial Business.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate Bank's target achievements.

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Consumer Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Consumer Business (Transaction Banking, Credit Card, Wealth Management & Marketing Communication).
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Consumer Business (Transaction Banking, Credit Card, Wealth Management & Marketing Communication).
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

Micro Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Micro Business.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Micro Business.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

Finance Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Finance.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Finance.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

Credit Risk & Asset Management Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Credit Risk and Asset Management.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Credit Risk and Asset Management.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

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Compliance Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Compliance.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Compliance.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

Human Capital Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Human Capital.
3. Produce accountability report and explanations of the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Human Capital.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

Operations Director

Main Responsibilities

1. Direct the Bank's strategy formulation and work plans, including Long Term Plan (Corporate Plan), Medium Term Plan (Bank Business Plan), Work and Budget Plan and its amendments as guidelines in the achievement of the Bank's performance targets.
2. Direct the Bank's target developments and achievements in the area of Operations.
3. Produce accountability report and explanations on the Bank's management.
4. Direct follow-ups on internal and external audit findings related to Operations.
5. Exercise the function as a substitute director to ensure continuous implementation of the Board of Directors duties.
6. Coordinate and cooperate with other Board of Directors members to accelerate the Bank's target achievements.

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**Board of Directors
Independency**

BRI Board of Directors is responsible to manage the Bank with the purpose to achieve the set forth performance target. In its duties implementation, the Board of Directors has the right and authority to make decisions and take actions that considers imperative and essential for the Bank.

With regards to this authority, the Board of Directors shall be able to maintain its independency from any influence or intervention of any parties, and to first place the Bank's interests against personal or certain group's interests.

BRI Board of Directors is chaired by the President Director that is independent of the controlling shareholders. The Board of Directors members do not hold concurrent positions as President Director or Director in other SOEs, Regional owned enterprises, private business entities, or other positions related to BRI's management, nor structural and functional positions in central or local government institutions, and other positions as specified in BRI's Articles of Association and other prevailing laws and regulations.

The independency principle of the Board of Directors is articulated in the Board Charter (Board Manual). All members of the Board of Directors shall sign a Statement of Independency upon the appointment as Directors.

**Disclosure of the Board of
Directors Concurrent Positions**

BRI Board of Directors members are not allowed to serve concurrent positions as President Director or Director in other SOEs, Regional owned enterprises, private business entities, or other positions related to BRI's management, nor structural and functional positions in central or local government institutions and other positions as specified in BRI's Articles of Association and other prevailing laws and regulations. The Article 22 of Bank Indonesia Regulation No. 8/14/ PBI/2006 stipulates that:

1. The Board of Directors members shall not serve concurrently as members of the Board of Commissioners, Board of Directors, or Executives in other banks or companies/ institutions.
2. Excluded from the concurrent position as intended in paragraph (1) is the role of the Board of Directors members to oversee the Bank's investment in subsidiary and the role as the Board of Commissioners members in a non-bank subsidiary controlled by the Bank, provided that the parallel positions do not result in the negligence of duties and responsibilities as members of the Bank's Board of Directors.

Other requirements concerning the concurrent position is that within 5 (five) years prior to the appointment, members of BRI Board of Directors have never served as members of the Board of Directors or Board of Commissioners or Supervisory Board that are found guilty for the bankruptcy of a company.

**Board of Directors Work
Program**

In general, the Board of Directors' annual work program is reflected in the Bank Business Plan submitted to the Financial Services Authority.

**Board of Directors Duties
Implementation**

Implementation of the Board of Directors' work programs, which covers strategies, implementation, and performance discussion for each business segment during 2015 financial year is disclosed in the Management Discussion and Analysis Chapter of this Annual Report.

**Board of Directors Oversight on
Regional Offices**

As part of its oversight duties, the Board of Directors conducts field visits to the respective regional offices to learn firsthand business implementation effectiveness as well as challenges at the operational level.

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The following are regional offices under the Board of Directors' supervision:

No	Board of Directors Member	Mentoring Regional Offices
1	Sunarso	Surabaya & Malang
2	A. Toni Soetirto	Yogyakarta & Bandung
3	Randi Anto	Semarang & Palembang
4	Gatot Mardiasisto	Denpasar
5	Susy Liestiowaty	Jakarta 3 & BBapakr Lampung
6	Zulhelfi Abidin	Padang & Pekanbaru
7	Mohammad Irfan	Jakarta 2
8	Haru Koesmahargyo	Banjarmasin
9	Donsuwan Simatupang	Medan & Makassar
10	Kuswiyoto	Jakarta 1 & Kantor Cabang Khusus
11	Irianto *)	Manado
12	Muhamad Ali **)	Jayapura
13	Catur Budi Harto *)	BBapak Aceh

*) SEVP BRI

**) SEVP BRI whose tenure was completed on 30 October 2015

Board of Directors Share Ownership

Pursuant to Bank Indonesia regulation, all members of the Board of Directors shall disclose share ownership of 5% (five per one hundred) or above in the Bank or in other banks or companies, domiciled in or outside the country.

The disclosure of BRI Board of Directors shares ownership is as follows:

No	Name	BRI Shares	Share Ownership (Share/lot)			
			Beginning of year	Percent	End of Year	Percent
1	Randi Anto	√	661,000	0.0026795	661,000	0.0026795
2	Susy Liestiowaty	√	-	-	580,000	0.0023511
3	Donsuwan Simatupang	√	-	-	29,500	0.0001196
4	Mohammad Irfan	√	-	-	34,000	0.001378

Transaction of the Bank's shares exercised by the Board of Directors members

The Board of Directors members did not perform transaction of sales/purchase during 2015.

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STIPULATION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS REMUNERATIONS**Board of Commissioners Remuneration Stipulation**

BRI has in place the procedures and guidelines on the stipulation of remuneration and nomination amount for members of the Board of Commissioners. The procedures are formulated and implemented based on:

- Regulation of Minister of State-Owned Enterprises No. PER-04/MBU/2014 on the Guidelines of Remuneration Stipulation of the Board of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises. Pursuant to the Minister Regulation, the remuneration component of the Board of Commissioners consists of: honorarium, allowances, facilities and tantiems.
- Article 113 Law No. 40 of 2007 on the Limited Liability Companies, honorarium and allowances for the Board of Commissioners are stipulated by the GMS. Furthermore, based on the Article 96 of the said Law, the amount of salaries and allowances of members of the Board of Directors are stipulated by the GMS and the GMS authority can be delegated to the Board of Commissioners.

Pursuant to the above regulations, by taking into account the recommendations of the Nomination and Remuneration Committee, the Board of Commissioners submits the proposal in the Annual GMS on the stipulation of salaries/honorarium, allowances, and facilities as well as tantiems for members of the Board of Commissioners, and Board of Directors to the General Meeting of Shareholders. The Nomination and Remuneration Committee provides recommendations following the evaluation with due observation to the Company's performance, business size, and remuneration survey results in banking industry.

“

The Board of Commissioners Remuneration is stipulated based on the Company's performance, business size, and result of industry remuneration survey

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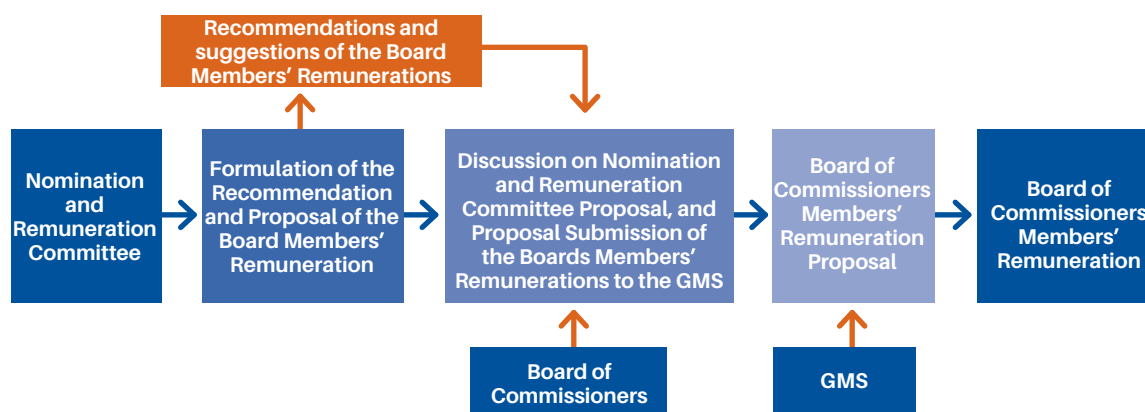
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Board of Commissioners Remuneration Procedure

The following is brief illustration on BRI Board of Commissioners Remunerations procedure:



In the Annual GMS 2015, the shareholders have provided authority and power to the Board of Commissioners on the stipulation of salaries/honorarium, allowances, and facilities for the Board of Commissioners for 2015 financial year, as well as the tantiems for the Board of Directors and Board of Commissioners for the performance of 2014 financial year, with the approval from Series A Dwiwarna Shareholders.

With the authority granted by the GMS and by taking into account recommendations from the Nomination and Remuneration Committee, the Board of Commissioners has proposed the amount of salaries/honorarium, allowances, and facilities for 2015 as well as the tantiems amount for the 2014 performance of the Board of Directors and Board of Commissioners to the Series A Dwiwarna Shareholders.

Upon approval of the Series A Dwiwarna Shareholders, the Board of Commissioners has set the amount of salaries/honorarium, allowances, and facilities for 2015 as well as the tantiems amount for the 2014 performance of the Board of Directors and Board of Commissioners.

Board of Commissioners Remunerations Structure

The Board of Commissioners remuneration is stipulated by BRI based on the Regulation of Minister of State-Owned Enterprises No. PER-04/MBU/2014 concerning the Guideline of Remunerations Stipulation for the Board of Directors, Board of Commissioners, and Supervisory Board of the State-Owned Enterprises. The structure consists of:

Honorarium

The amount of honorarium for members of the Board of Commissioners is stipulated in proportion to the salary of the President Director. The President Commissioner shall receive 50%; Vice President Commissioner shall

receive 45%; and other Board of Commissioners members shall receive 40% of the President Director salary.

Allowances

Allowances for members of the Board of Commissioners include: religious holiday allowance, transportation allowance, and posttenure insurance.

Facilities

Board of Commissioners members is entitled to health and legal assistance facilities.

Board of Commissioners Share Options

BRI Board of Commissioners does not have any share options in 2015. Pursuant to the 2015 GMS resolutions, details of remuneration and facility provided to members of BRI Board of Commissioners and subsidiaries are as follows:

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Type of remuneration & other facilities	Amount received in 1 year (2015) by Board of Commissioners	
	Number of person	Million (Rp)
REMUNERATION		83,179
Salary **)	11	8,382
Bonus	-	-
Regular allowances	11	1,394
Tantiems **)	7	73,403
IN KIND FACILITIES		3,588
Housing Allowances	-	-
Transportation Allowance	11	1,436
Post-Tenure Benefits	8	2,152
Total Remuneration Per Person Per Year	Number of person	Million (Rp.)
Above Rp2 billion	7	80,342
Above Rp1 billion to Rp2 billion	4	4,989
Above Rp500 million to Rp1 billion	-	-
Rp500 million and below	-	-

*) Inclusive of Religious Holiday Bonus

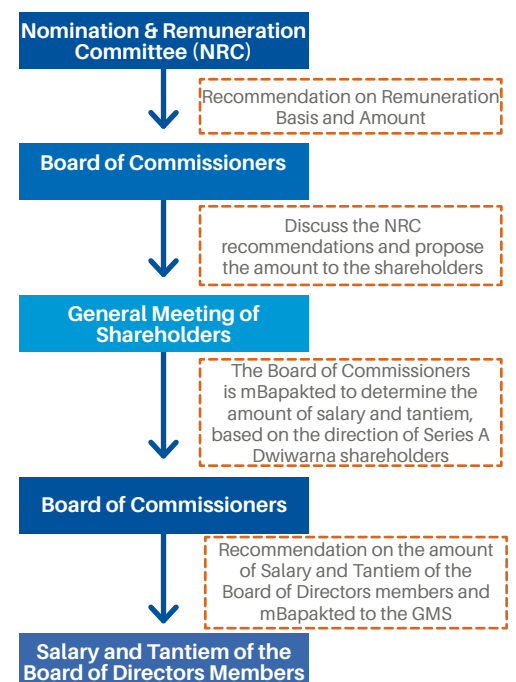
**) Including Board of Commissioners member whose tenure was completed on 19 March 2015

Board of Directors Remuneration Stipulation

BRI Board of Directors members are entitled to certain amount of remunerations and other facilities. The Board of Directors remuneration is stipulated pursuant to GMS resolutions and by taking into account the indicators achievement related to remunerations, including the Bank's performance in a financial year prior to the annual GMS, as well as overall economic conditions.

Board of Directors Remunerations Procedure

BRI has in place the procedure and guideline to stipulate the amount of remuneration and nomination of the Board of Directors members. The procedure is composed and enforced pursuant to the Minister of State-Owned Enterprises Regulation No. PER-04/MBU/2014 concerning the Guideline of Remunerations Stipulation for the Board of Directors, Board of Commissioners, and Supervisory Board of the State-Owned Enterprises. The following chart describes the remuneration procedure.



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BRI Board of Directors Remunerations Procedure is conducted through the following stages:

1. Nomination and Remuneration Committee evaluates the remuneration policy applicable to the Board of Directors.
2. Nomination and Remuneration Committee recommends the basis and amount of the Board of Directors remunerations to the Board of Commissioners and (if any) provides recommendations on the options offered to the Board of Directors, among others shares

3. Board of Commissioners discusses the NRC proposals and develops the remuneration recommendation for approval (GMS).
4. Series A Dwiwarna Shareholders through the GMS decides and mBapaktes the Board of Commissioners to determine the amount of salary and tantiem for the Board of Directors.
5. Board of Commissioners issues the decision on the Board of Directors remuneration by virtue of the Board of Commissioners decree.
6. Other facilities, such as operational vehicles, health insurance, phone credit, membership (club

membership) and post-tenure benefits for the Board of Directors, are proposed by NRC to the Board of Commissioners for approval. The approval is provided following the consultation with the Series A Dwiwarna Shareholders.

Board of Directors Remuneration Structure

Pursuant to the Minister of State-Owned Enterprises Regulation No. PER-04/MBU/2014 concerning the Guideline of Remunerations Stipulation for the Board of Directors, Board of Commissioners, and Supervisory Board of the State-Owned Enterprises, the Board of Directors remunerations component consists of:

Remuneration structure	Description
Salary	Salary of Vice President Director and Directors are determined at 95% and 90% of the President Director.
Allowances	• Members of the Board of Directors are entitled to receive religious holiday allowance in the amount of 1 (one) month salary. • Members of the Board of Directors are entitled to receive at cost communications allowance. • Members of the Board of Directors are entitled to receive post-tenure benefits provided at the end of tenure. Post-tenure benefit is insurance or pension savings. The Bank pays a maximum amount of 25% of annual salary for the annual premium. • Members of the Board of Directors are entitled to receive housing allowance including utilities paid on monthly basis at 40% of monthly salary, or maximum amount of Rp27,500,000 (twenty seven million and five hundred thousand rupiah).
Facilities	• The Bank provides 1 (one) operational vehicle, including the vehicle's maintenance and operational costs for each member of the Board of Directors. The decisions on types of vehicle and stBapakrds are stipulated by the GMS/Minister. • The Bank provides health facilities for each member of the Board of Directors, in accordance with the Bank's regulations. • The Bank provides legal assistance for each member of the Board of Directors in the event of legal situations related to his/her position, the Bank's objectives or business activities. • The Bank allocates operational costs for members of the Board of Directors to cover professional membership fees, club membership/corporate member, and representation costs (such as corporate credit cards), with detailed based on the Bank's prevailing regulations.

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Remuneration structure	Description
Tantiems/performance incentives	The performance incentive is considered part of the costs of a financial year, and as such needs to be specifically appropriated in the Budget and Work Plan of the relevant year. Tantiem/performance incentive shall be associated with the KPI of the Budget and Work Plan. The composition is as follows: • President Director, 100% • Vice President Director, 95% of President Director • Board of Directors Members, 90% of President Director Income tax incurred by performance incentive shall be borne by the individual member of the Board of Directors and Board of Commissioners

Based on the description above, the amount of Board of Directors remuneration in 2015 is as follows:

Type of remuneration & other facilities	Amount received in 1 year (2015) by Board of Directors	
	Number of Person	Million (Rp.)
REMUNERATION		253.172
Salary **)	18	21.801
Bonus	-	-
Regular benefits	18	3.765
Tantiems **)	11	227.606
IN KIND FACILITIES		11.402
Housing Allowances	15	2.322
Transportation Allowances	18	2.659
Post-Tenure Benefits	12	6.421
Total Remuneration Per Person Per Year	Number of Person	Million (Rp.)
Above Rp2 billion	17	260.045
Above Rp1 billion to Rp2 billion	1	1.462
Above Rp500 million to Rp1 billion	-	-
Rp500 million and below	-	-

*) Inclusive of Religious Holiday Bonus, Health Benefits, and Mobile Phone allowance

**) Including Board of Directors members whose tenure completed on 02 January 2015, 19 March 2015, 8 June 2015, and Board of Directors members appointed on 12 August 2015

Board of Directors Share Option

BRI Board of Directors does not take any share option during 2015.

Board of Directors Remuneration Indicators

The Board of Directors remunerations' amount is determined based on the Bank's performance. More information on performance indicators is disclosed under sub-chapter of the Board of Commissioners and Board of Directors Performance Assessment of this Annual Report.

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BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Board of Commissioners Performance Assessment

Throughout 2015, the Board of Commissioners conducts periodic self-assessment. The assessment is based on Key Performance Indicators (KPI) stated in the Work and Budget Plan. The Board of Commissioners also undergoes assessment at the GMS.

Assessment Criteria

The Board of Commissioners carries out comprehensive GCG self assessment in a structured manner. The assessment focuses on 3 (three) governance aspects, namely: governance structure, governance process, and governance outcome. Data/information and sufficient documents, such as internal policies, internal reports, Bank's reports, and/or other published disclosures complement the assessment process.

Board of Commissioners Assessment Mechanism

The GCG self-assessment is conducted every semester and is related to the Bank's Financial Condition assessment as stipulated by Bank Indonesia. The self assessment includes:

1. Board of Commissioners implementation of duties and responsibilities;
2. Committee's completeness and implementation of duty; and
3. Policy and mechanism to address conflict of interest

Periodically, the Board of Commissioners conducts self assessment on the achievement of KPI as stated in the Work and Budget Plan, as well as GCG self assessment as required by the Financial Services Authority. The assessment is done through an internal meeting of the Board of Commissioners, and the results are applied as a basis of performance improvement of the Board of Commissioners members as well as its Committees.

Board of Commissioners Performance Assessment Result in 2015

Based on the Board of Commissioners self-assessment, the Board of Commissioners' KPI achievement in 2015 was recorded a score of 82.47, with a "Very Good" criteria. The scores of individual indicators are as follows:

Assessment Aspects	Scores
Off Site Supervision	33.50
On Site Supervision	34.47
Bank's Performance	14.50
Total	82.47 (Very Good)

Result of the Board of Commissioners GCG assessment in terms of implementation rating is as follows:

Assessment Aspects	Implementation rating
Governance Structure	1
Governance Process	1
Governance Outcome	1
Average	1 (Very Good)

Assessors

The Board of Commissioners' performance assessment is carried out by the Financial Services Authority and an independent party, specifically on GCG implementation. Moreover, the shareholders also conduct the overall performance assessment on the Board of Commissioners and Board of Directors during the General Meeting of Shareholders. The GCG assessment by Independent party is carried out by among others, the Indonesian Institute for Corporate Directorship (IICD) that applies the ASEAN Scorecard stBapakrd. Based on the independent party's assessment, BRI GCG was included in the category of "Good" with a score of 88.55 point.

In 2015, the Board of Commissioners has stipulated the following aspects in its key performance indicators (KPI):

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No.	Aspects	KPI	Weights (%)
1.	Off Site Supervision	a. Punctuality of review on Internal Audit Findings Report	10.00
		b. Punctuality of review on Financial Statements	10.00
		c. GCG Self-Assessment Result	10.00
		d. Punctuality of Risk Profile Report	10.00
		e. Punctuality of Compliance Report	10.00
Sub total			50.00
2.	On Site Supervision	a. Total Meetings	15.00
		b. Total Visits	10.00
		c. Committee Review	10.00
Sub Total			35.00
3.	Bank's Performance	a. Profitability	
		· Net profit	2.50
		· ROA	2.50
		b. Liquidity	
		· Third party funds	2.50
		· LDR	2.50
		c. Lending	
		· Credit expansion	2.50
		· NPL	2.50
Sub Total			15.00
TOTAL			100,00

Performance achievement above is calculated by using weighted average score, with the following score criteria:

Score 80 - 100	= Very Good
Score 70 - < 80	= Good
Score 55 - < 70	= Moderate
Score < 55	= Poor

The above key performance indicators are conducted by the Board of Commissioners through self-assessment at every semester.

Board of Directors Performance Assessment

The Board of Directors' performance assessment is more comprehensive and tiered due to the Board of Directors' complexity and extent of responsibilities. The Board of Directors performance assessment is carried out by the GMS, Bank Indonesia, and the Board of Commissioners.

Performance Assessment Criteria

The Board of Directors successful performance represents a collegial effort of all members of the Board of Directors as an annual realization of the Bank's Work and Budget Plan. The Board of Directors' performance is measured based on the Bank's condition, which consists of risk profile, good corporate governance, profitability, capital, and compliance. Every year, the Board of Directors sets the KPI that contains targets, strategy, and work plan that are incorporated into the annual Work and Budget Plan.

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The comprehensive KPI for the Board of Directors is stipulated by referring to the following criteria:

- Bank's Long Term Plan (Corporate Plan).
- Bank's Medium Term Plan (Bank Business Plan).
- Bank's Work and Budget Plan.
- Bank's Performance achievement in line with the Bank's soundness, which encompasses risk profile, Good Corporate Governance (GCG), profitability and capital.
- Bank's management reports and documents.
- Explanations regarding the Bank's management practices.
- Follow-ups on audit findings.
- Substitute Directors' duty performance.
- Bank's performance targets.

Board of Directors Assessment Mechanisms

Prior to the annual GMS of the previous financial year, the Board of Directors submits the KPI realizations on quarterly or semester reports to the Board of Commissioners. The report contains overall KPI achievement of the Board of Directors and individual KPI of each director.

The Board of Commissioners conducts the Board of Directors' performance assessment at every quarter. The assessment Result is submitted to the Ministry of SOE and FSA at every semester. The report is submitted as the Board of Commissioners' supervisory report.

Board of Directors Performance Assessment Result in 2015

The Board of Directors' performance assessment result in 2015 is stated in the 2015 Supervisory and Performance Evaluation Report of the Board of Commissioners – sub-chapter Supervisory and Performance evaluation Year 2015.

Assessors

Overall, the parties conducting the Board of Directors' performance assessment are the Board of Commissioners, GMS, and FSA. The Board of Commissioners, representing the shareholders, carries out the Board of Directors' performance assessment and further reports the result to the shareholders through the GMS mechanism.

Board of Directors Assessment Mechanism/Process, including assessment period for the year

Every quarter, the Board of Commissioners conducts the Board of Director' performance assessment. Result of the assessment is further submitted to the Ministry of SOE and FSA at every semester. The report is submitted as the Board of Commissioners supervisory report.

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BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS MEETINGS**Board of Commissioners Meetings**

The Board of Commissioners convenes in a meeting to discuss the supervisory issues or other issues related to the Bank. The meeting rules and procedures are regulated in the Bank's Articles of Association. If deemed necessary, the Board of Commissioners may invite the Board of Directors or committees to attend the Board of Commissioners meeting. The meeting has the power to take binding decisions if the number of attendees, i.e. the Board of Commissioners that attends or their proxies exceeds half of the total number of the Board of Commissioners members.

Decisions in the Board of Commissioners meetings are taken through a collective deliberation process. In the event of nonagreement, the decision will be taken based on voting. All decisions of the meeting are binding for all members of the Board of Commissioners.

Board of Commissioners Meeting Ethics

The Board of Commissioners meeting arrangement and decision-making are as follows:

1. The Board of Commissioners meeting is held at least 1 (one) time in 1 (one) month.
2. Joint meeting with the Board of Directors is held at least 1 (one) time in 4 (four) months.
3. Meeting can be convened at any time at the request of 1 (one) or several Board of Commissioners members or at the request of the Board of Directors, by disclosing the meeting agenda.
4. The President Commissioner issues the meeting notice. In the event of the President Commissioner's absence or unavailability, in which the third party verification is not required, the meeting notice is then issued by the Vice President Commissioner. In the event of the Vice President Commissioner's absence or unavailability, in which the third party verification is not required, the meeting notice is to be issued by member of the Board of Commissioners;
5. The Board of Commissioners meeting notice is taken in writing and submitted or administered in person to members of the Board of Commissioners completed with a sufficient receipt of acceptance, or by electronic mail, at least 5 (five) days prior to the meeting, excluding the date of notice and the date of meeting, or may be within less number of days for urgent situation.
6. Meeting notice as described above is not required for prescheduled meetings based on the decision of the last meetings.
7. Meeting guideline is as follows:
 - a. Meeting notice must state the agenda, date, time, and venue;
8. The meeting has the power to take binding decisions if the number of attendees, i.e. the Board of Commissioners that attends or their proxies exceeds 1/2 (half) of the total number of the Board of Commissioners members;
- b. Meeting is convened at the Bank domiciles or at other locations within the territory of the Republic of Indonesia or at the Bank's business sites;
- c. Agenda and meeting schedule are the responsibility of the Board of Commissioners' Secretary, taking into account the inputs from the Board of Commissioners;
- d. The Board of Commissioners' secretary is responsible to assist, organize, prepare, and circulate meeting agenda and materials for discussion;
- e. If the meeting invites the Board of Directors, the Board of Commissioners Secretary may coordinate with the Bank's Corporate Secretary division; and
- f. Meeting materials shall be circulated to the Board of Commissioners no later than 3 (three) days prior to the meeting. This should allow sufficient time for the Board of Commissioners to review the information and/or to request for additional information prior to the meeting.

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9. Decisions in the Board of Commissioners meeting shall be taken based on collective deliberation process. In the event of non-agreement, the decision is taken by voting. The decision is passed if the affirmative votes exceed 1/2 (half) of the legitimate votes cast in the meeting.
10. At the conclusion of a meeting, the meeting chairman reads the conclusions and decisions.
11. All decisions are binding for all members of the Board of Commissioners.
12. Member of the Board of Commissioners may only be represented in the meeting by fellow Board of Commissioners members based on written power of attorney prepared specifically for that purpose. Only one member of the Board of Commissioners may serve as proxy for one member of the Board of Commissioners.
13. Through the proxy, members of the Board of Commissioners that are unable to attend the meeting may express his/her opinions in favor of, or against the issues discussed in the meeting. The opinion is deemed legitimate in the Board of Commissioners meeting.
14. In the event of members of the Board of Commissioners and/or Board of Directors inability to physically attend the meeting, members of the Board of Commissioners and/or Board of Directors may attend via teleconference, videoconference, or other electronic medium with due observation to the prevailing stipulations. The voting rights in a meeting is stipulated as follows:
 - a. Each member of the Board of Commissioners may cast 1 (one) vote and an additional 1 (one) vote for fellow member that legitimately represented in the meeting;
 - b. Blank (abstain) vote is counted in favor of the suggestion proposed in the meeting. Illegitimate vote is eliminated and will not be calculated in the total votes cast in the meeting;
 - c. A voting with regards to an individual is taken through a sealed ballot without any signs or initials, while voting on other issues is done verbally, unless otherwise decided by the meeting Chairman and without the objection of the majority of meeting participants;
 - d. Any member of the Board of Commissioners that personally, in any way, directly or indirectly, has an interest in a transaction, contract, or proposed contract in which the Bank is a party thereof, shall disclose his/her interests in the meeting. The interested member of the Board of Commissioners does not have the right to cast a vote on issues related to the transaction or contract.
15. The Board of Commissioners may also take legitimate decisions without the Board of Commissioners meeting, provided that all members of the Board of Commissioners have been notified in writing and that all members of the Board of Commissioners have provided their written and signed agreement on the proposal. Such decision has equal power with the legitimate decisions made in the Board of Commissioners meeting.
16. All Board of Commissioners meetings are chaired by the President Commissioner. In the event of the President Commissioner's absence or unavailability, in which the third party verification is not required, the meeting is chaired by the Vice President Commissioner. In the event of the Vice President Commissioner's absence or unavailability, in which the third party verification is not required, the meeting is chaired by the attended and selected member of the Board of Commissioners.

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17. Minutes of meeting must be taken at every meeting, containing discussion points and decisions. The Minutes of meeting is a legitimate documentation for members of the Board of Commissioners and for third parties regarding the decisions taken in the meeting.

Minutes of meeting guideline is as follows:

- Meeting results shall be recorded in a Minutes of Meeting. The Minutes shall be taken by a person that attends the meeting and is appointed by the Chairman. The Minutes is signed by all attending members of the Board of Commissioners and thereafter circulated to all members of the Board of Commissioners.
- Meetings with the Board of Directors shall be recorded in a Minutes of Meeting. The Minutes shall be taken by a person that attends the meeting and is appointed by the Chairman. The Minutes is signed by all attending members of the Board of Commissioners and Board of Directors and thereafter circulated to all members of the Board of Commissioners and Board of Directors.
- Minutes of Meeting as described in point a and b must be archived by the Bank.
- Minutes of meeting is a legitimate documentation for members of the Board of Commissioners and third parties regarding the decisions taken in a meeting.

Meeting Frequency and Attendance of the Board of Commissioners

No	Name	Position	Total BoD and BoC Meetings	Attendance in BoC-BoD meeting	% Attendance	Total BoC Meetings	Attendance in BoC Meeting	% Attendance	Total meetings	Total Attendance	Total % Attendance
1	Mustafa Abubakar	President Commissioner	16	15	94%	28	27	96%	44	42	95%
2	Gatot Trihargo*	Vice President Commissioner	13	8	62%	26	15	58%	39	23	60%
3	Adhyaksa Dault	Independent Commissioner	16	11	69%	28	16	57%	44	27	61%
4	Ahmad Fuad	Independent Commissioner	16	14	88%	28	25	89%	44	39	89%
5	A. Fuad Rahmany*	Independent Commissioner	13	13	100%	26	22	85%	39	35	90%
6	A. Sonny Keraf*	Independent Commissioner	13	8	62%	26	17	65%	39	25	64%
7	Vincentius Sonny Loho	Independent Commissioner	16	10	63%	28	17	61%	44	27	61%
8	Jeffry J. Wurangian*	Commissioner	13	10	77%	26	22	85%	39	32	82%

Note: *) appointed by GMS as member of the Board of Commissioners since 19 March 2015

BOC Meeting: Board of Commissioners Meeting

BOC-BOD Meeting: Board of Commissioners - Board of Directors Joint Meeting

Board of Commissioners Meeting Agenda in 2015

The Board of Commissioners meeting has discussed the following agenda during 2015:

No.	Type of Meeting	Topics	Date
1	BOC-BOD Meeting	Quarter IV Financial Performance of 214, PT. BRI (Persero), Tbk	26 January 2015
2	BOC with Directors (Commercial + SOE)	BOD Loan Consultation with BOC	3 February 2015
3	BOC with consultant/experts	Economic update	24 February 2015
4	BOC with Directors & Corporate Secretariat	Preparation for AGMS 2015	03 March 2015
5	BOC-BOD Meeting	BRI organization	10 March 2015
6	BOC with Directors & Subsidiaries	Subsidiaries Capital Plan Injection	7 april 2015

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No.	Type of Meeting	Topics	Date
7	BOC Meeting	Composition of committees	7 april 2015
8	BOC Meeting	Governance and correspondence administration in BOC	10 april 2015
9	BOC and Director (Finance)	Plan to add capital in subsidiaries	10 april 2015
10	BOC with relevant directors and President Director	Performance and Work Plan Realization in Network and Services 2015	14 april 2015
11	BOC and relevant Director (IT)	BRI'sat progress and related issues	21 april 2015
12	BOC-BOD Meeting	Achievement of Strategic Policy Objectives and Financial and Operational Performance in Quarter I - 2015	05 May 2015
13	BOC and Directors (SOE Institutional business)	Loan Consultation	29 May 2015
14	BOC with Director & Subsidiaries	Approval for Additional Capital in Subsidiaries	5 June 2015
15	BOC-BOD Meeting	Bank Business Plan 2015-2018 and revision of Work and Budget Plan 2015	25 June 2015
16	BOC and consultant/experts	Economic updates	25 June 2015
17	BOC and Director (Commercial)	Fund provision to Related Party (PT BISF) and Loan Consultation	9 June 2015
18	BOC-BOD Meeting	Pre-Published Financial Statements Quarter II-2015	30 July 2015
19	BOC-BOD Meeting	Organizational Change	6 August 2015
20	BOC and Consultant Team	Sharing session with McKinsey & company	11 August 2015
21	Committees and BOC	Update from the Committee Chairman to BOC - Implementation of Integrated Governance & Oversight on BRI Financial Conglomeration	18 August 2015
22	BOC and Director (Compliance)	Integrated governance	21 August 2015
23	BOC and Director (Compliance)	Loan Consultation	28 August 2015
24	BOC and Consultant Team	Issues Related with BRI IT	1 september 2015
25	BOC and Director (IT)	Issues Related with BRI IT	1 september 2015

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No.	Type of Meeting	Topics	Date
26	BOC and Directors (Commercial and SOE)	Credit consultation	4 september 2015
27	BOC Meeting	Loan Consultation	8 september 2015
28	BOC-BOD Meeting	Management Letter	11 september 2015
29	BOC and relevant director (ACM)	Non-Performing Loan and Write-Off	15 september 2015
30	BOC and relevant director (hc)	Human Capital, Manpower Planning, etc.	29 september 2015
31	BOC Meeting	Internal BOC	2 October 2015
32	BOC and Pension Fund Director	Pension Fund Performance	13 October 2015
33	BOC-BOD MEETING	Pre-Published Financial Statements Quarter III-2015	20 October 2015
34	BOC-BOD & IICG team	CGI 2014 Observation	30 October 2015
35	BOC and relevant director (Finance)	Explanation on CDB Lending as addition to Bank Business Plan 2015-2017	30 October 2015
36	BOC and EY auditor	Audit Plan on Financial Statements	3 november 2015
37	BOC and relevant director	Approval on Fund Provision to Related Party (PT. Bringin Gigantara)	10 november 2015
38	BOC-BOD Meeting	1st Discussion on Bank Business Plan 2016-2018 and Work and Budget Plan 2016	17 november 2015
39	BOC and relevant director (Finance)	Uncommitted Credit Line (Ucl) to Related Party	17 november 2015
40	BOC and relevant director (HC)	MESOP	17 november 2015
41	BOC-BOD Meeting	Second Discussion on Bank Business Plan 2016-2018 and Work and Budget Plan 2016	24 november 2015
42	BOC and relevant director (HC)	Corporate University	4 December 2015
43	BOC Meeting	Audit Committee Charter and Activities	8 December 2015
44	BOC Meeting	Internal agenda	29 December 2015

Note:

BOC Meeting: Board of Commissioners Meeting

BOC-BOD Meeting: Board of Commissioners - Board of Directors Joint Meeting

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Meetings scheduled in the beginning of the year

The Board of Commissioners plans routine meetings for the subsequent year. The meetings will discuss, among others, strategic policy evaluation and Bank Business Plan implementation; Bank's soundness evaluation; evaluation on audit activities conducted by Internal Audit Unit and others. The meetings planned for full year 2016 include::

No.	Meeting Agenda	Scheduled on
1.	Financial Performance of Quarter IV - 2015	1st Week of February 2016
2.	Financial Performance of Quarter I - 2016	3rd Week of April 2016
3.	Financial Performance of Quarter II - 2016	3rd Week of July 2016
4.	Financial Performance of Quarter III - 2016	3rd Week of October 2016
5	Discussion and Evaluation on Bank's Soundness Level in 2nd Semester 2015	3rd Week of January 2016
6	Discussion and Evaluation on Bank's Soundness Level in 1st Semester 2016	3rd Week of July 2016
7	Review of Bank Business Plan 2016-2018 and Work and Budget Plan 2016	2nd Week of June 2016
8	Discussion of Bank Business Plan 2017-2019 and Work and Budget Plan 2017 Proposals	2nd Week of November 2016
9	Discussion on the Board of Commissioners and Board of Directors Remuneration Recommendations	4th Week of January 2016
10	Discussion on BRI Management Candidates Nomination	1st Week of March 2016
11	Discussion on Risk Profile, GCG Assessment, and Compliance Function of Quarter IV - 2015	2nd Week of February 2016
12	Discussion on Risk Profile, GCG Assessment, and Compliance Function of Quarter I - 2016	2nd Week of April 2016
13	Discussion on Risk Profile, GCG Assessment, and Compliance Function of Quarter II - 2016	3rd Week of July 2016
14	Discussion on Risk Profile, GCG Assessment, and Compliance Function of Quarter III - 2016	3rd Week of October 2016
15	Evaluation on Internal Audit Findings and Monitoring on the Board of Directors Follow Up of Internal and External Audit Findings in Quarter IV - 2015	2nd Week of February 2016
16	Evaluation on Internal Audit Findings and Monitoring on the Board of Directors Follow Up of Internal and External Audit Findings in Quarter I - 2016	2nd Week of April 2016
17	Evaluation on Internal Audit Findings and Monitoring on the Board of Directors Follow Up of Internal and External Audit Findings in Quarter II - 2016	3rd Week July 2016
18	Evaluation on Internal Audit Findings and Monitoring on the Board of Directors Follow Up of Internal and External Audit Findings in Quarter III - 2016	3rd Week October 2016
19	GCG Self Assessment - Semester II 2015	3rd Week January 2016
20	GCG Self Assessment - Semester I 2016	3rd Week July 2016

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Corporate Governance Report

Board of Directors Meetings

The Board of Directors meeting is periodically and at anytime convened by the Board of Directors in order to discuss matters related to the Bank's management. The Board of Directors may invite the committees under the Board of Directors to attend the meeting or to attend the Board of Commissioners meetings' invitation.

Board of Directors Meeting Ethics

The Article 13 of the Bank's Articles of Association stipulates the Board of Directors meeting ethics, as follows:

1. The Board of Directors shall periodically convene the meeting at least 1 (one) time every month.
2. The Board of Directors shall periodically convene the meeting with the Board of Commissioners at least 1 (one) time every 4 (four) months.
3. The Board of Directors meeting can be convened at any time under the following conditions:
 - The meeting is deemed necessary by one or more members of the Board of Directors;
 - At written request of one or more members of the Board of Directors; or
4. The Board of Directors meeting notice shall be done by member of the Board of Directors that has the right to represent the Board of Directors.
5. a. The Board of Directors meeting notice is made in writing and submitted or administered in person to members of the Board of Directors completed with a sufficient receipt of acceptance, or by registered post, courier service, telex, fax, or electronic mail, at least 5 (five) days prior to meeting, excluding the date of notice and the date of meeting, or may be within less number of days for urgent situation.
- b. Meeting notice as described above is not required for pre-scheduled meetings based on the decision of the last meetings or when all members of the Board of Directors attends the meetings.
6. The Board of Directors meeting notice shall state the agenda, date, time, and venue. The meeting may be convened at the Bank domiciles or at other locations within the territory of the Republic of Indonesia or at the Bank's business sites;
7. All Board of Directors meetings are chaired by the President Director. In the event of the President Director's absence or unavailability, which is not required any third party verification, the meeting is chaired by the Vice President Director. In the event of the Vice President Director' absence or unavailability, which is not required any third party verification, the meeting is chaired by attended and selected member of the Board of Directors in the meeting.
8. Members of the Board of Directors may only be represented in the meeting by fellow members based on written power of attorney. Only one member of the Board of Directors may serve as proxy for one member of the Board of Directors.
9. Member of the Board of Directors that is unavailable to attend a meeting may express his/her written and signed opinions; the statement is submitted to the President Director or other Board of Directors members that will chair the meeting. The statement contains his/her stance of affirmative votes, or non affirmative votes discussed in the meeting. The statement is deemed as a legitimate vote in the Board of Directors meeting.
10. The meeting has the power to take binding decisions if the number of attendees, i.e. the Board of Directors that attends or their proxies exceed 1/2 (half) of the total number of the Board of Directors members;
11. Should the meeting considers more than one proposals, a revote is in order until one of the proposals gain more than 1/2 votes from the total votes cast in the meeting.
12. Decisions in the Board of Directors meeting shall be taken based on collective deliberation process. In the event of non-agreement, the decision is then taken by voting. The Decision is passed if the affirmative votes exceed 1/2 (half) of the legitimate votes cast in the meeting;
13. Each Board of Directors member may cast 1 (one) vote and an additional 1 (one) vote for fellow member that he/she legitimately represents in the meeting.

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- Blank (abstain) vote is counted in favor of the suggestion proposed in the meeting.
 - Illegitimate vote is eliminated and will not be calculated in the total votes cast in the meeting.
14. A voting with regards to an individual is made using a sealed ballot without any signs or initials, while voting on other issues is done verbally – unless otherwise decided by the chairman and without any objection raised by the majority of meeting participants.
15. The Board of Commissioners may also make legitimate decisions without convening the Board of Directors meeting, provided that all members of the Board of Directors have been notified in writing and that all members of the Board of Directors have provided their written and signed agreement on the proposal. Such decision has equal power with the legitimate decisions made in the Board of Directors meeting.
16. Should a member of the Board of Directors is unable to physically attend the meeting, the member of Board of Directors may attend via teleconference, videoconference, or other electronic medium with due observation to the prevailing stipulations.
17. Any member of the Board of Directors that personally, in way or forms, directly or indirectly, has an interest in a transaction, contract, or proposed contract in which the Bank is a party thereof, shall disclose his/her interests in the meeting. The interested member of the Board of Directors does not have the right to cast a vote on issues related to the transaction or contract.

Meeting Agenda in the Beginning of Year

Pursuant to FSA regulation and the Articles of Association, the Board of Directors must schedule the Board of Directors meeting at least 1 (one) time every month for one full subsequent year prior to the end of a financial year. For 2016, the meeting agenda is as follows:

No	Time	Agenda
1	January	1. 2015 Financial Performance 2. Review on Bank Soundness Level Semester II-2015 and Risk Profile of Quarter IV-2015 3. IT Monitoring 4. Human Capital Review 5. Change Management Report 6. Corporate Development & Strategy Report 7. Board of Directors Meeting Resolutions Follow-Up
2	February	1. IT Monitoring 2. Human Capital Review 3. Change Management Report 4. Corporate Development & Strategy Report 5. Board of Directors Meeting Resolutions Follow-Up
3	March	1. IT Monitoring 2. Human Capital Review Change 3. Management Report 4. Corporate Development & Strategy 5. Board of Directors Meeting Resolutions Follow-Up
4	April	1. Financial Performance of Quarter I 2016 2. Review on Risk Profile of Quarter I-2016 3. IT Monitoring 4. Human Capital Review 5. Change Management Report 6. Corporate Development & Strategy Report 7. Board of Directors Meeting Resolutions Follow-Up

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No	Time	Agenda
5	May	1. BRIsat Progress Report 2. IT Monitoring 3. Human Capital Review 4. Change Management Report 5. Corporate Development & Strategy Report 6. Board of Directors Meeting Resolutions Follow-Up
6	June	1. BRIsat Progress Report 2. IT Monitoring 3. Human Capital Review 4. Change Management Report 5. Corporate Development & Strategy Report 6. Board of Directors Meeting Resolutions Follow-Up
7	July	1. Financial Performance of Quarter II 2016 2. Review on Bank Soundness Level Semester I-2015 and Risk Profile of Quarter II-2015 3. IT Monitoring 4. Human Capital Review 5. Change Management Report 6. Corporate Development & Strategy Report 7. Board of Directors Meeting Resolutions Follow-Up
8	August	1. IT Monitoring 2. Human Capital Review 3. Change Management Report 4. Corporate Development & Strategy Report 5. Board of Directors Meeting Resolutions Follow-Up
9	September	1. Discussion on Basic Assumptions of Work and Budget Plan 2017 2. IT Monitoring 3. Human Capital Review 4. Change Management Report 5. Corporate Development & Strategy Report 6. Board of Directors Meeting Resolutions Follow-Up
10	October	1. Financial Performance of Quarter III 2016 2. Review on Risk Profile of Quarter III-2016 3. IT Monitoring 4. Human Capital Review 5. Change Management Report 6. Corporate Development & Strategy Report 7. Board of Directors Meeting Resolutions Follow-Up
11	November	1. Bank Business Plan 2017 - 2019 and Work and Budget Plan 2017 2. IT Monitoring 3. Human Capital Review 4. Change Management Report 5. Corporate Development & Strategy Report 6. Board of Directors Meeting Resolutions Follow-Up
12	December	1. BRI 120th Anniversary Celebration 2. IT Monitoring 3. Human Capital Review 4. Change Management Report 5. Corporate Development & Strategy Report 6. Board of Directors Meeting Resolutions Follow-Up

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Board of Directors Meeting Frequency and Attendance in 2015

In 2015, BRI Board of Directors convened a total of 56 Board of Directors meetings. The following table presents details of meeting attendance.

No	Name	Position	Total Board of Directors Meeting	Total Attendance	% Attendance
1	Asmawi Syam	President Director	56	47	84 %
2	Sunarso*	Vice President Director	44	40	91%
3	Randi Anto	Credit Risk & Asset Management Director	56	44	79%
4	A.Toni Soetirto	Consumer Director	56	47	84%
5	Gatot Mardiwastoto	Human Capital Director	56	49	88%
6	Susy Liestyowaty*	Compliance Director	44	35	80%
7	Zulhelfi Abidin*	Operational Director	44	33	75%
8	Haru Koesmahargyo*	Finance Director	44	34	77%
9	Donsuwan Simatupang*	Commercial Director	44	40	91%
10	Mohammad Irfan*	Micro Director	44	33	75%
11	Kuswiyoto**	Institution Business Director	23	19	83%
12	Djarot Kusumayakti***		23	23	100%
13	Achmad Baiquni****		12	8	67%
14	Sulaiman Arif Arianto****		12	8	67%
15	Suprajarto****		12	9	75%

*) Appointed effective as of 19 March 2015

**) Appointed effective as of 12 August 2015

***) Tenure completed as of 8 June 2015

****) Tenure completed as of 19 March 2015

Board of Directors Meeting Agenda in 2015

The Board of Directors meetings in 2015 discussed various agenda as follows:

No	Date	Agenda
1	2 January 2015	Substitute Director, BRI Credit Committee, Authority to Decide Cost & Cost Fiat, Director to Oversee Certain Regions, etc.
2	8 January 2015	1. Establish Substitute Director Mechanism 2. General Meeting of Shareholders Implementation 3. Organization of Strategic Forum and Gala Dinner 4. BRI's Progress Report 5. People Business Loans - KUR BRI
3	15 January 2015	1. BRI's Progress Report 2. General Meeting of Shareholders Schedule 3. BRI Financial Performance 2014 4. Organization of Strategic Forum

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No	Date	Agenda
4	29 January 2015	1. ATM Maintenance 2. EDC, Hybrid, and SSB Terminal 3. Chip Technology Implementation Progress 4. Bali Toll Road Cooperation
5	5 February 2015	1. ATM Maintenance 2. Hybrid, and SSB Terminal 3. BRIsat Progress Report 4. E Payment Toll 5. NSICCS 6. EDC.
6	18 February 2015	Assets, Third Party Funds, and Loans Position as of January 2015
7	25 February 2015	BRIsat Progress Report
8	5 March 2015	1. Februari 2015 Financial Performance. 2. Microfinance Forum. 3. BRISat Program Update.
9	12 March 2015	1. BRIsat Program Update
10	16 March 2015	1. March 2015 Performance Achievement Simulation 2. Drafting of AGMS Resolutions 2015
11	17 March 2015	AGMS 2015 Final Rehearsal
12	18 March 2015	BRI Credit Committee
13	20 March 2015	Board of Directors Division of Responsibilities
14	23 March 2015	1. Determination of the Board of Directors Scope of Duties 2. Director In Charge on the Regional Offices Oversight
15	26 March 2105	1. Revision of the Board of Directors Scope of Duties 2. Board of Directors Facilities
16	9 April 15	1. Economic Briefing 2. BRI Remittance Strategy 3. Regional Commercial Business (RCB)
17	16 April 15	1. Completing the Positions of Operating Unit Leadership 2. Education Program for BRI Employees 3. BRI Subsidiary Management 4. BRI Pension Fund Subsidiary Management 5. Management Policy on Fixed Assets and Logistics
18	23 April 15	1. Progress of e-Toll Development with Bank Mandiri 2. e-Payment Cooperation 3. StBapakrd of Indonesia Retail Payment (SPRIN) 4. Capital & Investment Committee 5. The Future of Transactional Banking
19	30 April 15	1. Loan Decision Authority 2. Update on the Specialization of Business Deputy General Manager of Regional Office 3. Corporate Actions

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No	Date	Agenda
20	6 May 2015	1. Teras Kapal BRI Launch Progress 2. Credit Facility for Employee 4. Education Center Development
21	21 May 2015	1. BRI'sat Progress Report 2. BRI IT Update 3. Corporate Action
22	28 May 2016	1. Work and Budget Plan 2015 Revision 2. Update on BRI Loan Policy 3. Corporate Action
23	5 June 2015	1. Substitute Director 2. Work and Budget Plan 2015 Revision
24	8 June 2015	Determination of the Board of Directors Scope of Duties and Committees under BRI Board of Directors
25	9 June 2015	1. Extraordinary GMS 2. Substitute Director
26	11 June 2015	1. Teras Kapal BRI Operations Preparation 2. BRI Credit Committee and Approval on Loan Decision Authority Delegation of NPL 3. BRI Activities on Ramadhan Month of Islamic Year 1436 H. 4. Micro Lending and Special Retail Scheme Policies
27	16 June 2015	1. Determination of the Board of Directors Scope of Duties 2. Senior Executive Vice President (SEVP)
28	18 June 2015	1. Credit Committee and Approval on Loan Decision Authority Delegation 2. Extraordinary GMS Schedule 3. Corporate Actions 4. Work and Budget Plan 2015 and Bank Business Plan 2015 - 2017 Update 5. BRI Organization
29	25 June 2015	1. BRI Financial Performance 2. BRI Property Purchase and Lease
30	2 Juli 2015	1. BRI Financial Performance 2. Update on Iftar Event with Orphans
31	9 Juli 2015	1. BRI Financial Performance 2. Corporate Actions 3. Extraordinary GMS Agenda Draft
32	6 August 2015	1. BRI IT Issues
33	11 August 2015	1. Financial Highlight 2. Change of Regional Office Organization 3. Corporate Actions
34	18 August 2015	1. Condition of Debtors of Agribusiness Division
35	26 August 2015	1. Divisions Meeting Material
36	1 September 15	1. Corporate Actions 2. BRI Organizational Change

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No	Date	Agenda
37	7 September 15	1. Work and Budget Plan 2016
38	8 September 15	1. BRI and Regional Office Re-Organization 2. Microfinance Institute
39	15 September 15	1. Corporate Actions 2. Operating Units Performance Review 3. BRI Products Review
40	22 September 15	1. Corporate Actions 2. Establishment of BRI Microfinance Foundation 3. BRI Corporate University 4. BRI Organizational Change
41	25 September 15	1. BRI Transformation 2. Corporate Actions
42	29 September 15	1. Corporate Actions
43	2 October 2015	1. BRI Organizational Change
44	6 October 2015	1. Division of the Board of Directors' Oversight on Regional Offices 2. BRI 120th Anniversary Celebration Plan 3. BRI Organizational Proposal
45	13 October 2015	1. BRI ATM Zoning 2. IT System Health Check (LAS system)
46	20 October 2015	1. China Development Bank loans 2. BRI sat Progress Update 3. Corporate Actions 4. Update on e-Toll Cooperation Progress
47	21 October 2015	1. SEVP
48	27 October 2015	1. Proposal of the Board of Directors Authority 2. Corporate Actions Update 3. CDB Loan Update 4. Internal/External Communications Strategy 5. Haze Mitigation 6. Fixed Assets Revaluation
49	3 November 2015	1. Work and Budget Plan 2016 and Bank Business Plan 2016 - 2018 2. Prognosis of Work and Budget Plan 2015 and 2016 3. Fixed Assets Revaluation
50	10 November 2015	HC Policy Update
51	17 November 2015	1. Consumer Credit Management Authority By SVEP of SME and Consumer 2. BRI sat Update
52	24 November 2015	1. Work and Budget Plan 2016 and Bank Business Plan 2016-2018 Presentation 2. Corporate Actions 3. Review on Plan to Charge Fee for Cash Withdrawal
53	1 December 2015	1. Extraordinary GMS II 2015 2. Balanced Score Card System Implementation

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No	Date	Agenda
54	8 December 2015	1. BRI product management 2. BRI Excellence Awards plan 3. NSICCS 4. Activities for BRI 120th anniversary celebration
55	15 December 2015	1. BRI Singapore Business Update 2. BRI Corporate University 3. Events on 16 December 2015 (BRI Anniversary)
56	22 December 2015	1. Presentation from BRI Innovation Day 2015 Winners 2. Corporate Actions 3. Activities for BRI 120th Anniversary Celebration

Board of Directors and Board of Commissioners Joint Meeting

The Board of Directors and Board of Commissioners joint meeting in 2015 discussed various agenda items, as follows:

No.	Type of Meetings	Topics	Date
1	Board of Commissioners-Board of Directors Joint Meeting	Financial Performance of Quarter IV - 2014, PT. BRI (Persero), Tbk	26 January 2015
2	Board of Commissioners and Directors (Commercial + SOE)	Board of Directors Loans Consultation with the Board of Commissioners	3 February 2015
3	Board of Commissioners with Directors & Corporate Secretariat	Preparation for the AGMS 2015	03 March 2015
4	Board of Commissioners-Board of Directors Joint Meeting	BRI Organization	10 March 2015
5	Board of Commissioners and Director (Compliance)	Integrated Corporate Governance	21 August 2015
6	Board of Commissioners and Director (Commercial)	Loans Consultation	28 August 2015
7	Board of Commissioners with Directors & Subsidiary	Capital Injection Plan in Subsidiaries	7 April 2015 ¹
8	Board of Commissioners and Director (Finance)	Capital Injection Plan in Subsidiaries	10 April 2015
9	Board of Commissioners with Directors and President Director	Performance and Work Plan Realization in Network and Services 2015	14 April 2015
10	Board of Commissioners and Director (IT)	BRISat Progress and Other Related Issues	21 April 2015
11	Board of Commissioners-Board of Directors Joint Meeting	Achievement of Strategic Policy Objectives and Financial and Operational Performance on Quarter I - 2015	05 May 2015
12	Board of Commissioners and Directors (SOE-Institutional Business)	Loans Consultation	29 May 2015
13	Board of Commissioners with Directors & Subsidiaries	Approval for Capital Injection in Subsidiaries	5 June 2015

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No.	Type of Meetings	Topics	Date
14	Board of Commissioners-Board of Directors Joint Meeting	Bank Business Plan 2015-2018 and Work and Budget Plan 2015 Revision	25 June 2015
15	Board of Commissioners and Director (Commercial)	Fund Provision to Related Party (PT BISF) and Loans Consultation	9 June 2015
16	Board of Commissioners-Board of Directors Joint Meeting	Pre-Published Financial Statements of Quarter II-2015	30 July 2015
17	Board of Commissioners-Board of Directors Joint Meeting	Organizational Change	6 August 2015
18	Board of Commissioners and Director (IT)	IT Issues	1 September 2015
19	Board of Commissioners and Directors (Commercial and SOE)	Loans Consultation	4 September 2015
20	Board of Commissioners-Board of Directors Joint Meeting	Management Letter	11 September 2015
21	Board of Commissioners and Director (ACM)	Handling of Non Performance Loans and Written-off Loans	15 September 2015
22	Board of Commissioners and Director (HC)	Human Capital, Manpower Planning, etc.	29 September 2015
23	Board of Commissioners and Pension Fund Director	Pension Fund Performance	13 October 2015
24	Board of Commissioners-Board of Directors Joint Meeting	Pre-Published Financial Statements of Quarter III-2015	20 October 2015
25	Board of Commissioners-Board of Directors Joint Meeting & IICG Team	CGPI 2014 Observation	30 October 2015
26	Board of Commissioners and Director (Finance)	Explanation on CDB Lending as Addition to the Bank Business Plan 2015-2017	30 October 2015
27	Board of Commissioners and Directors	Approval on Fund Provision to Related Parties	10 November 2015
28	Board of Commissioners-Board of Directors Joint Meeting	1st discussion on Bank Business Plan 2016-2018 and Work and Budget Plan 2016	17 November 2015
29	Board of Commissioners and Director (Finance)	Uncommitted Loans Line (UCL) to Related Parties	17 November 2015
30	Board of Commissioners and Director (HC)	MESOP	17 November 2015
31	Board of Commissioners-Board of Directors Joint Meeting	2nd Discussion on Bank Business Plan 2016-2018 and Work and Budget Plan 2016	24 November 2015
32	Board of Commissioners and Director (HC)	Corporate University	4 December 2015

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BOARD OF COMMISSIONERS COMMITTEES

Audit Committee

Audit Committee Legal Reference

BRI Audit Committee establishment refers to Law No. 19 of 2003 dated 19 June 2003 regarding the State-Owned Enterprises, Law No. 40 of 2007 regarding the Limited Liability Company, Bank Indonesia Regulation No. 8/4/PBI/2006 as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 regarding the Corporate Governance Implementation for Commercial Banks, the State-Owned Enterprises Minister

Decision No. PER-01/MBU/2011, dated 1 August 2011 as amended by State Owned Enterprises Regulation No. PER 09/MBU/2012, dated 6 July 2012 regarding Good Corporate Governance; the Chairman of Capital Market and Financial Institution Supervisory Agency Decision No. KEP-643/BL/2012 dated 7 December 2012 regarding the Establishment and Work Implementation of Audit Committee.

The Audit Committee is established to support and facilitate the Board of Commissioners' supervisory duties and functions related to financial information, internal control system, evaluation of internal and external auditors effectiveness, risk management effectiveness (with Risk Management Oversight Committee), as well as compliance to the prevailing regulations.

Audit Committee Structure and Composition

BRI Audit Committee consists of a Chairman, which is an Independent Commissioner, two Commissioner members, and three non-Commissioner members, with expertise in finance, accounting, law, and banking.

Committee Composition as of 1 January 2015 – 15 June 2015

No.	Name	Position in Committee	Position in Organization
1.	Bunasar Sanim	Chairman	President Commissioner/Independent Commissioner
2.	Adhyaksa Dault	Member	Independent Commissioner
3.	Hermanto Siregar	Member	Independent Commissioner
4.	H.C. Royke Singgih	Member	Independent Member
5.	Dedi Budiman Hakim	Member	Independent Member
6.	Syahrir Nasution	Member	Independent Member

Composition as of 15 June 2015-13 December 2015

No.	Name	Position in Committee	Position in Organization
1.	A. Fuad Rahmany*	Chairman	Independent Commissioner
2.	Adhyaksa Dault	Member	Independent Commissioner
3.	A. Sonny Keraf**	Member	Independent Commissioner
4.	H.C. Royke Singgih	Member	Independent Member
5.	Dedi Budiman Hakim	Member	Independent Member
6.	Syahrir Nasution	Member	Independent Member

* Appointed as Independent Commissioner effective as of 26 May 2015 following the Fit and Proper Test approval from the Financial Services Authority

** Appointed as Independent Commissioner effective as of 10 June 2015 following the Fit and Proper Test approval from the Financial Services Authority

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Audit Committee Members Profile



A. Fuad Rahmany
Audit Committee Chairman/Independent Commissioner

The profiles of A. Fuad Rahmany, Adhyaksa Dault, and Sonny Keraf can be viewed in the Board of Commissioners Members Profile.

Profile of the Audit Committee Members from the Independent Party/Non-Commissioners

H.C. Royke Singgih – born in Jakarta, 13 March 1960. He serves as PT. BRI (Persero) Audit Committee member since October 2005. He is a registered accountant. Previously, he had a career with PT Bank IFI Jakarta, PT PAN Indonesia Bank Jakarta, and PT Krakatau Steel Cilegon. He obtained a Bachelor degree in Accounting from Gajah Mada University, Yogyakarta (1986), and a Master degree in Management of Finance and Banking from University of Indonesia, Jakarta (2000). He also obtained Special Certificate in Strategic Management for Pre-Doctoral Program, University of Indonesia, Jakarta (2004), and Doctorate in Business Management from Bogor Agricultural Institute (2012).

Syahrir Nasution – born in Pematang Siantar, 21 September 1952. He serves as PT. BRI (Persero) Audit Committee member since November 2008. A chartered accountant, he formerly worked in the Development Supervisory Agency (BPKP), Jakarta, until 1990. Since 1990-2008 he worked in BRI audit department. His last position was Inspector of BRI Jakarta Audit Office. He obtained Accounting degree from the Institute of Finance, Finance Ministry, Jakarta (1981).

Dedi Budiman Hakim – born in Sumedang, 22 October 1964. He serves as PT. BRI (Persero) Audit Committee member since November 2005. Currently, he is a lecturer in Bogor Agricultural Institute (IPB), Bogor and a researcher in the Centre for Applied Economics and Finance, IPB, Bogor (1988). He obtained a Magister in Agricultural Economics from Massey University Palmerston North, New Zealand (1994), and a Doctorate in Agricultural Economics from Georg-August Universitaet Goettingen, Germany (2004).

Education Qualifications and Working Experience (Skills) as Audit Committee Member

1. Has sufficient knowledge on banking industry including banking stipulations and regulations, and prevailing laws.
2. Good listeners, investigators, and avid thinker.
3. Has at least 10 years background and experience in finance or audit (at least one member).
4. Has sufficient time to carry out duties.
5. Able to communicate effectively.
6. Have good mentality and ethics as well as high degree of professional responsibility.
7. Has sufficient understanding on Good Corporate Governance.
8. Has sufficient understanding on the concept of risks and risk control in business activity as well as internal control.

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9. Has the skill to convey constructive opinion and recommendations.
10. Has the understanding on auditing concept.
11. Becomes member of Audit Committee profession organization.

Audit Committee Members Independency

In order to protect and improve independency of the Audit Committee members' duties implementation, opinion deliverables, recommendations as well as inputs to the Board of Commissioners, all Audit Committee members do not hold any affiliations with BRI Directors, Commissioners, and controlling shareholders. The Committee members are not taking any post as shareholders, Commissioners, Directors, and employees of BRI affiliated companies or businesses. Prior to holding the positions, members of Audit Committee do not have the authority to plan, lead, or control the BRI and are not an ex-chairman or employees of any Public Accountant Firm that evaluates BRI's books. To ensure the duties implementation quality, all BRI Audit Committee members hold the financial and/or accounting background. As such, all independency requirements of Audit Committee members are already met and in due observation to the regulations as well as GCG best practices.

Audit Committee Charter

BRI Audit Committee has in place the Audit Committee Charter that elaborates the duties, authorities, responsibilities, work divisions, work schedules, work ethics, meetings, organizational structure, and Audit Committee duties implementation.

The Audit Committee Charter is acknowledged and binding for each of the Audit Committee member. The Audit Committee Charter was endorsed by the Board of Commissioners and last updated on 12 May 2015.

Audit Committee Duties and Responsibilities

BRI Audit Committee has the following duties and responsibilities:

1. Monitor and evaluate internal and external audit planning and implementation, and monitor the follow up on findings of internal and external audit. In the assessment of internal control adequacy and reporting process, the committee monitors and evaluates:
 - a. Internal Audit Unit duties implementation;
 - b. Audit compliance by the Public Accountant Firm with the applicable auditing stBapakrd;
 - c. Compliance of financial statements with the applicable accounting stBapakrds;
 - d. Board of Directors' follow up on findings from Internal Audit Unit, Public Accountant Firm, supervisory from FSA and Indonesia Supreme Audit Institution;
2. Review the financial information that will be released by BRI to the public and/or the authorities, among others financial statements, projections, and other reports related to BRI financial information;

3. Provide recommendations regarding the Public Accountant and Public Accountant Firm assignment to the Board of Commissioners to further be submitted to the General Meeting of Shareholders, by considering the independency, assignment frameworks, and fees for the Public Accountant and Public Accountant Firm;
4. Review the complaints related to accounting process and BRI financial reporting, as well as other complaints;
5. Review the compliance with laws and regulations that are related to BRI activities;
6. Review and provide inputs to the Board of Commissioners related to the potential of BRI's conflict of interests.

AUDIT COMMITTEE WORK PROGRAMS & WORK IMPLEMENTATION REPORT

In 2015, BRI Audit Committee has developed the following work programs:

1. Financial Statements Review

The Board of Commissioners reviews the financial statements that will be released by the Bank, including quarter and annual reports. The results are in the form of feedback to the Board of Directors for improvement or revision of the report prior to publication.

The timeline for financial statements review is as follows:

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No.	Material	Timeline	Output
1.	Financial Statements 31 December 2014	Third week of March 2014	Written recommendation on the opinion and advice from the Board of Commissioners to the Board of Directors
2.	Financial Statements 31 March 2014	Third week of April 2015	
3.	Financial Statements 30 June 2015	Third week of July 2015	
4.	Financial Statements 30 September 2015	Third week of October 2015	

2. Internal Control Adequacy Evaluation

The evaluation of audit planning and implementation is carried out by the Board of Commissioners through the Audit Committee, as well as monitoring on audit results follow up for the assessment of internal control adequacy and monitoring of findings follow up by the management.

This represents the Board of Commissioners' functions in monitoring the audit findings follow up. The objective of the supervision is to ensure that the Board of Directors has conducted improvement based on the commitment and inputs submitted by Public Accountant Firm, Bank Indonesia, Audit Board, and internal Audit. The supervisory implementation is carried out in the regular meeting with Internal Auditor and if required will invite the relevant Board of Directors/Divisions.

The evaluation and agreement of the Board of Commissioners regarding the 2015 Annual Audit Planning that will be carried out by Internal Audit will be concluded on the second week of December 2015. Meanwhile, the supervision regarding audit findings follow up is as follows:

No.	Material	Timeline	Output
1.	Report of Internal Audit Findings Semester II - 2014	Third week of February 2014	Written recommendation on the opinion and advice from the Board of Commissioners to Board of Directors
2.	Report of Internal Audit Findings Quarter I - 2015	Third week of May 2015	
3.	Report of Internal Audit Findings Semester I - 2015	Third week of August 2015	
4.	Report of Internal Audit Findings Quarter III - 2015	Third week of November 2015	

3. Soundness Level Assessment Report Review

Pursuant to Bank Indonesia Regulation No.13/1/PBI/2011 dated 5 January 2011 regarding the Commercial Banks Soundness Assessment, the Board of Commissioners has the responsibility to maintain and monitor the Bank's Soundness Level and to take necessary actions to maintain and/or improve the Bank's Soundness Level. The Bank's Soundness Level self-assessment result in each semester that has been approved by the Board of Directors shall be submitted to the Board of Commissioners.

The Board of Commissioners further conducts evaluation towards the Soundness Level Evaluation Report that includes risk profile, Good Corporate Governance, earnings and capital.

The timeline to conclude the Soundness Level evaluation is as follows:

No.	Material	Timeline	Output
1.	Report of the Bank's Soundness Level July-December 2014	Third week of March 2015	Written recommendation on the opinion and advice from the Board of Commissioners to Board of Directors
2.	Report of the Bank's Soundness Level January-June 2015	Third week of August 2015	

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4. Corporate Work Plan Supervision and Approval

The Audit Committee with Risk Management Oversight Committee (RMOC), and the Nomination and Remuneration Committee (NRC), under the coordination of the Board of Commissioners' Secretary, supports the Board of Commissioners in the evaluation and approval of the Bank's Work Plan that constitutes as the guideline for the entire organization to carry out business activity in 2015.

In addition, the Board of Commissioners conducts evaluation towards the Bank's Business Plan Realization that will be submitted to Bank Indonesia, at least two months following the reporting period.

5. Review of Financial Audit Implementation by Public Accountant Firm

The Board of Commissioners through the Audit Committee will review the audit implementation of BRI Financial Statements and Management Letters carried out by Public Accountant Firm.

The timeline in concluding this review is as follows:

No.	Material	Timeline	Output
1.	BRI Financial Statements for Financial Year 2014	Third week of March 2015	Written recommendation on the opinion and advice from the Board of Commissioners to Board of Directors
2.	Management Letter Financial Year 2014	Third week of June 2015	
3.	Partnership and Community Development Program Financial Report Financial Year 2014	Third week of March 2015	

6. Good Corporate Governance (GCG) Implementation Report

The Audit Committee with RMOC and NRC, under the Board of Commissioners' Secretary coordination will conduct evaluation of GCG implementation through self-assessment to acknowledge the effectiveness of GCG implementation within the Board of Commissioners, including its Committees.

The timeline to conclude GCG implementation report in 2015 and self-assessment is as follows:

No.	Material	Timeline	Output
1.	GCG Implementation Report 2014	Fourth week of January 2015	Board of Commissioners GCG Implementation Report
2.	GCG Self Assessment in Semester II - 2014	First week of January 2015	
3.	GCG Self Assessment in Semester I - 2015	First week of July 2015	

7. Board of Commissioners Annual Report

The Audit Committee, RMOC and NRC, under the coordination of the Board of Commissioners' Secretary develops the Board of Commissioners Activity Report Draft for its activities in 2014, which will be included in the Bank's Annual Report. The Annual Report is submitted to the Board of Commissioners for further approval in the GMS 2015.

8. Work Visits

The Audit Committee, with RMOC, NRC, and the Board of Commissioners' Secretary assists the Board of Commissioners to conduct work visits to the Bank's operating units, focusing on operational, information and technology, and human capital aspects, as well as individual issues of the units. The Work Visit Report implementation schedule is as follows:

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Material	Timeline	Output
Work visits to operating units	As scheduled by the Board of Commissioners	Report of visit is submitted to the Board of Commissioners no later than 7 (seven) working days after the visit
9. Audit Findings Follow Up Monitoring The objective of this monitoring is to ensure the improvement by the Board of Directors on the commitment and inputs submitted by the Ernst & Young Public Accountant Firm, the Financial Services Authority, and Internal Audit. The monitoring is conducted in the regular meeting with Internal Audit and if necessary, will invite the relevant Board of Directors/Divisions or operating units.	Audit Committee Opinion on Internal Control and Risk Management Over the course of 2015, the Audit Committee carried out its duties and responsibilities by, for example, examining the Bank's internal control through meetings and discussions with BRI management, Internal Audit Unit (IAU) and Independent Auditor. In carrying out evaluation on internal control by the Bank's management, the Audit Committee and BRI management hold meetings and discussion sessions, in particular with regards to BRI consolidated financial statements. The evaluation covers the quality of applicable accounting stBapakrds, fairness of significant evaluation, and clarity of disclosures in the consolidated financial statements, as well as the adequacy of internal control framework. The Bank's Board of Directors is responsible for the financial statements and internal control system effectiveness including its evaluation. In auditing the Bank's internal control and risk management, the Audit Committee also carries out discussion with IAU to obtain information regarding the audit scopes and planning. The	discussion includes IAU's regular supervision on the management's commitment to improve internal control weaknesses in a timely manner and IAU's opinion on the adequacy of the improvement. Periodically, the Audit Committee supervises IAU investigation to ensure that the quality of audit implementation is carried out with risk based internal audit (RBIA) methodology and gradual business process approach, hence in line with the corporate risk management maturity level. In auditing the Bank's consolidated financial statements, the Audit Committee together with Independent Auditor discuss the accounting stBapakrd quality and judgments used by the Management in the Bank's consolidated financial statements presentation and development. In this session, the Independent Auditor and Audit Committee also discuss deficiencies identified during the audit process, which according to the professional objectives of the Independent Auditor, are material and requires
10. Education and Training In order to improve competency and updates of knowledge to support its duties and responsibilities, the Non-Commissioner Members of Audit Committee (AC) may propose to the Board of Commissioners to participate in education and training related to knowledge updates on banking audit and internal control.		
Audit Committee Work Implementation Report In carrying out its work programs, the Audit Committee conducts coordination meetings and meeting with related Parties as well as providing recommendations and feedbacks on the Bank's internal control implementation.		

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the attention of relevant parties. The Independent Auditor has the responsibility to provide opinion regarding the compliance of the Bank's consolidated financial statements with Financial Accounting Standards in Indonesia. Based on the audit and discussion, the Audit Committee will be able to confirm the adequacy of the Bank's internal control system and risk management to identify risks, hence will enable the Bank to comprehend and manage the risks.

Documents Endorsed by the Audit Committee

No	
1	Evaluation on BRI Financial Statements as of 31 December 2015
2	Evaluation on Fixed Assets and Building for Underpass Construction Project in Jatingaleh, Semarang
3	Evaluation on Audit Work Plan and Annual Audit Plan of Internal Audit Financial Year 2015
4	Evaluation of the Proposal to Approve the Write-Off of BRI Jakarta Kota branch
5	Proposal of Public Accountant Firm Appointment Approval for General Audit on Financial Statements of Financial Year 2015
6	Evaluation on Audit Result Report Financial Year 2014
7	Review of DPLK BRI Financial Report and Performance, Year 2014
8	Review of Audit Program Revision 2015
9	Evaluation on the First and Second Quarterly Performance and Publication Report
10	Evaluation on the Main Audit Results Report of the First Quarter in 2015
11	Evaluation on the Main Audit Results Report of Semester I in 2015
12	Appointment of Public Accountant Firm for BRI Financial Statements and Partnership and Community Development Program Financial Report, Financial Year 2015 General Audit
13	Evaluation on Partnership and Community Development Program 2014 and Partnership and Community Development Program Work Programs in 2015

Meeting Frequency and Attendance of the Audit Committee Members

No.	Name	Position	Total Meetings	Attendance	Attendance (%)
1	A. Fuad Rahmany*	Chairman	14	14	100%
2	Adhyaksa Dault	Member	16	8	50%
3	A. Sonny Keraf*	Member	14	10	71%
4	H.C Royke Singgih	Member	15	13	87%
5	Syahrir Nasution	Member	16	12	75%
6	Dedi Budiman Hakim	Member	13	9	69%

*) Appointed by the GMS as BRI Members of the Board of Commissioners effective as of 19 March 2015

Audit Committee Meetings in 2015

The results of Audit Committee meeting activities are documented in the minutes of meeting and will be followed up with several letters to the Board of Commissioners and relevant parties. The following are Audit Committee meetings during 2015:

No.	Time	Meetings	Meetings Material
1	Tuesday, 13 January 2015	Audit Committee (AC) with EY auditor	Audit Progress on BRI Financial Statements Financial Year 2014
2	Tuesday, 17 February 2015	AC with IAU	Discussion regarding: 1. Annual Audit Plan 2015 and 2. Audit Work Plan, Internal Audit 2015

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No.	Time	Meetings	Meetings Material
3	Tuesday, 24 March 2015	AC with Compliance and IAU Directors	Discussion regarding the Quarter IV - 2014 Audit Result Report and the Latest Material Findings
4	Tuesday, 14 April 2015	Internal AC	Discussion regarding Internal Control System for Commercial Banks
5	20 April 2015	Internal AC	Annual Audit Plan Discussion 2015
6	12 May 2015	AC with Director & Team	Presentation from Public Accountant Firm Procurement Team regarding Public Accountant Firm Procurement Process to Audit BRI Financial Statements 2015
7	26 May 2015	AC with EY Auditor	Management Letter for Financial Year 2014
8	16 June 2015	AC with Compliance and IAU Directors	Report from the Quarter I - 2015 Audit Report & Latest Material Findings
9	19 June 2015	AC with Finance Director and DPLK	DPLK Internal Performance Year 2014 and Audit Work Plan 2015
10	30 June 2015	AC with SME Director	Partnership and Community Development Program Performance 2014 and Audit Work Plan 2015
11	29 July 2015	Internal AC	Internal Committee, AC & RMOC
12	25 August 2015	AC with Compliance and IAU Directors	Quarter II - 2015 Audit Result Report
13	10 November 2015	Internal AC	Audit Committee Internal Discussion
14	24 November 2015	AC with Compliance and IAU Directors	Quarter III - 2015 Audit Result Report
15	1 December 2015	Internal AC (with Experts)	Discussion regarding Audit Committee Status Review and Audit Committee Activities
16	22 December 2015	AC with Internal Audit Unit	Follow Up Plans Discussion regarding Exit Meeting with the Financial Services Authority

Nomination and Remuneration Committee

Legal Reference of the Nomination and Remuneration Committee Establishment

Establishment of the Nomination and Remuneration Committee refers to:

1. State-Owned Enterprises (SOE) Ministry Decision No. PER-01/MBU/2011 dated 1 August 2011 regarding Good Corporate Governance Implementation;
2. Bank Indonesia Regulation No. 8/4/PBI/2006 as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 regarding Good Corporate Governance Implementation for Commercial Banks;
3. Law No. 19 of 2003 dated 19 June 2003 regarding the State-Owned Enterprises (SOE);
4. State-Owned Enterprises (SOE) Ministry Regulation No. PER-12/MBU/2012 dated 24 August 2012 regarding the Supporting Organs of the Board of Commissioners/SOEs Supervisory Board;
5. Financial Services Authority Regulation No. 34/POJK.04/2014 regarding the Issuers or Public Companies Remuneration and the Nomination Committee.

Member of the Nomination and Remuneration Committee Structure

Pursuant to the prevailing stipulations, BRI Nomination and Remuneration composition and structure is as follows:

1. The Committee consists of at least 3 (three) members, comprising one Independent Commissioner, one Commissioner, and one Executive Officer that manages Human Capital policy (ex officio) or one representative of the Bank's employee;
2. In the event that Committee members are established with more than 3 (three) members, the Committee has to assign at least 2 (two) Independent Commissioners;

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3. The Board of Commissioners may appoint Independent Party as members of the Committee, under the following conditions:
 - a. The prospective individual shall meet the following requirements:
 - Does not have any affiliations with the Bank, members of the Board of Directors, members of the Board of Commissioners, or Controlling Shareholders;
 - Has the experience related to the Nomination and/or Remuneration; and
 - Is not serving the concurrent position in other committees of the Bank.
 - b. Appointed by the Board of Commissioners through recruitment and selection mechanism.
 - c. A 2 (two)-year tenure cycle that can be extended by taking into account the tenure of the Board of Commissioners and rules on the Bank's contract employment, and with the possibility of termination by the Board of Commissioners prior to contract expirations.
4. Members of the Board of Directors are prohibited to take the post as a Committee member. The Committee members are appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.
5. The Committee members are appointed for certain tenure and can be re-appointed.
6. The tenure does not exceed the Board of Commissioners term of office as stipulated in the Articles of Association.

BRI Nomination and Remuneration Committee consists of a Chairman that is the primary Independent Commissioner, and members that consist of all members of the Board of Commissioners and one Executive, which is the Head of Human Capital Management Division. The structure and composition has complied with Bank Indonesia Regulation No. 8/4/PBI/2006 as amended by Bank Indonesia Regulation No. 8/14/PBI/2006.

Committee Composition as of 1 January 2015 - 14 June 2015

No.	Name	Position in Committee	Position in Organization
1.	Mustafa Abubakar**	Chairman	Vice President Commissioner/Independent Commissioner
2.	Bunador Sanim	Member	President Commissioner
3.	Ahmad Fuad	Member	Independent Commissioner
4.	Adhyaksa Dault	Member	Independent Commissioner
5.	Hermanto Siregar	Member	Independent Commissioner
6.	Heru Lelono	Member	Commissioner
7.	Vincentius Sonny Loho	Member	Commissioner
8.	Ganefi (Head of Human Capital Policy and Development Division)	Member	Ex-Officio

Committee Composition as of 15 June 2015 -13 December 2015

No.	Name	Position in Committee	Position in Organization
1.	Mustafa Abubakar	Chairman	Vice President Commissioner/Independent Commissioner
2.	Gatot Trihargo *	Member	President Commissioner
3.	Adhyaksa Dault	Member	Independent Commissioner
4.	Ahmad Fuad	Member	Independent Commissioner
5.	A. Fuad Rahmany **	Member	Independent Commissioner
6.	A. Sonny Keraf *	Member	Commissioner
7.	Vincentius Sonny Loho	Member	Commissioner

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No.	Name	Position in Committee	Position in Organization
8.	Jeffrey J. Wurangian ***	Member	Commissioner
9.	Eko Bambang Suharno (Head of Human Capital Policy and Development Division) ****	Member	Ex-Officio

Note :

- * Appointed as Commissioner and Independent Commissioner effective as of 10 June 2015 following the Fit and Proper Test approval from the Financial Services Authority
- ** Appointed as Commissioner and Independent Commissioner effective as of 26 May 2015 following the Fit and Proper Test approval from the Financial Services Authority
- *** Appointed as Commissioner and Independent Commissioner effective as of 8 July 2015 following the Fit and Proper Test approval from the Financial Services Authority
- **** Appointed as the Head of Human Capital Development and Policy Division effective as of 18 August 2015

Profile of the Nomination and Remuneration Committee Members



Mustafa Abubakar

Nomination and Remuneration Committee Chairman – Independent Commissioner

Profile of the Nomination and Remuneration Committee Non-Commissioner Members

The profiles of the Board of Commissioners Members that are Members of Nomination and Remuneration Committee can be viewed in the Board of Commissioners Members Profile.

Eko Bambang Suharno – born in Wonosobo, 14 December 1960. He began his career in PT. BRI (Persero) Tbk since 20 April 1985 and served several positions. Currently, he is the Head of Human Capital Policy and Development Division in the Head Office of PT. BRI (Persero), Tbk. He obtained Master of Business from Virginia Commonwealth University, USA. His previous position was the Division Head of Network and Services, and Director of Bank BRISyariah.

Education Qualifications and Experience of the Nomination and Remuneration Committee Members

1. Has high level of integrity, objectivity, mentality, ethics, and professional responsibility.
2. Able to be independent, namely able to carry out duties professionally without conflict of interest and pressure/influence from any parties that contravene the prevailing regulations and Good Corporate Governance principles.
3. Has sufficient knowledge regarding banking including the prevailing regulations and stipulations.
4. Comprehensive knowledge of human resources concept, particularly experience in Human Resources management such as succession planning, performance evaluation, as well as the experience to manage remuneration system for the Board of Commissioners, Board of Directors, and the Bank's employees.
5. Has the knowledge on manpower regulations and other relevant regulations related to manpower.
6. Has sufficient time to carry out duties.
7. Able to communicate effectively.

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Committee Members Independency

To ensure the quality of duties, several NRC members hold the economics and finance background, while other members are experienced in human capital. Meanwhile, to ensure independency in duties implementation and objectivities, inputs, and recommendations to the Board of Commissioners, all NRC members do not have affiliations with other Directors, Commissioners, or BRI Controlling Shareholders and are not the shareholders, Commissioners, Directors, or employees of the company that has affiliation or business with BRI.

NRC Duties and Responsibilities

The Nomination and Remuneration Committee is established by the Board of Commissioners to support the Board of Commissioners' duties and responsibilities effectiveness, especially related to the nomination and remuneration policy.

1. Nomination Functions
 - a. Analyze, develop, and provide recommendations to the Board of Commissioners regarding selection system and procedure to assign and/or replace members of the Board of Commissioners and Board of Directors.
 - b. Provide recommendations to the Board of Commissioners regarding candidate members of the Board of Commissioners and/or Board of Directors.
 2. Remuneration Functions
 - a. Evaluate remuneration policy applicable to the Board of Commissioners, Board of Directors, and the Bank's employees.
 - b. Provide recommendations to the Board of Commissioners regarding:
 - c. Supervise the implementation and analyze the selection criteria and procedure applicable for the Bank's Executives one level below the Board of Directors.
 - d. Develop the Board of Commissioners and Board of Directors' performance scoring system.
 - e. Provide recommendations regarding the total members of the Board of Commissioners and Board of Directors.
 - f. Provide opinion or advice to the Board of Directors regarding the decision to transfer and/or appoint the Bank's non-employee as Executives one level below the Board of Directors.
 - g. Analyze the data submitted by the Board of Directors at every quarter and anytime a change occurs regarding the Executives one level below the Board of Directors.
 - h. Provide recommendations to the Board of Commissioners regarding Independent Party that will be assigned as members of the Audit Committee and Risk Management Oversight Committee.
 3. Others
 - a. Evaluate and provide recommendations to the Board of Commissioners related to manpower policy and other functions within the human capital management that has significant impacts and/or legal risks for the Bank.
 - b. Provide recommendations on the solution of internal and/or external audit findings, as well as the results of Bank Indonesia supervision regarding human capital management policy.
 - c. Administer documents related to the Committee duties and responsibilities.
- Remuneration policy for the Board of Commissioners and Board of Directors.
 - Remuneration policy for the Executives and the Bank's employees to be presented to the Board of Directors.

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Nomination and Remuneration Committee Charter

BRI Nomination and Remuneration Committee Charter regulates the objectives of establishment, composition, authority, duties, responsibilities, positions, work ethics, as well as ethics during meetings. The Charter serves as the Nomination and Remuneration Committee guideline to implement duties and responsibilities with the purpose to enable effective performance of the Board of Commissioners duties and responsibilities in the area of human capital. The Board of Commissioners endorsed the Charter on 12 May 2015.

Nomination and Remuneration Committee Work Programs in 2015

Based on the Nomination and Remuneration Committee work programs, the main focuses of NRC are as follows:

a. Nomination Functions

Ensure the establishment of nomination procedure and system policy for members of the Board of Commissioners, Board of Directors, and Executives, and ascertain that the Bank has in place the Board of Commissioners, Board of Directors, and Executives with required competency, knowledge, experience, and ethics to manage the Bank with due observation to the prevailing regulations.

b. Remuneration Functions

Ensure the establishment of policy to determine fair and adequate salary and other facilities for the Bank's Board of Commissioners, Board of Directors, and employees.

c. Others

Ensure the compliance of manpower policy and other functions within the human capital management in the Bank with the prevailing regulations and stipulations.

The 2015 Nomination and Remuneration Committee Work Programs is as follows:

1. Board of Directors' Nomination Pursuant to Bank Indonesia Regulation No. 8/4/PBI/2006, dated 30 January 2006 regarding Good Corporate Governance for Commercial Banks as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006, each proposal for the appointment and/or replacement of members of the Board of Commissioners and/or Board of Directors by the Board of Commissioners to the General Meeting of Shareholders should consider the NRC's recommendation.

Timeline to complete the Board of Directors Nomination Process and NRC's Recommendation is as follows:

No.	Material	Timeline	Output
1.	Board of Directors Nomination	January-February 2015	Recommendations to the Board of Commissioners
2.	Board of Directors Nomination Recommendation	Last week of February 2015	

2. Board of Directors and Board of Commissioners Remuneration Review

The NRC provides review and proposal on the Board of Directors and Board of Commissioners remuneration to the Board of Commissioners as an input to the Annual General Meeting of Shareholders 2015.

Timeline to complete review and recommendation of the Board of Directors and Board of Commissioners remuneration is as follows:

Material	Timeline	Output
Proposal on the Board of Directors and Board of Commissioners Remuneration	First week of March 2015	NRC Recommendations to the Board of Commissioners

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3. Employee Remuneration and Human Capital Policy Implementation Review

The NRC provides recommendations to the Board of Commissioners based on NRC's review on employee remuneration and human capital policy implementation. The recommendation serves as the basis for the Board of Commissioners to provide input and opinion to the Board of Directors to ensure continuous stipulation of fair manpower remuneration and policy by BRI that can motivate all employees, and in line with the Bank's financial and performance capacity. The review is carried out by the evaluation of Human Capital architecture implementation, Human Capital Policy and reports, as well as presentations of the Board of Directors and/or Human Capital Division.

Timeline to complete the review on employee remuneration and human capital policy implementation is as follows:

No.	Material	Timeline	Output
1.	Human Capital Policy Evaluation Meeting	Week IV, June 2015	NRC Recommendations to the Board of Commissioners
2.	Human Capital Policy Evaluation Meeting	Week III, November 2015	
3.	Employee Remuneration and Human Capital Policy Review	Week IV, November 2015	

4. Work Visits

The NRC with Risk Management Oversight Committee, Audit Committee, and Board of Commissioners' Secretary will assist the Board of Commissioners to conduct work visits to the Bank's operating units. The visit focuses on manpower aspect of the units.

Timeline to conclude the Work Visit Report is as follows:

No.	Material	Timeline	Output
1.	Work visit to operating units	As scheduled by the Board of Commissioners	Report of visit is submitted to the Board of Commissioners no later than 7 (seven) working days after the visit

5. Approval and Supervision of the Bank's Work Plan

The RMOC with Audit Committee and NRC, under the coordination of the Board of Commissioners' Secretary will assist the Board of Commissioners to evaluate and approve the Bank's work plan, which serves as the Bank's guideline in carrying out business activity throughout 2015. In addition, the Board of Commissioners supervises the Bank's Business Plan Realization, which will be submitted to Bank Indonesia, at least two months following the reporting period.

6. GCG Implementation Report

Under the coordination of the Board of Commissioners' Secretary, with the Audit Committee and RMOC, the NRC performs GCG self-assessment to evaluate GCG implementation effectiveness within the Board of Commissioners, including its Committees.

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Timeline to conclude GCG Implementation Report and self-assessment in 2015 is as follows:

No.	Material	Timeline	Output
1.	Board of Commissioners GCG Implementation Report 2014	Fourth week of January 2015	Board of Commissioners GCG Implementation Report
2.	Self Assessment for Semester II - 2014	First week of January 2015	
3.	Self Assessment for Semester I - 2015	First week of July 2015	
7.	Board of Commissioners Annual Report The NRC with Audit Committee and RMOC, under the coordination of the Board of Commissioners' secretary drafted the Board of Commissioners Activity Report during 2015. The report is incorporated into the Bank's Annual Report, which will be submitted to the Board of Commissioners and subsequently to the GMS 2015 for approval.	The NRC and other Committees (AC and RMOC), under the coordination of the Board of Commissioners' Secretary, provide recommendations, articulated as opinions and advice related to the Board of Directors' actions that requires approval from the Board of Commissioners, such as: a. Founders Statement on the Pension Fund Regulation Revision. b. Appointment of the Board of Directors and Board of Commissioners of the Bank's Subsidiaries. c. Disposal or sale of the Bank's intangible assets. d. Partial or entire take over of the companies or other entities or establishment of new company that is not for the purpose of recovering receivables. e. Action to not collect a part or the entire receivables. f. Partial or entire divestment of the companies or other entities that is not for the purpose of recovering receivables.	g. Management contract for more than 3 (three) years period. h. Organization structure formation, 1 (one) level below the Board of Directors. i. Appointment of Internal Audit Head and Corporate Secretary Division Head. j. Other actions of the Board of Directors as stipulated in the Articles of Association, General Meeting of Shareholders, and other regulations.
8.	Education and Training To improve competency and to update knowledge for duties and responsibilities enhancement, the participation in the relevant education and training proposal for the NRC Non-Commissioner members is submitted to the Board of Commissioners.		With respect to the above actions of the Board of Directors that requires the Board of Commissioners' approval, the NRC recommendations, articulated as opinions and advice, are focused on the human capital aspects.
9.	Opinion and Approval on the Board of Directors' Actions that requires the Board of Commissioners' approval		
			10. Response on complaints from several parties related to human capital policy addressed or copied to the Board of Commissioners, which needs response and/or productive follow up by the Board of Directors.

The timeline is as follows:

Material	Timeline	Output
Opinion and input	1 week after the letter is received	Response

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Nomination and Remuneration Committee Work Programs Report

In 2015, the Nomination and Remuneration Committee conducted several duties and activities, including:

1. Developed the 2015 Nomination and Remuneration Committee work programs, which is the elaboration of the Nomination and Remuneration Charter.
2. Developed the 2015 Board of Commissioners' work program and plan together with the Audit Committee, Risk Management Oversight Committee, Board of Commissioners Secretary, and its Staffs.
3. Reviewed and analyzed the Board Directors and Board Commissioners' Remuneration based on the Bank's performance, business size, and banking industry remuneration survey result.
4. Provided recommendations to the Board of Commissioners regarding the extension of tenure of the non-commissioner committee members
5. Provided input and recommendations to the Board of Commissioners regarding the human capital policy.
6. Conducted review for the Board of Commissioners to approve the Bank Business Plan and Work and Budget Plan. The review was carried out with the Audit Committee, Risk Management Oversight Committee, and the Board of Commissioners' Secretary.
7. Reviewed BRI monthly performance progress with the Audit Committee, Risk Management Oversight Committee, and the Board of Commissioners' Secretary, and provided input and opinion to the Board of Commissioners for clarification to the Board of Directors in the Boards' joint meetings.
8. Operating units' visits.
9. Carried out other duties as required by the Board of Commissioners.

The following are documents or outputs on the review of policy released by NRC in 2015:

No	Documents/Letters Subjects
1	NRC Recommendation Regarding the Appointment of Members of BRI Board of Directors in other SOEs
2	Adjustment of Compensation for Non-Commissioner Committee Members
3	Decree on the Board of Commissioners and Board of Directors Remuneration
4	Board of Directors Candidates
5	Salary of the Bank's Board of Directors, Board of Commissioners, and Board of Commissioners' Secretary
6	Appointment of the Board of Commissioners' Secretary Staff Members
7	Proposal to Reposition Expert Staff as Committee Member (intended staff: TB. N.A. Maulana)
8	Approval to Amend the Bank's Pension Fund Regulations
9	Board of Directors and Board of Commissioners Salary Stipulation
10	Proposal of the Board of Directors Candidates
11	Proposal of the Board of Commissioners Candidates
12	AGMS 2015 Preparation
13	Salary, Compensation, and Tantiems Proposals
14	Remunerations Proposal
15	Request for 2014 Tantiems Payout
16	Remunerations Proposal
17	Board of Directors Prospective Candidates Proposal
18	Nomination Policy for the Board of Commissioners and Board of Directors
19	Amendment to the Board of Commissioners Decree No.: 01-KOM/BRI/09/2015 on Salary of the Board of Directors, Board of Commissioners, and Board of Commissioners' Secretary
20	Board of Commissioners Committees Candidates

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No	Documents/Letters Subjects
21	Selection Result of of the Board of Commissioners Committees
22	Interview Result of Candidates of the Audit Committee and Risk Management Oversight Committee Members

Meeting Frequency and Attendance

The meeting attendance of each NRC member is as follows:

No.	Name	Position	Number of Meetings	Attendance	Attendance (%)
1	Mustafa Abubakar	Chairman	11	11	100%
2	Gatot Trihargo*	Member	6	5	83%
3	Adhyaksa Dault	Member	11	7	64%
4	Ahmad Fuad	Member	11	11	100%
5	A. Fuad Rahmany*	Member	6	6	100%
6	A. Sonny Keraf*	Member	6	4	67%
7	Vincentius Sonny Loho	Member	11	8	73%
8	Jeffry J. Wurangian*	Member	6	4	67%
9	Ex-Officio Executives of HR Division	Member	5	4	80%

*) Appointed by the GMS as Member of BRI Board of Commissioners effective as of 19 March 2015

NCR Meetings in 2015

The NRC convened the following meetings in 2015:

No	Time	Meeting Subjects
1	6 January 2015	Board of Commissioners Internal Discussion on AGMS 2015
2	20 January 2015	Discussion on the Result of BRI Board of Directors Candidates Assessment
3	30 January 2015	Board of Commissioners Internal Discussion on AGMS 2015 and Discussion on the Result of BRI Board of Directors Candidates Assessment
4	10 February 2015	Discussion regarding Changes of the Bank's Management
5	24 February 2015	Discussion regarding Changes of the Bank's Management
6	26 June 2015	Proposal to Nominate Prospective Candidates to Replace MSME Director, Djarot Kusumayakti that had been Appointed as President Director of Perum Bulog
7	6 August 2015	NOKEP: 01-KOM/01/2015 dated 20 January 2015 on Salary of the Board of Directors and Board of Commissioners
8	12 August 2015	Evaluation on the Board of Commissioners Decree NOKEP:01-KOM/01/2015 on Salary of the Board of Directors, Board of Commissioners, and Board of Commissioners' Secretary
9	14 August 2016	Review on the Board of Commissioners Decree NOKEP:01-KOM/01/2015 dated 20 January 2015 on Salary of the Board of Directors, Board of Commissioners, and Board of Commissioners' Secretary
10	18 September 2015	Discussion on Non-Commissioner Committee Member Candidates
11	2 October 2015	Discussion on Non-Commissioner Committee Member Candidates

Board of Directors Succession Policy

The succession policy of the Board of Directors is deliberated in details in the Governance Chapter, under the Board of Directors sub-chapter.

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Risk Management Oversight Committee

Legal Reference of Risk Management Oversight Committee

The establishment of Risk Management Oversight Committee (RMOC) refers to:

1. State-Owned Enterprises Minister Decision No. PER-01/MBU/2011 as amended by the Regulation No. PER-09/MBU/2012 regarding Good Corporate Governance Implementation in State-Owned Enterprises;
2. State-Owned Enterprises Minister Regulation No. PER-12/MBU/2012 regarding the Supporting Organs/Board of Commissioners/State-Owned Enterprises Supervisory Board
3. Bank Indonesia Regulation No. 8/4/PBI/2006 as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 regarding Good Corporate Governance for Commercial Banks.

4. Financial Services Authority Regulation No. 17/POJK.03/2014 regarding Risk Management Implementation for Financial Conglomeration.

Risk Management Oversight Committee Membership Structure

The Risk Management Oversight Committee is established to support the effectiveness of the Board of Commissioners' supervisory duties and responsibilities. RMOC works collectively, independent in their duties implementation as well as in reporting and is directly accountable to the Board of Commissioners.

The RMOC supports the Board of Commissioners duties implementation and responsibilities in conducting evaluation and assurance that the risk management application is met the adequacy of

risk management procedures and methodologies, hence the Bank's activities remain manageable within the acceptable limit and in favor of the Bank's interests.

BRI RMOC membership at least consist of 1 (one) Independent Commissioner that also serves as Chairman, 1 (one) Independent Party with expertise in finance, and 1 (one) Independent Party with risk management skills. As such, BRI RMOC composition complies with Bank Indonesia Regulation No. 8/4/PBI/2006 as amended by Bank Indonesia Regulation No. 8/14/PBI/2006.

Member Composition as of 1 January 2015 – 9 August 2015

No.	Name	Position in Committee	Position in Organization
1.	Ahmad Fuad	Chairman	Independent Commissioner
2.	Bunazor Sanim	Member	President/Independent Commissioner
3.	Mustafa Abubakar	Member	Vice President/Independent Commissioner
4.	Adhyaksa Dault	Member	Independent Commissioner
5.	Vincentius Sonny Loho	Member	Commissioner
6.	I Gde Yadnya Kusuma	Member	Non-Commissioner
7.	Indra Yetti	Member	Non-Commissioner

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Member Composition as of 10 Agustus 2015 – 31 Desember 2015

No.	Name	Position in Committee	Position in Organization
1.	Ahmad Fuad	Chairman	Independent Commissioner
2.	Mustafa Abubakar	Member	President/Independent Commissioner
3.	A. Fuad Rahmany*	Member	Independent Commissioner
4.	Jeffry J. Wurangian**	Member	Commissioner
5.	I Gde Yadnya Kusuma	Member	Non-Commissioner
6.	Indra Yetti	Member	Non-Commissioner

* Appointed as Independent Commissioner effective as of 26 May 2015 following the approval of Fit and Proper Test from the Financial Services Authority

** Appointed as Commissioner effective as of 8 July 2015 following the approval of Fit and Proper Test from the Financial Services Authority

Risk Management Oversight Committee Members Profile



Ahmad Fuad

Risk Management Oversight Committee Chairman – Independent Commissioner

The profiles of Ahmad Fuad, Mustafa Abubakar, A. Fuad Rahmany and Jeffry J. Wurangian can be viewed in the Board of Commissioners Members Profile.

Profile of RMOG Independent Non-Commissioner Members

Indra Yetti – born in Bogor, 7 July 1962. He serves as member of PT. BRI (Persero) Risk Management Oversight Committee since 2013. Previously he had a career with Bank Internasional Indonesia and served in several positions. Obtained a Bachelor degree in Social and Political Science from Parahyangan Catholic University, Bandung (1985), and a Master in Financial Management from Mercu Buana University, Jakarta (2008).

I Gde Yadnya Kusuma – born in Singaraja Bali, 19 May 1954. He serves as member of PT. BRI (Persero) Risk Management Oversight Committee since July 2010. Previously he had a career with Bank Indonesia served in several positions, and with the Financial Transaction Analysis and Reporting Centre (PPATK) as the Research and Analysis Director. Obtained a Bachelor degree from Swadaya Economics Academy, Jakarta (1993) and a Master in Economics from University of Indonesia, Jakarta (2006).

Education and Skill Qualifications of Risk Management Oversight Committee Members

1. Independent party considered with finance expertise should fulfill the following criteria:
 - a. Has the knowledge in economics, finance, and/or banking; and
 - b. Has at least 5 (five) years work experience in economics, finance, and/or banking.
2. Independent party considered with risk management expertise should fulfill the following criteria:
 - a. Has knowledge in risk management;
 - b. Has at least 2 (two) years work experience in financial risk management and/or banking.

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3. Former members of the Bank's Board of Directors or Executives or BRI affiliated parties, in which the relationship may affect their independency, cannot be assigned as the Independent Committee Member prior to 6 (six) months cooling off period. The cooling off policy as the assignment criteria of Independent Member is not applicable to former members of the Board of Directors or Executives of the Bank that only performed the oversight function for at least 6 (six) months.

4. The appointment of independent committee members conform the following terms:
 - a. Appointed by the Board of Commissioners through recruitment and selection mechanism;
 - b. The longest tenure is 2 (two) years and can be extended for the next assignment by considering the Board of Commissioners tenure and the prevailing contractual employee regulations of the Bank, by not eliminating the possibility of termination by the Board of Commissioners prior to the contract expirations.
5. Members of the Board of Directors may not serve as Committee members.
6. Committee members are appointed by the Board of Directors based on the Board of Commissioners meeting resolutions.

Independency of Risk Management Oversight Committee Members

All RMOC members do not have affiliation with Directors, other Commissioners, or BRI controlling shareholders and are not the shareholders, Commissioners, Directors, or employees of the BRI affiliated companies or businesses. The RMOC members always uphold the principle of independency both during duties implementation and reporting to the Board of Commissioners.

Independency Requirements of BRI RMOC Members are as follows:

- a. Members do not receive compensation from the Bank and the Bank's subsidiaries or its affiliations except for fee, salary, and other facilities related to the duties as members of the Risk Management Oversight Committee;
- b. Members do not have familial or financial relations with members of the Board of Directors and the Board of Commissioners;
- c. Members do not hold concurrent positions in the Bank and other Bank affiliated companies;
- d. Members do not hold any duties, responsibilities and authority that may result in conflict of interests;
- e. Members do not hold concurrent positions as member of the Board of Commissioners, Board of Commissioners' Secretary, or Committee members in other SOEs or companies.

BRI RMOC members hold competencies in their own areas with at least five years work experience. BRI RMOC members hold diversity backgrounds, which includes experience in strategic management, risk management, banking, finance, and accounting. The diverse expertise ensures the quality of recommendations and improvement suggestions to the Board of Commissioners.

RMOC Duties and Responsibilities

RMOC supports the Board of Commissioners duties implementation and responsibilities in conducting evaluation and assurance that the risk management application is met the adequacy of risk management procedures and methodologies, hence the Bank's activities remain manageable within the acceptable limit and in favor of the Bank's interests.

RMOC Duties

RMOC supports the Board of Commissioners in conducting supervisory duties as follows:

1. Regularly evaluate and analyze the adequacy of risk management policy and provides opinion in the form of input and/or recommendations to the Board of Commissioners on risk management policy and framework improvement and refinement;
2. Evaluate and analyze the Bank's risk profile quarter reports and provides input and/or recommendations to the Board of Commissioners on necessary improvement and refinement;

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3. Monitor and evaluate the adequacy of identification, measurement, monitoring, control, and risk management information system process of the Bank, as well as provides input and/or recommendations to the Board of Commissioners on the Bank's risk management effectiveness and quality improvement;
4. Monitor and evaluate duties implementation of Risk Management Committee and Risk Management Division, as well as provides input and/or recommendations to the Board of Commissioners on the Risk Management Committee and Risk Management Division duties effectiveness improvement. The evaluation of Risk Management Committee and Risk Management Division duties implementation is at least implemented once in a year;
5. Evaluate and analyze the Bank's Compliance Function implementation at least every semester and provides input and/or recommendations to the Board of Commissioners on the Bank's Compliance Function quality implementation improvement;
6. Evaluate and analyze risk management of the Bank's Fraud at least once every semester and provides input and/or recommendation to the Board of Commissioners on the Bank's Anti Fraud Strategy quality implementation improvement;
7. Evaluate and analyze the Bank's Anti-Money Laundering and Counter-Terrorism Financing Program implementation at least once every semester and provides input and/or recommendations to the Board of Commissioners on quality improvement of the Bank's Anti Money Laundering Program;
8. Evaluate and analyze the risk management in Information Technology and Information Technology Strategic Planning as well as the Bank's policy related to Information Technology at least once every semester, and provides input and/or recommendations to the Board of Commissioners regarding the Bank's risk management in Information Technology;
9. Evaluate and analyze the Bank Soundness Level each semester and provides input and/or recommendations to the Board of Commissioners in order to maintain the Bank's Soundness Level;
10. Evaluate and analyze the Board of Directors' funding proposals for related parties that shall be approved by the Board of Commissioners;
11. Provide opinion and/or recommendations regarding loan disbursement above certain amount that requires consultation with the Board of Commissioners;
12. Implement other duties and responsibilities mBapaktek by the Board of Commissioners.
2. Receive input or opinion related to duties from the Bank's external parties;
3. Provide opinion and recommendations to the Board of Commissioners on the Bank's risk management improvement;
4. Provide opinion and recommendations to the Board of Commissioners on the Risk Management Committee and Risk Management Division duties effectiveness improvement;
5. Provide input and recommendations to the Board of Commissioners on the Bank's Compliance Function quality improvement;
6. Provide input and recommendations to the Board of Commissioners on the Bank's Anti-Fraud Strategic Implementation improvement;
7. Provide opinion and recommendations to the Board of Commissioners on the Bank's Anti-Money Laundering and Counter-Terrorism Financing Program implementation quality improvement;
8. Provide opinion and recommendations to the Board of Commissioners regarding risk management in the Bank's Information Technology; and
9. Provide opinion and recommendations to the Board of Commissioners in the effort to maintain and improve the Bank's Soundness Level.

RMOC Authorities

The Board of Commissioners delegate the authority to the Committee within the Committee's scope of responsibility to:

1. Obtain relevant information related to duty implementation from the Bank's internal and external parties;

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Risk Management Oversight Committee Charter

The Risk Management Oversight Committee (RMOC) Charter has been reviewed in 2015 and ratified by the Board of Commissioners on 12 May 2015. The Charter stipulates the establishment objectives, composition, duties and responsibilities, position, work ethics, and RMOC meeting ethics. The Charter serves as a guideline of RMOC duties and responsibilities in conducting evaluation and assurance that the risk management application is met the adequacy of risk management procedures and methodologies, hence the Bank's activities remain manageable within the acceptable limit and in favor of the Bank's interests.

Risk Management Oversight Committee Work Programs

RMOC Work Implementation Focus in 2015

- a. Conformity review and evaluation between risk management policy and its implementation;
- b. Bank's risk profile review and evaluation;

- c. Compliance function implementation review and evaluation; and
- d. Prudential principle supervision on loans facility approval.

RMOC Work Programs Implementation Report

Over the course of 2015, the Risk Management Oversight Committee has conducted various duties and activities, as follows:

1. Risk Profile Review and Evaluation

The Bank's Risk Profile evaluation and review was conducted based on the developed Risk Profile Report and submitted by the Board of Directors cq. Risk Management Division.

Risk profile evaluation and review was carried out by taking into account the risk levels associated to Bank's business activity/ inherent risk that had the potential to influence the Bank's financial position.

Risk profile review and evaluation was also conducted upon the Bank's risk management implementation quality, which covered 4 (four) aspects, namely risk governance, risk management framework, risk management process, the adequacy of human capital, risk management information system, and risk control system for all types of risk, i.e. credit risk, operational risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, and strategic risk. Risk profile evaluation and review was emphasized on risks level 3 (moderate) to level 5 (high) and risks, which indicated a deteriorating trend.

Risk profile review and evaluation in 2015 was at least conducted for the Risk Profile reporting Period of the Fourth Quarter of 2014, the First Quarter of 2015, the Second Quarter of 2015, and the Third Quarter of 2015.

Timeline to conclude the Risk Profile review and evaluation is as follows:

No.	Material	Timeline	Output
1.	Risk Profile Report Quarter IV 2014	Third week of February 2015	Written recommendations on opinion and advice to the Board of Commissioners
2.	Risk Profile Report Quarter I 2015	Third week of April 2015	
3.	Risk Profile Report Quarter II 2015	Third week of July 2015	
4.	Risk Profile Report Quarter III 2015	Third week of October 2015	

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2. Compliance Function Review and Evaluation

The Bank's business development shall be reinforced by prudential principle to ensure that all business activities and policies are implemented in compliance with the prevailing laws and regulations, set by Bank Indonesia as well as other authorities.

Review and evaluation are carried out in particular towards the fulfillment of prevailing stipulations regarding the prudential banking principle, such as the Minimum Capital Adequacy Ratio (CAR), Legal Lending Limit, Net Open Position (NOP), Derivative Transaction, Legal Reserve Requirement in Rupiah and Foreign Currencies, and Non-Performing Loans (NPL). In the event of non-compliance towards the prevailing regulations recognized by the Board of Commissioners' monthly review, the Board of Commissioners will further provide input and opinion at least two weeks following the receipt of the report.

The review and evaluation of the Compliance Function is carried out on a quarterly basis. In addition, RMOC also review and evaluate the Semester Report of Duties Implementation of the Compliance Director as stipulated in Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999 regarding the Compliance Director Assignment and Commercial Banks Internal Audit Function Implementation, as amended by Bank Indonesia Regulation No. 13/2/PBI/2011 dated 12 January 2011 regarding the Implementation of Compliance Function in Commercial Banks.

Timeline on compliance function review and evaluation is as follows:

No.	Material	Timeline	Output
1.	Compliance Director Performance Report, Semester II - 2014	Second week of February 2015	Written recommendations on opinion and
2.	Compliance Director Performance Report, Semester I - 2015	Second week of August 2015	advice to the Board of Commissioners

3. Bank Soundness Level Report Review

Pursuant to Bank Indonesia Regulation No. 13/1/PBI/2011 dated 5 January 2011 regarding the Commercial Bank's Soundness Level Assessment, the Board of Commissioners has the responsibility to maintain and monitor the Bank's Soundness Level as well as to take the necessary actions to maintain and/or improve the Bank's Soundness Level. Result of the Bank's Soundness Level self-assessment each semester, which has obtained the approval of the Board of Directors, shall be delivered to the Board of Commissioners.

Risk Management Oversight Committee evaluates the Soundness Level Assessment Report, which consists of risk profile, Good Corporate Governance, earnings, and capital.

Timeline to conclude the Soundness Level Assessment Report is as follows:

No.	Material	Timeline	Output
1.	Soundness Level Assessment Report July-December 2014	Second week of March 2015	Written recommendations on opinion and
2.	Soundness Level Assessment Report January-June 2015	Second week of August 2015	advice to the Board of Commissioners

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4. Bank's Work Plan Supervision and Approval

RMOC with the Audit Committee, Integrated Governance Committee, and NRC, under the coordination of the Board of Commissioners' Secretary will support the Board of Commissioners in conducting evaluation and provide approval on the Bank's work plan, which serves as the Bank's guideline to carry out business activities in 2015. Moreover, the Board of Commissioners conducts supervision towards the Bank's Business Plan Realization, which will be submitted to Bank Indonesia at least two months following the reporting period.

5. GCG Implementation Report

Under the coordination of the Board of Commissioners' Secretary, with the Audit Committee and NRC, the RMOC performs GCG self-assessment to review the effectiveness of GCG implementation within the Board of Commissioners, including its committees.

Timeline to conclude GCG Implementation Report and self-assessment is as follows:

No.	Material	Timeline	Output
1.	Board of Commissioners GCG Implementation Report 2014	Fourth week of January 2015	Board of Commissioners GCG Implementation Report
2.	Self Assessment for Semester II - 2015	First week of January 2015	
3.	Self Assessment in Semester I - 2015	First week of July 2015	

6. Board of Commissioners Annual Report

RMOC with the Audit Committee and NRC, under the coordination of the Board of Commissioners' secretary drafted the Board of Commissioners Activity Report in 2014. The report is incorporated into the Bank's Annual Report, which will be submitted to the Board of Commissioners and subsequently to the GMS 2015 for approval.

7. Work Visits

RMOC with the Integrated Governance Committee, NRC, Audit Committee, and the Board of Commissioners' Secretary assist the Board of Commissioners to conduct work visits to the Bank's operating units by focusing on the risk management implementation in the operating units.

Timeline to conclude the Work Visit Report is as follows:

Material	Timeline	Output
Work visits to operating units	As scheduled by the Board of Commissioners	The visit report is submitted to the Board of Commissioners no later than 7 (seven) working days following the visit

8. Board of Directors Loans Consultation to the Board of Commissioners

The Board of Directors shall consult with the Board of Commissioners on every loans proposal that meets the criteria stipulated in the Bank's Articles of Association and or the Bank's Board of Directors Circular. The loans consultation may be conducted prior to or after the Board of Directors decision on the provision of loans facility.

RMOC will provide recommendations in the form of opinion or input on each loan proposal consulted by the Board of Directors with the Board of Commissioners.

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RMOC also provides written recommendations in the form of opinion and input to the Board of Commissioners after the loans consultation forum takes place.

If, for any reasons, the loans consultation forum is not taking place, the consultation can be carried out with other mediums.

Timeline to conclude loan consultations as discussed above is as follows:

No.	Material	Timeline	Output
1.	Result of Loan Consultation in Loan Consultation Meeting	5 (five) working days after the meeting takes place	Board of Commissioners opinion to the Board of Directors
2.	Result of Loan Consultation without Loan Consultation Meeting	5 (five) working days after the Board of Commissioners receives loan consultation written request	

9. Loan Disbursement Approval to Related Parties

RMOC will provide recommendations in the form of opinion and input to the Board of Commissioners regarding the approval on loan facility disbursement extended to Subsidiaries or other Related Parties as stipulated in the Bank's Articles of Association and/or the Bank's Board of Directors Circular Letter.

Timeline on the approval of loan disbursement to subsidiaries or other related parties is as follows:

Material	Timeline	Output
Loan approval for subsidiaries/related parties	3 (three) working days following the meeting to discuss loans provisioning for subsidiaries/related parties	Board of Commissioners written approval and opinion to the Board of Directors

10. Action Plan Monitoring of the Board of Commissioners Active Supervision

RMOC with the Audit Committee and Integrated Governance Committee conducts the Action Plan monitoring of the Board of Commissioners' active supervision as requested by the Financial Services Authority.

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Timeline to conclude the Action Plan of the Board of Commissioners' Active Supervision is as follows:

No.	Material	Timeline	Output
1	Monitoring on Progress and Realization of BRI Satellite Plan	- Second week of March 2015 - Second week of June 2015 - Second week of September 2015 - Second week of December 2015	Result of Action Plan Monitoring and Active Supervision of the Board of Commissioners; included in the Board of Commissioners' semester report to FSA regarding the Monitoring on BRI Business Plan Implementation
2	Funding and Lending Performance	- Second week of March 2015 - Second week of June 2015 - Second week of September 2015 - Second week of December 2015	
3	Integrated Quality Improvement of Risk Management Practices	- Second week of March 2015 - Second week of December 2015	
4	Restructuring of Middle Size and Corporate Debtors; Assessment on Restructuring Effectiveness; and Evaluation on Follow Up Plans of Corporate Debtors that Indicated a Declining Performance	- Second week of March 2015 - Second week of June 2015 - Second week of September 2015 - Second week of December 2015	
5	Monitoring of Office Network Expansion to Build Capital and Close the Theoretical Capital Gap	- Second week of March 2015 - Second week of June 2015 - Second week of September 2015 - Second week of December 2015	

11. Approval of the Policy for Risk Management and Compliance Function Guidelines

RMOC will review and provide recommendations in the form of opinion and input to the Board of Commissioners for the approval and necessary improvement on the proposal of amendment/refinement of the policies for risk management and compliance function guidelines proposed by the Board of Directors.

If necessary, the risk management and compliance function policy adequacy review can be carried out by inviting the Board of Directors and related Operating Units.

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Timeline to conclude the review and approval of Risk Management Policy is as follows:

No.	Material	Timeline	Output
1.	Change/Improvement of Risk Management General Policy	10 (ten) working days since written request to change/improve on risk management general policy is received by the Board of Commissioners	Written approval and recommendation containing opinion and advice
2.	Change/Improvement of Compliance Guideline	10 (ten) working days since written request to change/improve on compliance guideline is received by the Board of Commissioners	Written approval and recommendation containing opinion and advice

Documents Resulted or Reviewed by RMOC

No	Documents/Letters
1	Evaluation on Anti Fraud Strategy Implementation Report Semester II
2	RMOC Meeting Result on Integrated Risk Management Implementation
3	Evaluation on BRI Compliance Director Report November-December 2015
4	Approval on Fund Provisioning to Related Parties of Subsidiary
5	Fraud Reports Indicated the Negative Results and Material Impacts to the Bank and or Customers
6	Approval on Fund Provisioning to Related Parties of Subsidiary
7	Report of the Bank's Soundness Level, Risk Profile, Compliance Practices, Anti-Fraud Strategy Implementation, and Procurement and Management Plan of BRI Satellite Semester II - 2014
8	Request for Approval to Increase the Capital in Subsidiary
9	Evaluation on BRI Compliance Director Report February & March 2015
10	Response on Risk Management General Policy Draft and Decree Draft of Integrated Risk Management
11	Corporate Segment Loans Restructuring
12	Approval to Increase the Capital in Subsidiary in 2015
13	Bancassurance and Business Development of BRI References
14	BRI Customer Loans Consultation
15	BRI Customer Loans Consultation
16	Approval on BRI Risk Management General Policy
17	Evaluation on BRI Compliance Implementation Semester I - 2015
18	BRI Offline Channel and Office Network Incident Report Period of 2 to 3 August 2015
19	Request of Approval on Anti-Fraud Strategy Decree
20	BRI Customer Loans Consultation with the Loans Above the Legal Lending Limit (LLL)
21	Approval on the Provision of Uncommitted Credit Line to Subsidiary
22	DPLK Performance Report August 2015
23	Report of the Bank's Soundness Level, Risk Profile, Compliance Function Implementation, Anti-Fraud Strategy Implementation and Procurement Plans and Satellite Management of BRI Semester I - 2015
24	Approval on the Provision of Uncommitted Credit Line to Subsidiary
25	BRI Debtor Consultation with the Loan Above the LLL
26	Approval on the Loan Facility Provided to Related Parties of Subsidiary
27	Result of Review on Loans General Policy Draft of PT BRI Persero (Tbk), seventh revision

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RMOC Meeting Frequency and Attendance

Over the course of 2015, RMOC conducted internal meetings, and meetings with relevant Divisions/Operating Units to evaluate risk management and governance, which includes Market Risk, Liquidity Risk, Credit Risk, Operational Risk, Legal Risk, Compliance Risk, Strategic Risk, and Reputation Risk as stipulated in Bank Indonesia regulations.

The Risk Management Committee conducted 11 (eleven) meetings in 2015. The members attendance level is as follows:

No.	Name	Position in Committee	Total Meetings	Attendance	Attendance (%)
1	Ahmad Fuad	Chairman	11	11	100%
2	Mustafa Abubakar	Member	11	8	73%
3	A. Fuad Rahmany*	Member	8	6	75%
4	Jeffry J. Wurangian*	Member	8	6	75%
5	Indrayeti	Member	11	10	91%
6	I Gde Yadnya Kusuma	Member	11	9	82%

*) Appointed by GMS as member of BRI Board of Commissioners effective as 19 March 2015

Risk Management Oversight Committee Meetings in 2015

No.	Time	Meetings	Agenda
1	20 January 2015	RMOC and Risk Management Division	Progress report on BRI Integrated Risk Management implementation; General view of BRI Integrated Risk Management; Operating Standards of Risk Management General Policy and Risk Management Functions in Operating Units, Work Plans of Risk Management in 2015, and others.
2	3 March 2015	RMOC and Board of Directors (Compliance, SEVP) and Risk Management Division	1. Bank's Soundness Level Review Semester II - 2014 2. Risk Profile Review Semester II - 2014 3. Bank's Compliance Function Implementation Semester II - 2014 4. Anti Fraud Strategy Implementation Semester II - 2014 5. Satellite Project Realization and Satellite Utilization Risk Management
3	3 March 2015	RMOC and SOE Division	Director's Presentation on Fund Provisioning to Related Parties of Subsidiary
4	5 May 2015	RMOC with Compliance Director and Risk Management Division	Discussion on Risk Management General Policy
5	12 May 2015	RMOC and Compliance Director	1. Bank's Soundness Level Review Quarter I - 2015 2. Risk Profile Review Quarter I - 2015 3. Bank's Compliance Function Implementation Quarter I - 2015 4. Anti Fraud Strategy Implementation Quarter I - 2015 5. Environmental Issues related to Cooperation to Develop Transgenic Corn

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No.	Time	Meetings	Agenda
6	19 May 2015	RMOC and ACRM Director	Corporate Segment Loans Restructuring
7	9 June 2015	RMOC and Consumer Director	Bancassurance Business Development and Risk Management in Referential Business
8	29 July 2015	Committees' Internal Meeting	Committees' Internal, AC, and RMSC
9	11 September 2015	RMOC and Compliance Director	1. Bank's Soundness Level Review Semester II - 2015 2. Risk Profile Review Semester II - 2015 3. Bank's Compliance Function Implementation Semester II - 2015 4. Anti Fraud Strategy Implementation Semester II - 2015
10	17 November 2015	Risk Parameter Workshop	BRI Risk Parameter Limits
11	15 December 2015	RMOC and Compliance Director	1. Bank's Soundness Level Review Quarter III - 2015 2. Risk Profile Review Quarter III - 2015 3. Bank's Compliance Function Implementation Quarter III - 2015 4. Anti Fraud Strategy Implementation Quarter III - 2015

Integrated Governance Committee

Legal Reference of the Integrated Governance Committee Establishment

BRI Integrated Governance Committee is established by referring to the following regulations:

1. Law No. 7 of 1992 regarding Banking (Republic of Indonesia State Gazette year 1992 No. 31, Republic of Indonesia Additional State Gazette No. 3742) as amended by the Law No. 10 of 1998 (Republic of Indonesia State Gazette year 1998 No. 182, Additional Republic of Indonesia State Gazette Number 3790);
2. State-Owned Enterprises Minister Regulation No. PER-12/MBU/2012 dated 24 August 2012 regarding the Board of Commissioners Supporting Organs/SOEs Supervisory Board;
3. Financial Services Authority Regulation No. 17/POJK.03/2014 regarding the Integrated Risk Management Implementation for Financial Conglomeration;
4. Financial Services Authority Regulation No. 18/POJK.03/2014 regarding the Integrated Governance Implementation for Financial Conglomeration.

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Integrated Governance Committee Composition

No.	Name	Position in Committee	Position in Organization
1.	Ahmad Fuad	Chairman	BRI Independent Commissioner
2.	Vincentius Sonny Loho	Member	BRI Independent Commissioner
3.	Bambang Supeno	Member	Independent President Commissioner Bank Agro Niaga
4.	Indra Kesuma	Member	Independent President Commissioner Bank BRISyariah
5.	M. Gunawan Yasni	Member	Member of Sharia Supervisory Board, Bank BRISyariah
6.	Indra Yetti	Member	Non-Commissioner
7.	Tubagus Nur A. Maulana	Member	Non-Commissioner

Profile of Integrated Governance Committee Members



Ahmad Fuad

Chairman of Integrated Governance Committee - Independent Commissioner

The profiles of Ahmad Fuad and Vincentius Sonny Loho are presented in the Board of Commissioners' Members Profile.

Profile of the Integrated Governance Committee Non-Commissioner Members



Bambang Supeno

Member of Integrated Governance Committee



Indra Kesuma

Member of Integrated Governance Committee



M. Gunawan Yasni

Member of Integrated Governance Committee

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Corporate Governance Report

The Non-Commissioner Members of Integrated Governance Committee consists of various backgrounds of experience, professions, and education from academicians to practitioners with competencies suitable to the Bank's needs.

Integrated Governance Committee Member Qualifications

1. The Committee members consist of at least one Commissioner from every BRI financial conglomeration member, one independent party, and one member of the Sharia Supervisory Board.
2. The Committee members at least consist of:
 - a. An Independent Commissioner from the Parent Entity as the chairman and concurrent member;
 - b. Independent Commissioner from every BRI financial conglomeration as a member;
 - c. An Independent Party with suitable skills to the Integrated Governance Committee requirements;
 - d. Member of Sharia Supervisory Board from BRISyariah as a member.
3. Each of the Committee member should be independent, which means:
 - a. Members do not receive compensation from the Bank and the Bank's subsidiaries or its affiliations except for fee, salary, and other facilities related to duties as members of the Integrated Governance Committee;

- b. Members do not have familial or financial relations with members of the Board of Directors and Board of Commissioners;
 - c. Members do hold concurrent positions in the Bank and other affiliated companies of the Bank; and
 - d. Members are not responsible for duties and authority that may result in conflict of interests.
4. The Committee members appointment and replacement is stipulated in the Board of Commissioners' Meeting. For the Committee members that comes from Independent Party, the stipulations below apply:
 - a. Appointed and endorsed by the Board of Commissioners through selection and recruitment mechanism.
 - b. Tenure is stipulated in the Board of Commissioners' meeting in line with contract period and prevailing regulations on contract employees within the Bank, with the possibility of termination by the Board of Commissioners prior to contract expirations.
5. Members of the Board of Directors may not serve as member of Committee; and
6. The Committee Members are appointed by the Board of Directors based on the Board of Commissioners' meeting decision.

Committee Members Independency

To ensure the quality of duty implementation, several members of the Integrated Governance Committee hold the backgrounds of Risk and Financial Management. Meanwhile to ensure independency of duty implementation and opinion as well as input including recommendations to the Board of Commissioners, the Integrated Governance Committee members do not have any affiliations with members of the Board of Directors, other Commissioners, or BRI controlling shareholder, and are not taking any posts as the shareholders, Commissioners, Directors, or employees in the BRI affiliated companies or businesses.

Integrated Governance Committee Charter

Pursuant to the terms stated in the Integrated Governance Committee establishment legal reference, the Integrated Governance Committee Charter regulates the objectives of Committee's establishment, composition, authority, duties and responsibilities, position, code of conduct, as well as meeting ethics. The Charter serves as a guideline of duties and responsibilities of the Board of Commissioners to strengthen its supervisory function in order to improve public trust towards the integrated Bank management. BRI Integrated Governance Committee Charter was ratified by the Directors and Commissioners, which was the Joint Decree of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/07/2015 dated 28 July 2015.

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Committee Duties and Responsibilities

Duties and Responsibilities

The Integrated Governance Committee has the least duties and responsibilities, but not limited to:

- a. Evaluate the Integrated Governance implementation through internal control and compliance function assessment in the integrated manner as well as compliance with the sharia principle of BRI Financial Conglomeration LJK (Financial Services Institution).
- b. Provide recommendations to BRI Board Commissioners on the Integrated Governance Guideline improvement.
- c. Provide strategic input to BRI Board of Commissioners to further be submitted to the Board of Directors related to the Integrated Governance implementation.
- d. Submit the evaluation on the assessment report of the Integrated Governance implementation each semester and each year, which becomes a part of the Parent Entity financial annual report or separately presented from the Financial Conglomeration annual report.

Work Programs

In general, the Integrated Governance Committee work programs in 2015 are as follows:

- a. Identified the ownership relations and or control with other Financial Services Institution for recommendation to the Board of Commissioners regarding BRI financial conglomeration structure.
- b. Provided recommendation regarding the Integrated Governance framework based on BRI complexity, characteristic, and legal entity.
- c. Provided recommendation to the Board of Commissioners in the stipulation of the Integrated Governance Committee Charter by applying Good Corporate Governance Principles.
- d. Evaluated the Integrated Governance implementation in BRI financial conglomeration companies by considering internal control adequacy and integrated compliance function.
- e. Oversaw BRI Board of Directors' duties and responsibilities in implementing the Integrated Governance Guideline.
- f. Provided recommendation to the Board of Commissioners in the stipulation of the Integrated Risk Management policy.

Integrated Governance Committee Work Programs Report

In 2015, the Integrated Governance Committee has conducted previously stipulated work programs. BRI financial conglomeration structure establishment is carried out with due observation to the prevailing regulations, with BRI as the parent entity. The Integrated Governance framework as well as Organizational Structure such as an Integrated Compliance Unit, Integrated Audit Unit, and Integrated Risk Management Unit have been established and are functioning.

The Board of Commissioners' recommendations with respect to the stipulation of Integrated Governance Committee Charter and Integrated Risk Management have been carried out and administered. The evaluation on guidelines and policy is carried out through:

- a. Integrated Risk Profile Review
- b. Integrated Compliance Report Review
- c. Evaluation on Bank Performance that included within BRI financial conglomeration

Documents Related to Integrated Governance Committee

No	Letter Numbers	Documents/Letters
1	B.93-KOM/05/2015	Approval of Joint Decree of BRI Board of Commissioners and Board of Directors on BRI Financial Conglomerate Integrated Governance Guidelines
2	B.02-KNR/09/2015	Result of Review on Integrated risk Management General Policy Draft
3	B.03-KNR/09/2015	Result of Review on Integrated Audit Findings Report Semester I - 2015

Integrated Governance Committee Meetings in 2015

No.	Date	Meetings	Agenda
1.	7 April 2015	Integrated Governance Committee and Compliance Director	Integrated Governance Implementation
2.	14 August 2015	Integrated Governance Committee and Compliance Director	Integrated Governance Implementation & Oversight on BRI Financial Conglomeration

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Meeting Frequency and Attendance

The committee's members meeting attendance:

No.	Name	Position in Committee	Total Meetings	Attendance	Attendance (%)
1	Ahmad Fuad	Chairman	2	2	100%
2	Gatot Trihargo*	Member	2	2	100%
3	Vincentius Sonny Loho	Member	2	2	100%
4	Bambang Soepeno	Member	2	2	100%
5	Indra Kesuma	Member	2	1	50%
6	M. Gunawan Yasni	Member	2	2	100%
7	Tubagus N.A Maulana	Member	2	2	100%
8	Indrayeti	Member	2	2	100%

*) Appointed by GMS as member of BRI Board of Commissioners effective as of 19 March 2015

Financial Conglomerate Structure

BRI Financial Conglomerate Structure refers to BRI Board of Directors Decree B.73-DIR/DIS/01/2016 dated 22 January 2016 as follows:

Parent entity

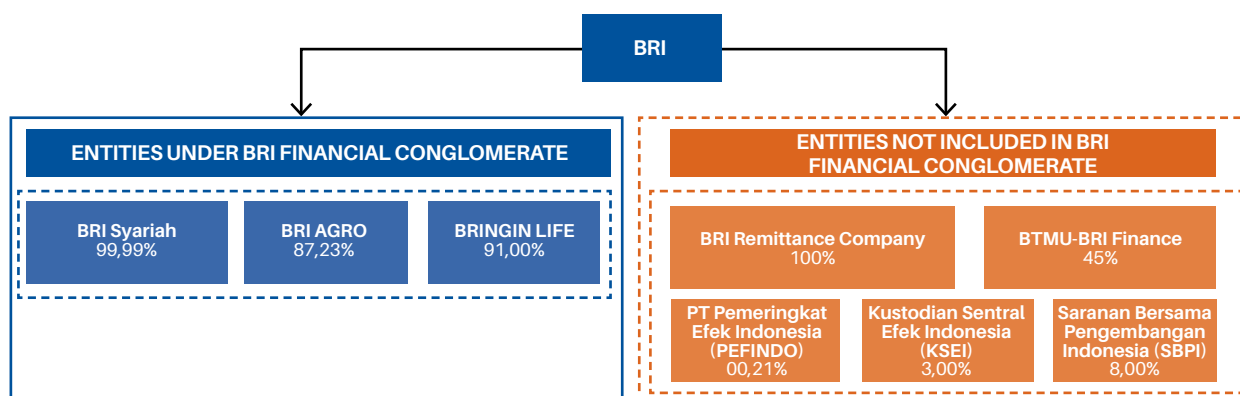
PT Bank Rakyat Indonesia (Persero), Tbk.

BRI Financial Conglomerate:

1. PT Bank BRISyariah
2. PT Bank Rakyat Indonesia Agroniaga, Tbk.
3. PT Asuransi Jiwa Bringin Jiwa Sejahtera

Further information on BRI financial conglomerate is stated in the BRI Financial Conglomerate Sub-Chapter.

BRI Conglomerate Structure*



- BRI Remittance Company (BRC) Is not included in BRI Financial Conglomerate since it is a non-bank financial service institution, a non-insurance & re-insurance company, a non-securities company, and a non-financing company (FSA Regulation No. 18, Article 3)
- BTMU-BRI Finance, PEFINDO, KSEI, and SBPI are not included in the Financial Conglomerate since BRI's ownership in those companies is < 50% and BRI has no control over the companies (FSA Regulation 18, Article 4)

* BRI Board of Directors Decree B.73-DIR/DIS/01/2016 dated 22 January 2016, reported to FSA by virtue of the Board of Directors Letter No. B.03-DIR/DKP/BNP/01/2016 dated 25 January 2016

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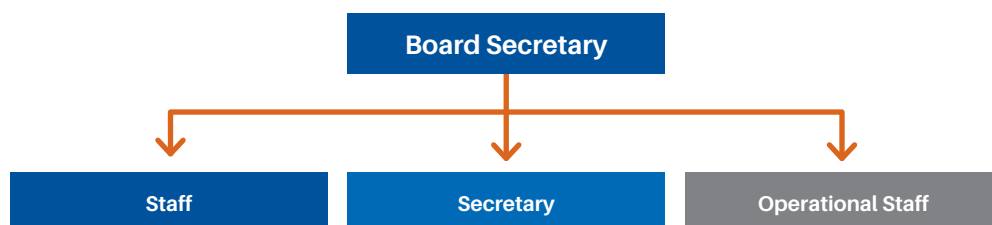
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BOARD OF COMMISSIONERS SECRETARY

The Board of Commissioners' Secretary is established pursuant to BRI Articles of Association, which outlines the Board of Commissioners' Secretary structure as an organ under and appointed by the Board of Commissioners with the recommendation from the Series A Dwiwarna Shareholders. The Secretary is responsible to facilitate the Board of Commissioners' duties and responsibilities.

Board of Commissioners Secretary Structure

The organization structure of the Board of Commissioners' Secretary is as follows:



Profile of the Board of Commissioners Secretary



Rainoc, SE, born in Sawah Lunto on 7 October 1969. Completed his education from the Faculty of Economics, Bapaklas University, in 1995. Serves as BRI Board of Commissioners' Secretary since 1 June 2013 by virtue of BRI Board of Commissioners Decree No. KEP.02 KOM/BRI/06/2013 dated 11 June 2013. He previously served as the Board of Commissioners' Secretary of PT Bank Negara Indonesia (Persero) Tbk (January 2011-May 2013) and the Board of Commissioners' Secretary of PT Perusahaan Pengelola Aset (March 2009-December 2010)

In addition to his position as BRI Board of Commissioners' Secretary, currently he also serves as the Head of Mining, Strategic Industry, and the Media I.a with the SOE Ministry (from October 2015). He served as the Head of Strategic Industries III (May 2014-October 2015), Head of Strategic Industries and Manufacturing III.a (September 2013-May 2014), Head of Services Industries I.b (October 2010-September 2013), Head of Banking Business II (May 2008-October 2010) Head of Partnership and Community Development Program Sub-Division (May 2006-May 2008), Head of PUKK Evaluation Sub-Division (July 2002-May 2006), and Head of Mutation Sub-Division (March 2001-July 2002).

Board of Commissioners Secretary Duties and Responsibilities

In general, the duties of the Board of Commissioners' Secretary are as follows:

1. Assist the Board of Commissioners to record minutes of meeting.
2. Coordinate the secretariat duties of the Board of Commissioners with the staff, Secretary, and Officers in BRI Board of Commissioners Institution.
3. Coordinate the Board of Commissioners meetings.
4. Coordinate administrative, secretariat, and protocol-related to duties of the Board of Commissioners.
5. Coordinate and follow-up on requests and/or data/information collection from and/or to the Bank's management as well as external parties that are not included in the duties of the Committee, including information regarding regulations and provisions relevant to the Board of Commissioners' duties and responsibilities.
6. Coordinate the formulation of budget draft and submission of annual budget of the Board of Commissioners Institution requested by the Bank's Corporate Secretary Division.
7. Coordinate the formulation of input and suggestions on the agenda and materials of the General Meeting of Shareholders.
8. Coordinate and follow-up other duties that are included in the duties of Committees under BRI Board of Commissioners.

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COMMITTEES OF THE
BOARD OF DIRECTORSRisk Management
Committee (RMC)RMC Establishment Legal
Reference

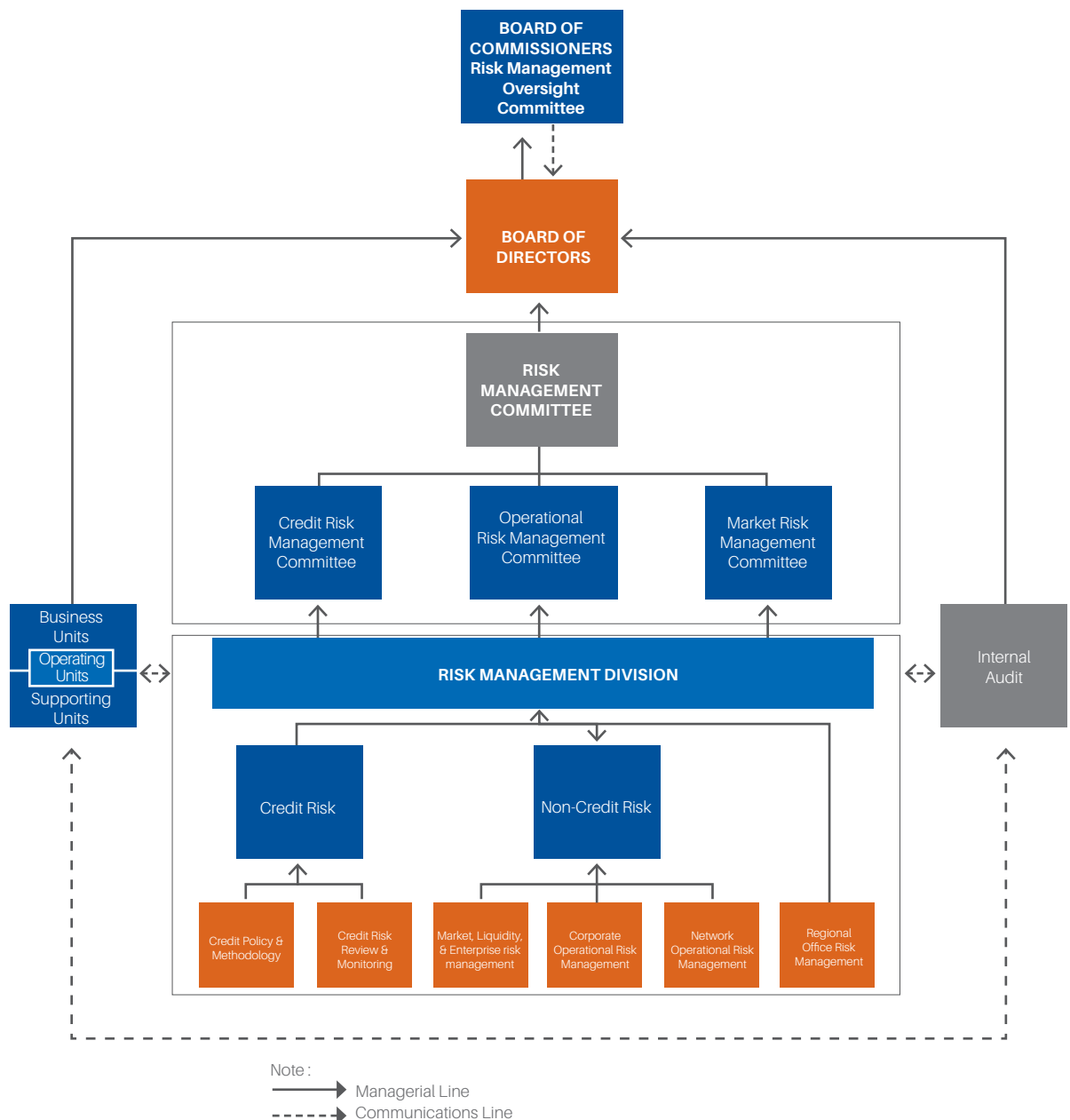
The RMC establishment refers to the Board of Directors Decree No. KEP. 519-DIR/DMR/07/2011 dated 18 July 2011.

RMC Structure and Composition

The RMC structure is formed under the Board of Directors that involves the Operational Unit, Risk Management, dan Internal Audit. The limited RMC can be established to verify specific issues on certain risk profile that requires immediate decision, or known as sub-RMC. There are 3 (three) Sub-RMCs, namely:

- Credit Risk Management Committee (CRMC)
- Market Risk Management Committee (MRMC), and
- Operational Risk Management Committee (ORMC).

The following structure illustrates BRI's Risk Management Organization:



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RMC Independency

The RMC is a non-structural committee and is independent to the operational units.

RMC Responsibilities

The RMC is responsible to provide recommendations to the President Director on the formulation of policies, enhancement of policy implementation, and evaluation of progress and condition of risk profile. The RMC also provides input and suggestions for improvement.

- a. Provide recommendations to the President Director on the formulation of Risk Management Policy and its necessary amendment; including risk management implementation policy, risk management strategy, and contingency plan during uncommon external situation.
- b. Provide recommendations to the President Director regarding risk measurement methodology and its amendments.
- c. Provide recommendations on risk limit determination and its amendments.

- d. Submission of risk profile report and risk monitoring results, as well as its necessary amendments of recommendation.

RMC Work Programs

- a. The RMC convenes periodically, at least 1 (one) time in 3 (three) months.
- b. RMC ad-hoc meetings, or meetings outside the regular schedule may take place in case of urgent matters, such as significant change of BRI's risk profile, regulations, force majeure, and other matters that may impact the Bank's risk profile significantly.
- c. Discussion, review, and approval of meeting proposals and recommendations observe the prevailing rules. The proposals and recommendations may include Risk Management policy, strategy, and procedure.

RMC Activities

- a. RMC Meeting is presided by RMC Chairman. The role can be represented by Chairman I or Chairman II should the RMC Chariman is unavailable.
- b. RMC meeting can be convened if attended by at least 2/3 of its permanent members without voting rights, including 3 (three) directors - one of which is the Compliance Director.
- c. RMC Chairman can annul the meeting resolutions, provided that the annulment is performed in the Board of Directors meeting.
- d. RMC meeting resolutions are achieved by collective deliberation. In the event of non-agreement, the permanent members with voting rights cast their votes. The decision is accepted if approved by more than 50% of permanent members.

Meeting Frequency

The RMC convenes periodically, at least 1 (one) time in 3 (three) months.

RMC Meetings during 2015:

No	Activity	Date	Agenda
1	RMC I 2015	11 February 2015	1. Follow-up on RMC Resolutions IV-2014 2. External Risk Issue and BRI Risk Profile 3. Capital Analysis and Stress Test 4. Risk issues in BRI: Misuse of Customers' Accounts, Cyber Crime Against BRI Internet Banking, Document Handling 5. Risk to be Noticed in BRI 6. Recommendations and Resolutions of RMC I-2015

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No	Activity	Date	Agenda
2	RMC II 2015	19 May 2015	1. Follow-up on RMC Resolutions I-2015 2. External Risk Issue and BRI Risk Profile 3. Capital Analysis and Stress Test 4. Risk Management Implementation (Portfolio Management) 5. Risk Issues in BRI: Ratio of Low-Quality Credit; Credit Card Collection Process; Misuse of GL Cost of PBTW; Penalty from Regulators Related to Fraud Report 6. RMC Recommendations and Resolutions II-2015
3	RMC III 2015	20 August 2015	1. Follow-up on RMC Resolutions II-2015 2. External Risk Issue and BRI Risk Profile 7. Capital Analysis and Stress Test 3. Risk Issues in BRI: Operating Units' Activities Disrupted by System, Strategic Risk Management, Retail Loan Officer Productivity 4. RMC Recommendations and Resolutions III-2015
4	RMC IV 2015	16 November 2015	1. Follow-up on RMC Resolutions III-2015 2. External Risk Issue and BRI Risk Profile 8. Capital Analysis and Stress Test 3. Risk Issues in BRI: Use of NAS Demand Deposits; Credit Card Business Management; NSICCS Implementation; FBI Contribution to Profit Growth; Impact of Haze On BRI Business 4. RMC Recommendations and Resolutions IV-2015

Sub-RMC Forums during 2015

No	Activity	Date	Minutes
CRMC			
1	CRMC I 2015	30 January 2015	B.17-DMR/CRM/02/2015
2	CRMC II 2015	30 April 2015	B.71-DMR/CRM/05/2015
3	CRMC III 2015	10 July 2015	B.103-DMR/CRM/07/2015
4	CRMC IV 2015	27 October 2015	B.76.e-DMR/CRM/11/2015
ORMC			
1	ORMC I 2015	22 January 2015	B.04-DMR/MOK/01/2015
2	ORMC II 2015	28 April 2015	B.23-DMR/MOK/01/2015
3	ORMC III 2015	9 July 2015	SR.1.e-DMR/MOK/07/2015
4	ORMC IV 2015	12 October 2015	B.44-DMR/MOK/10/2015
MRMC			
1	MRMC I 2015	11 February 2015	R.11-DMR/MRP/02/2015
2	MRMC II 2015	19 May 2015	R.39-DMR/MRP/05/2015
3	MRMC III 2015	20 August 2015	R.61-DMR/MRP/08/2015
4	MRMC IV 2015	16 November 2015	R.75-DMR/MRP/11/2015

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Credit Policy Committee (CPC)

The CPC is a Committee at the Head Office that assists the Board of Directors in the formulation of loans policy and provides recommendations on loans policy improvement.

CPC Establishment Legal Reference

The Credit Policy Committee establishment refers to BRI Board of Directors Decree No. S.114-DIR/ADK/06/2012 dated 29 June 2012.

CPC Structure and Composition

Chairman: President Director

Member:

1. Vice President Director
2. Credit Risk and Assets Management Director
3. MSME Director
4. Commercial Director
5. Institutional Director
6. Consumer Director
7. Finance Director
8. Compliance Director
9. SEVP SME & Consumer
10. SEVP Internal Audit Unit
11. Head of ADK Division (concurrently as CPC secretary)
12. Risk Management Division Head
13. Risk Analysis Division Head
14. RPKB Division Head
15. Micro Business Division Head
16. Retail and Medium Business Division Heads

17. Consumer Business Division Head
18. Program Business and Partnership Division Heads
19. Agribusiness Division Head
20. General Business Division Head
21. General Business Division Head
22. SOE 1 Business Division Head
23. SOE 2 Business Division Head
24. Treasury Division Head
25. International Business Division Head
26. Compliance Division Head
27. Legal Division Head
28. Investment Service Division Head
29. Oil and Gas Desk Head

CPC Independency

The CPC is a non-structure committee and is independent from business operating units through:

1. The provision of loans decision is fully based on professional expertise, honesty, objectivity, thoroughness, and meticulousness.
2. The CPC's authority is in line with the authority limitation set by the Board of Directors. The CPC may reject the requests and/or influence from interested parties in providing loans approval for formality reasons or outside sound loan principles.

CPC Duties and Responsibilities

1. Provide recommendations to the Board of Directors in defining BRI's Loans General Policy, especially related to the formulation of loans prudential principles as set forth in the Bank Loans Policy Formulation Guidelines from Bank Indonesia
2. Supervise consistent application and implementation of Loans General Policy, as well as define the problem-solving mechanism to address any barriers or constraints in its implementation.
3. Monitor and evaluate:
 - a. Appropriateness of loans authority implementation;
 - b. Accuracy of loans approval, development, and quality granted to the Bank's related parties and certain large debtors, etc.

CPC Activities

The following are activities of the Credit Policy Committee:

1. Provide decisions on the basic and material loans policy changes that significantly impact the Bank's business operations.
2. Coordinate with Assets and Liabilities Committee (ALCO) related to loan in certain amounts defined by ALCO.
3. Sign the Loans Decision form as a proof of loans decision and proof of Credit Committee Accountability.

CPC Meetings Frequency

Date	Agenda	Description
23-Sep-2015	Discussion on Review of BRI Loans General Policy	Has met the meeting quorum by the attendance of 2/3 meeting members, including the minimum attendance of 3 Board of Directors members.

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Credit Committee (CC)

The Credit Committee is an operational committee that assists the Board of Directors in the evaluation and/or stipulation of loans request in certain amounts and/or types as defined by the Board of Directors.

CC Establishment Legal Reference

BRI Board of Directors Decree No: S.42-DIR/ADK/11/2015 dated 27 November 2015.

CC Structure and Composition

- a. President Director
- b. Vice President Director
- c. Credit Risk and Assets Management Director
- d. Commercial Director
- e. Institutional Business Director
- f. Micro Director
- g. Consumer Director/SEVP SME and Consumer*
- h. Finance Director & Treasury

Note :

*) In the event of vacant position of SEVP SME and Consumer, the decision authority is transferred to other SEVP that is appointed except the SEVP for Internal Audit.

CC Duties and Responsibilities**Credit Committee Duties**

1. Approve or reject loans proposal according to the authority defined by the Board of Directors.
2. Coordinate with Asset and Liability Committee (ALCO) related to loans in certain amounts.

Credit Committee Responsibilities

1. Provide loans decisions based on professional expertise, honesty, objectivity, prudent, and diligence.
2. Reject the requests and or influences of interested parties to provide loans approval for formality purposes.

3. Sign the Loans Decision form as a proof of loans decision and proof of Credit Committee Accountability; as such, prior to signing, the Credit Committee shall:
 - a. Ensure that all loan approvals have met banking principles, sound loan principles, and BRI international regulations (Loan General Policy, CPC and other loans regulations).
 - b. Ensure that loans approval is disbursed based on honest assessment, objective, prudent, and meticulous, and is independent from the influence of parties interested with the loan applicants.

CC Work Programs

The Credit Committee convenes the meetings where decisions for loans in certain amounts are made.

CC Activities

The Credit Committee convenes for discussion on new loans or loans disbursement. The Credit Committee shall consult with the Board of Commissioners for a minimum loan of Rp1 (one) trillion, or in the case of the Committee or Board of Directors' concerns that need to be consulted with the Board of Commissioners. The said amount applies for single, group, nucleus as well as SOEs or government debtors.

CC Decisions in 2015:

109 BRI Credit Committee Decisions; 183 Credit Committee-Board of Directors Decisions; and 6 Credit Committee-Board of Directors Restructuring Decision.

Asset and Liability Committee (ALCO)

The Asset and Liability Committee (ALCO) is established to assist BRI Board of Directors in performing the integrated management of BRI assets and liabilities, determine the deposits and loans interest rates, define the mismatch policy, net open position, and interest rate risk; manage and determine balance sheets and capital structure, and provide recommendations to the Board of Directors on the policies formulation that will be decided in ALCO meeting.

ALCO Establishment Legal Reference

BRI Board of Directors Decree No. S.42-DIR/ADK/11/2015 dated 27 November 2015.

ALCO Structure and Composition

The ALCO structure and composition consist of: (1) Chairman (concurrently as member): President Director; (2) Substitute Chairman I (concurrently as member): Finance Director; (3) Substitute Chairman II (concurrently as member): Finance Director Substitute based on the Decree of Strategic Planning Division; (4) Secretary (concurrently as member): Head of Treasury Division.

Members: Board of Directors, all Heads of Business Division, Services Fund Division Head, Credit Card Division Head, Consumer Credit Division Head, Institutional Relations Division Head, Accounting, Management, and Finance Division Head; Credit Risk Analysis Division Head, RPKB Division Head, Credit Administration

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Division Head, Risk Management
Division Head, Strategic Planning
Division Head, Head of Jakarta I,
Jakarta II, and Jakarta II Regional
Offices; and Head of Special Branch
Offices.

ALCO Supporting Group (ASG):

The ALCO Supporting Group is an analyst group equal to a unit. It operates under the Treasury Division, which supports ALCO's duties and responsibilities.

ALCO Independency

The ALCO is a non-structural and non-independent committee.

ALCO Duties and Responsibilities

1. Define the integrated management of BRI assets and liabilities.
2. Determine the prime interest rate for deposits, loans, and fund transfer prices.
3. Determine the mismatch policy and net open position (NOP).
4. Manage and define balance sheets and capital structure.
5. Ensure that assets and liabilities management is carried out in accordance with ALCO policies set in the meetings.

As a supporting unit, the ALCO Supporting Group (AGS) has the following duties:

1. Analyze the fund source and use, balance sheets, and capital, based on balance sheet and income statements.
2. Develop the interest rate risk sensitivity analysis (maturity & repricing gap).
3. Calculate and monitor net open position.

4. Perform liquidity risk analysis (primary and secondary reserve).
5. Analyze and/or provide data as required by ALCO.
6. Formulate and develop the scenario of deposits and lending interest rates, follow-up with alternatives pricing according to the development of market interest rate and macro-economic condition.
7. Together with related divisions calculate and create alternatives pricing of certain loans below the counter rate for the recommendation to the executives decision-maker.
8. Together with related divisions to formulate funding strategy based on the Bank Work and Budget Plan as well as banking market condition.
9. Prepare materials and equipment required in ALCO regular meetings.
10. Prepare presentation materials for ALCO Secretary for submission in ALCO meetings.
11. Execute ALCO meeting decisions; monitor the follow-up by relevant units.

ALCO Work Programs

ALCO periodically convenes to discuss BRI assets and liabilities management related to the Board of Directors' strategy and policies in:

- Bank's performance growth.
- Bank's portfolio composition and growth.

- Risk management (limit mismatch and net open position guidelines).
- Interest rates of deposits, loans, and fund transfer prices.

ALCO Meetings Organization

The ALCO periodically convenes once in a month. The ALCO meetings are organized in accordance with the following procedures :

- a. ALCO Chairman presides the BRI ALCO meeting. In the absence of the chairman, the meeting is presided by ALCO Substitute Chairman I, or ALCO Substitute Chairman II.
- b. ALCO Secretary is responsible to organize ALCO Meetings. This includes the preparations, materials preparations and presentations, and minutes of meetings record and distribution. In the absence of ALCO Secretary, Head of Treasury Division as ALCO Secretary can be represented by Deputy Head of Treasury Division, or where unavailable, by Head of Investment Banking Desk, or where unavailable, by Section Head of ALCO Supporting Group.
- c. ALCO convenes on a monthly basis.
- d. ALCO meeting must be attended at least by 2/3 of ALCO members. In the absence of Division Head of ALCO members, the proxies can be appointed equal to the level of Division Head Deputy or at least Section Head.

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- e. The resolutions of ALCO Meetings are taken by collective deliberation. In the event of non-agreement, ALCO meeting decision is legitimate if approved by 2/3 of the attending members, including 2 members of the Board of Directors, one of which is the Chairman/Substitute Chairman.

ALCO Meeting Frequency

- ALCO forum was held once every month, or 12 times in 2015.
- ALCO meetings discussed the assets and liabilities management, market reviews, and BRI stock performances.

IT Steering Committee (ITSC)

The ITSC is a committee responsible to direct and provide recommendations regarding policy, development, and implementation of BRI information system and technology.

Legal Reference

Pursuant to Bank Indonesia Regulation No. 9/15/ PBI/2007 dated 30 November 2007 and Bank Indonesia Circular No. 9/30/ DPNP dated 12 December 2007 concerning the Risk Management in Information Technology by Commercial Banks, BRI has established Information Technology Steering Committee. The Committee was formed by virtue of BRI Board of Directors Decree No. 625 DIR/TSI/10/2009 dated 19 October 2009 on the Information Technology Steering Committee (ITSC) of PT Bank Rakyat Indonesia (Persero), Tbk.

ITSC Structure and Composition

Pursuant to BRI Board of Directors Decree No. 625 DIR/TSI/10/2009 dated 19 October 2009, the ITSC structure and composition are as follows:

Chairman:
Operations Director

Vice Chairman:
Compliance Director

Secretary: Head of Information System and Technology Division

Members:
19 Division Heads from Business, Operations, and Internal Audit Divisions.

The Committee composition is ex-officio and committee members represent the parties that interact directly with IST as partners or users.

ITSC Independency

ITSC is a non-structural and non-independent committee.

ITSC Duties and Responsibilities

1. Provide recommendation on BRI long-term (5-year) IST development objectives stated in BRI IT Strategic Plan (ITSP);
2. Provide recommendation on BRI short-term (annual) and long-term (5-year) IST development priority that aligns with the Corporate plan and Bank Business Plan implemented by BRI management;

3. Provide recommendation changes to IST long-term plan and strategy in line with the changes of BRI business policy and strategy;
4. Review and provide recommendation on BRI Functional Work Plan and IST Investments and Exploitation Plan for short term (annual) IST development, operations, and maintenance based on BRI ITSP;
5. Monitor and evaluate the implementation of BRI IST project development, ensuring alignment with the established plan and strategy;
6. Periodically monitor and evaluate the IST development implementation managed by IST Division;
7. Monitor the effectiveness of risk management measures over BRI IT investments, ensuring that the investments would contribute to BRI business objectives achievements;
8. Provide recommendation on IST issue resolutions in effective, efficient, and timely manner for issues that users and IST division are unable to solve.

ITSC Activities Implementation**ITSC Work Programs**

ITSC carries out its duties and authority according to the activities defined in the committee meetings.

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Work Programs Realization

ITSC meetings evaluate BRI IT development. The discussion that takes place during the meetings refers to respective meeting's agenda. In ITSC meetings, the Board of Directors provides the strategy directives, especially related to the development of certain e-channel that requires close attention. The Board of Directors also reminds that application development may not overlook the mBapactory development activities.

Meeting Frequency

ITSC meeting in 2015 is as follows:

Date	Meeting	Topic/Agenda
15 August 2015	ITSC	ITSP 2008-2013 Achievement and Evaluation; ITSP 2014-2018 finalization

Capital & Investment Committee

The focus of this committee is limited to BRI acquisition corporate action and subsidiary management, which may or may not result in BRI as the controlling shareholder or are not the controlling shareholder. The subsidiary management activities include:

1. Subsidiary performance monitoring
2. Corporate action recommendation related to Subsidiary, including merger, consolidation, spin-off, and dividend stipulation
3. Increase of investment in subsidiary

Legal Reference

Decree No. 202-DIR/ CDS/04/2015 on the Capital & Investment Committee.

Structure and Composition

The structure of Capital & Investment Committee (CIC) consists of:

1. Chairman: Finance Director (concurrently as permanent member with voting rights)
2. Secretary: Corporate Development & Strategy Division Head (concurrently as permanent member with voting rights)

3. Members:
 - a. Relevant Business Director (non-permanent with voting rights)
 - b. Asset & Credit Management Director (permanent with voting rights)
 - c. Investment Services Division (permanent with voting rights)
 - d. Legal Division Head (permanent with voting rights)
 - e. Management & Financial Accounting Division Head (permanent with voting rights)
 - f. Treasury Division Head (permanent with voting rights)
 - g. Division Heads relevant to subsidiaries (non-permanent with voting rights)

Members of Capital & Investment Committee are ex-officio. Non-permanent members are invited to attend the committee meeting for issues relevant with business areas under their supervision.

In carrying out its duties, the Capital & Investment Committee is supported by the Committee Supporting Team tasked to review and analyse. This team consists of:

1. Planning, Corporate Development & Strategy Division
2. Performance Management & Holding Corporation, Corporate Development & Strategy Division
3. Subsidiaries & UCL Non- FI, Investment Services Division
4. Budget Planning, Management & Financial Accounting Division
5. Investor Relations Desk, Corporate Secretary Division

CIC Independency

The Capital & Investment Committee is a non-structural and non-independent committee.

CIC Duties and Responsibilities

The Capital & Investment Committee has the following duties, authority, and responsibilities:

- a. Corporate Actions
 1. Review studies and analysis of corporate action prepared by the Committee Supporting Team.
 2. Determine the corporate action recommendations.
 3. Submit the Committee recommendations to the Board of Directors for decision-making.
 4. The Development & Strategy Division executes corporate actions according to its duties and responsibilities.

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b. Subsidiary Management

1. Review studies and analysis of subsidiary performance administered by the Committee Supporting Team periodically.
2. Provide recommendations on subsidiary performance.
3. Review studies and analysis of corporate action, proposal to increase investment, and other strategic proposals from the Committee Supporting Team.
4. Submit the Committee's recommendations for corporate actions, investment increase, and other strategic proposals to the Board of Directors for decision-making.

The Committee Supporting Team, according to their respective scopes, has duties, authorities, and responsibilities to:

1. Provide supporting data for the submission of proposals.
2. Proposal analysis/study.
3. Prepare materials for the presentation of Committee members in the Capital & Investment Committee meetings.

CIC Activities

CIC Work Programs

The Committee Work Programs and Meeting Agenda

1. Subsidiary performance presentation.
2. Request on capital injection in the subsidiary.
3. Corporate action-plan presentation to support BRI's non-organic growth.

CIC Activities

1. The Committee Supporting Team prepares studies and analysis according to their scopes of work.
2. The Committee Members present the studies and analysis according to their scopes of work in committee meeting.
3. The Committee periodically convenes to discuss proposals, studies, and analysis administered by the Committee Supporting Team.
4. Meeting quorum with the attendance of at least 2/3 of all executives and committee members.
5. The Committee meeting is presided by the Committee Chairman. In his/her absence, the Chairman is replaced through a Substitute Director mechanism.

6. The Committee Secretary is responsible to coordinate and organize the committee meetings, including the preparation of meeting articles and recording of meeting minutes.
7. In the event of Committee Secretary conducting the presentation, the meeting appoints another member to record meeting minutes.
8. The Committee discusses and provides recommendations based on studies and analysis from the Committee Supporting Team.
9. The Committee recommendations are decided through collective deliberation. In the event of non-agreement, the recommendation is accepted by the approval of 3/4 of committee members with voting rights that attends the meeting. The vote of Finance Director (ex-officio) shall be included.
10. Recommendations reached by the committee are reported/presented by the Committee Chairman to the Board of Directors for decision-making/approval.

Meeting Frequency

Date	Agenda	Attendance
13/08/2015	Subsidiary Performance Presentation	Quorum fulfilled
18/08/2015	Corporate Action Study Presentation	Quorum fulfilled
27/10/2015	Corporate Action Study Presentation	Quorum fulfilled
11/02/2015	Subsidiary Business Plan and Corporate Action Review	Quorum fulfilled
25/11/2015	Corporate Action Study Presentation	Quorum fulfilled
11/11/2015	Subsidiary Business Plan	Quorum fulfilled

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Project Management Office (PMO) Steering Committee

The PMO Steering Committee (PMOSC) is the highest forum/committee for project management at the corporate level in BRI that responsible to the Board of Directors.

Establishment Legal Reference

Board of Directors Decree No.647-DIR/REN/09/2011 dated 30 September 2011.

PMOSC Structure and Composition

Chairman:

Vice President Director

Members:

- Director that serves as Head of PMO
- Members of the Board of Directors that are Head of Project Owners' Operating Unit.
- Members of the Board of Directors that are Head of Operating Unit of Supporting Project.
- Heads of Operating Unit of Project Owners
- Heads of Project Supporting Units

Authority and Responsibilities

1. Provide strategic directives of BRI projects at corporate levels.
2. Take decisions based on recommendations for issue resolutions in project management that are beyond the capacity of Head of PMO or Project Steering Committee.
3. Propose re-allocation of project budget as stated in Project Work Plan and in accordance with the prevailing rules.
4. Take decisions over matters not yet stipulated in PMO General Policy and PMO Implementation Guidelines.
5. Ratify Joint Planning Session (JPS) or Streamlining results.
6. Discontinue projects that are no longer viable.
7. Approve and ratify project proposals submitted following the Corporate Work & Budget Plan approval. This may include regulatory projects or emergency projects.
8. Provide directives and decisions to accelerate project completion.

PMOSC Independency

The PMO Steering Committee is a non-structural and non-independent committee.

PMOSC Duties and Responsibilities

PMO Steering Committee role is to provide strategic directives and decisions related to project management, including:

1. Define project criteria for PMO monitoring.
2. Stipulate projects for inclusion in PMO monitoring outside the defined criteria.
3. Take investment and exploitation decisions related to projects, among others to approve, change, cancel, or execute a project.
4. Take decisions concerning project issues escalated to PMOSC.

Committee Meeting

In performing its functions, the PMOSC convenes at least 1 (one) time in one year.

Meeting Frequency

The following table summarizes PMOSC meeting activities in 2015:

Date	Agenda	Attendance
11 December 2015	Discussion of project issues, decisions, and evaluation	Quorum fulfilled

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COMPLIANCE FUNCTION

Duties and Responsibilities

The Duties and Responsibilities of BRI Compliance Division in the implementation of Compliance Function refers to Bank Indonesia Regulation No. 13/2/PBI/2010 dated 12 January 2011 concerning the Implementation of Banks Compliance Function, which includes:

1. Development of measures to create Compliance Culture across BRI's activities and at all levels of the bank-wide organization.
2. Identify, measure, monitor, and control compliance risk in line with Bank Indonesia regulation concerning the Risk Management in Commercial Banks.
3. Take measures to ensure that BRI's policies, provisions, systems, procedures, and business activities comply with Bank Indonesia regulations and/or prevailing laws and regulations.
4. Carry out other duties related to Compliance Function, among others:
 - a. Ensure BRI's compliance with its commitment to Bank Indonesia and/or other competent supervisory authorities.
 - b. Disseminate and promote to all individuals on the aspects related to Compliance Function, especially with regards to prevailing regulations.
 - c. As a contact person for the Bank's compliance issues to internal and external parties.

Compliance Function Implementation

Compliance Function is implemented through:

1. Compliance Culture
The Compliance Executives continuously disseminates and internalizes the compliance function hence to grow and build compliance awareness at all levels of BRI's organization and business activities.
2. Compliance Risk Monitoring
To manage compliance risk, the Compliance Division coordinates with Risk Management Division as risk management unit in BRI, to identify, measure, monitor, and control. These activities refer to Bank Indonesia regulations concerning the Risk Management Implementation for Commercial Banks.
3. Prudential Banking Monitoring
This monitoring aims to ensure BRI's compliance with prudential banking principles enforced by Bank Indonesia and other relevant supervisory authorities. The activities are as follows:
 - a. Prudential Principle Testing
To prevent non-compliance with prudential principles in loans and non-loans activities, BRI Compliance Director performed Prudential Principles Testing against Policy Plan, Decisions, and Agreements with third parties as defined by the Board of Directors.
 - b. Testing Results Follow-Up Monitoring
This testing is the next step following the foregoing testing activity. The monitoring aims to reassure compliance with policy plan follow-up and that decisions are made with prudential principles in mind (comply).
 - c. Internal Policy Review
The internal policy review seeks to ensure that the policies stipulated by the Board of Directors and internally applicable are conformed to the rules of prudential principles and in compliance with the prevailing laws and regulations.
 - d. External Policy Resume
The external policy resume and dissemination are applicable for new policies and amendment of existing policies from external regulators. This is part of policy socialization activities, ensuring that the external policies may be forthrightly available as a reference for the operating units in their respective fields.
 - e. External Policy Impact Analysis
The analysis is performed to examine the impact of external policies to BRI's existing internal policies as well as to ensure the conformity of BRI's internal policies with external regulations.

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Type of Activities	2015	
	Credit	Non-Credit
Prudential Principle Testing	363	234
Monitoring	250	182
Policy Response	19	98
Internal Policy Review	14	30
External Policy Resume & Dissemination	26	62
External Policy Impact Analysis	24	15

- f. Monitoring of Bank Commitment to Authorities
BRI Compliance Executives ensure the compliance of BRI commitment to Bank Indonesia (BI), Financial Services Authority (OJK), and other competent authorities. Periodically, BRI submits the result of its monitoring to President Director, Board of Commissioners, and OJK as the Compliance Function Performance Report, referring to Bank Indonesia Regulation No. 13/2/PBI/2010 dated 12 January 2011 on the Implementation of Banks Compliance Function.
- g. Enhancement of compliance system, infrastructure, and policies.

Board of Commissioners and Board of Directors Roles

The Board of Directors roles in compliance function management are illustrated in the following structure of BRI Compliance Unit organization:



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Compliance Function Performance

Periodically, the Board of Commissioners through Risk Management Oversight Committee evaluates and analyzes the Compliance Function performance. The Risk Management Oversight Committee has the duties and responsibilities to evaluate and analyze the Compliance Function performance at least per semester, and provides recommendations to the Board of Commissioners on the improvement of the Bank's Compliance Function.

Compliance Director and Compliance Unit Independency

The Compliance Function is implemented pursuant to Bank Indonesia Regulation No. 13/2/PBI/2010 dated 12 January 2011 on the Implementation of the Banks Compliance Function. In BRI, the Compliance Function is implemented by the Compliance Executives, which consist of Compliance Director and Compliance Division. The Compliance Executives shall be independent and segregate from business, operations, and other supporting functions of BRI's business activities. They shall be independent and are free from influence or pressure by other operating units. The Executives shall also be void of any conflict of interests and shall act objectively and professionally. The Compliance Director does not oversee any operating unit, service or business units. The Compliance Director has passed the Fit and Proper Test from OJK, thus indicated the independency of the Compliance Director.

Effective as of 19 March 2015, Susy Liestiwaty holds the position of Compliance Director. The position was formerly held by Randi Anto that served since 12 July 2011. Whilst, Khairi Setiawan serves as the Head of Compliance Division. Both Compliance Director and Compliance Division Head have met the independency requirement and other criteria set by Bank Indonesia. The Compliance Executives independency are as follows:

1. Compliance Executives shall be independent and segregate from business, operations, and other supporting functions of BRI's business activities.
2. Compliance Executives shall be independent and are free from influence or pressure by other operating units. The Executives shall also be void of any conflict of interests and shall act objectively and professionally.

Compliance Charter

The realization of BRI's vision and mission shall be based on sound business practices that conform to Bank Indonesia regulations, other prevailing legislations, and BRI's internal rules and policies. The Integrity, Professionalism, Customer Satisfaction, Leadership, and Respect to the Company shall translate into the following conditions:

1. Compliance culture embedded in all organizational levels, across BRI business activities.
2. All interested parties (stakeholders) experience optimum benefits and advantages with the implementation of GCG policies.

3. Increased awareness and discipline among BRI employees towards the rule of the game based on prudential principle.

Legal Reference

To exercise preventive risk mitigation (ex-ante) and to ensure that compliance risk management is consistently aligned with bank-wide risk management practices, BRI's compliance function refers to Bank Indonesia Regulation No. 13/2/PBI/2010 dated 12 January 2011.

BRI Internal Compliance Policy Disclosure (Compliance Charter)

To ascertain that compliance function is operational and compliance unit in BRI works in accordance with Bank Indonesia Regulation No. 13/2/PBI/2010 dated 12 January 2011 regarding the Implementation of Banks Compliance Function, BRI has in place the guideline for Compliance Function implementation articulated as the Compliance Charter.

The following are Compliance Charter scopes:

1. Bank Compliance Function and general Policies on Compliance Executives, among others the Independency, Authority, and Composition.
2. Duties and responsibilities of the Board of Commissioners, Board of Directors, and Compliance Division.
3. Compliance Function reporting.

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Annual Compliance Plan

To improve the effectiveness of Financial Transaction Reporting (FTR) to regulators and to realize good corporate governance that supports the Bank's sound business growth, as of 30 October 2015, a change was introduced to the structure of BRI's compliance division, which now consists of 2 (two) new departments, namely GCG Department and Reporting & Anti-Money Laundering System Department.

Compliance Risk Management

The details concerning Compliance Risk management are discussed under the Risk Management Chapter, Compliance Risk sub-chapter. In general, it can be summarized that compliance risk management effectiveness is evident from the Bank's risk profile in 2015, which scored 2 (low to moderate), or stable from 2014 position.

Anti Money Laundering Unit (AML and CFT)

The activities accomplished in 2015 with respect to Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT) are as follows:

1. Issuance of BRI Board of Directors Decree No. S.22-DIR/DKP/09/2015 dated 11 December 2015 on AML and CFT Program Implementation Policies and Procedures.
2. Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT) system enhancement.
3. Monitoring and dissemination of AML and CFT Policies and Procedures:
 - a. On-site
 - 1). Monitor the AML and CFT policies and procedures in BRI's Operating Units (Branch Offices/Sub-Branch Offices, Priority Service Centers, and BRI Units) in line with sampling method in each of BRI's Regional Offices.
 - 2). Specific training of AML and CFT Programs to new employees and existing employees to refresh knowledge in banking activities related to know-your-customer principle. The trainings are: Staff Development Program (SDP), Frontliners (Customer Service and Teller), Funding Officers (FO), Account Officers (AO), Operational Managers (MO), Marketing Managers (MP), Sub-Branch Managers, etc.
 - b. Off site
 - i. The submission of AML and CFT Programs through e-learning modules for all employees and frontliners for self-reliance training.
 - ii. The AML and CFT Programs Self-Assessment in all BRI Operating Units through BRIStars application.
4. Submission of BRI data updates plan and realization of customer data updates as well as Cross Border Correspondent Banking (CBCB) to the Financial Services Authority (OJK).
5. Reporting obligation to PPATK on Suspicious Transactions Report (STR), Cash Transactions Report (CTR), International Funds Transfer Instructions (IFTI) and Integrated Service User Information System (SIPESAT).
6. Following up the requests from external parties, among others PPATK, Corruption Eradication Commission (KPK), National Narcotics Agency (BNN), Police, and OJK, and others on the information/data, blocking, unblocking, transaction delays and temporary transaction terminations.
7. BRI has also participated in the preparation of Foreign Account Tax Compliance Act (FA TCA) by the registration on the United States' Internal Revenue Service (IRS) website as the parent entity. BRI has also registered one of its subsidiaries (member entity) and overseas Branches, hence the registered entities now have a Global Intermediary Identification Number, or GIIN.

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In addition to compliance with the national Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT) Programs, BRI also observes international protocols related to fund movements, such as:

US Patriot Act

The "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Act of 2001" (the "USA PATRIOT Act") is enforced by the government of the United States to prevent money laundering and counter-terrorism financing through the corresponding accounts of foreign banks in American financial institutions. To that end, the American financial institutions requires all foreign banks that already have or aim to open corresponding accounts in the US to complete a standard certification forms.

In fulfilling the requirement of USA Patriot Act, BRI has completed the certificate of foreign corresponding banks. This information is available on BRI website, www.bri.co.id. The certificate applies for all accounts set up for BRI by "Covered Financial Institutions".

CORPORATE SECRETARY**Legal Reference**

The Corporate Secretary holds a strategic position to ensure administrative compliance in decision-making. The Corporate Secretary is also responsible to perform corporate communication function hence to build and demonstrate the Bank's goodwill. The Corporate Secretary establishment refers to the following regulations:

1. Decision of Bapepam Chairman IX.I.4 No: KEP-63/PM/1996 concerning the Establishment of Corporate Secretary.
2. State-Owned Enterprises Minister Regulation No: PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, as amended by PER 09/MBU/2012.
3. Financial Services Authority Regulation No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuers or Public Companies.
4. State-Owned Enterprises Minister Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in the State-Owned Enterprises, as amended by PER 09/MBU/2012.
5. Financial Services Authority Regulation No. 35/POJK.4/2014 concerning the Corporate Secretary of Issuers or Public Companies.

Corporate Secretary Manual

The Corporate Secretary Manual was established in 2007 as amended from 2003 versions, which contains qualifications, organizational structure, duties, and responsibilities, including the Board of Commissioners and Board of Directors' meetings procedures, trainings, communications, and others.

Corporate Secretary Appointment and Termination

Pursuant to the Financial Services Authority Regulation No. 35/POJK.04/2014 dated 8 December 2014 concerning the Corporate Secretary of Issuers or Public Companies, the Corporate Secretary is appointed and terminated by virtue of the Board of Directors' resolutions.

Corporate Secretary Profile

In 2015, there was one change of BRI Corporate Secretary. The Bank appointed and transferred the position from Budi Satria to Hari Siaga Amijarso effective as of 19 October 2015. The changed was reported in 2015 through information disclosure on BRI website (www.bri.co.id) and on Indonesia Stock Exchange website (www.idx.co.id).

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Budi Satria

Indonesian Citizenship, 52 years old. He chaired the Corporate Secretary Division since 1 April 2014 to 30 September 2015. Obtained a Bachelor degree in Law from Islam Indonesia University (UII), and obtained a Master in International Management from University of Indonesia. He began his career in BRI since 2 May 1988. He held several positions, as Inspector in Banjarmasin Audit Office in 2011 and Head of Palembang Regional Office in 2012. BRI Board of Directors carried out the appointment of Corporate Secretary and has reported to Bank Indonesia in accordance with Bank Indonesia Regulation No. 11/1/PBI/2009 dated 27 January 2009 on the Commercial Banks, as well as Bapepam-LK and Indonesia Stock Exchange by virtue of letters No. B.81-SKP/DHI/04/2014 dated 14 April 2014 concerning the Change of Corporate Secretary.

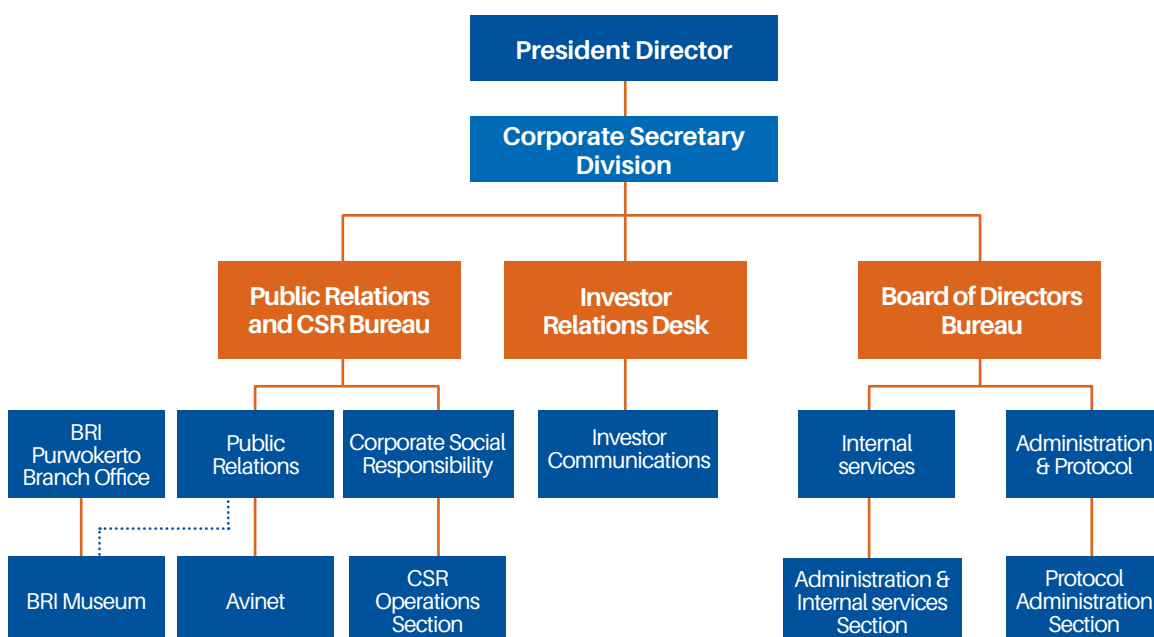


Hari Siaga Amijarso

Indonesian Citizenship, 50 years old. Appointed as BRI Corporate Secretary since 1 October 2015. Obtained a Bachelor Degree in the State Administration from Brawijaya University, Malang, and began his career in BRI since 1990. He previously held different positions in BRI, including Branch Manager in several areas and Head of the Board of Directors Bureau in the Corporate Secretary Division. BRI Board of Directors carried out the appointment of Corporate Secretary and has reported to the Financial Services Authority in accordance with Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies through Letter No. B107SKP/DHI/10/2015 dated 19 October 2015 concerning the Change of Corporate Secretary.

Corporate Secretary Organization Structure

The following is Corporate Secretary Organization Structure in 2015:



Note :

*) Led by Division head

**) Led by Bureau Head/Desk Head equal to Deputy Division Level

— : Supervision line

..... : Coordination Line

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BRI Corporate Secretary also has a function as office of the board, to ensure the availability of adequate information and the achievement of quorum requirements in the decision-making process by the Board of Directors and/or Board of Commissioners. The Corporate Secretary also provides assistance and services related to policies, delivery of rights and facilities, administration activities, and other protocols applicable to the Board of Directors and Board of Commissioners according to prevailing regulations.

Corporate Secretary Duties and Responsibilities

Pursuant to State-Owned Enterprises Minister Regulation No: PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, the Corporate Secretary has the following functions:

1. Ensure compliance with transparency requirements by SOEs in line with GCG principles implementation;
2. Provide periodical and/or on-request information for the Board of Directors and Board of Commissioners;
3. Act as a liaison officer; and
4. Administer and file the Bank's documents including, but not limited to, Shareholders Register, Special Register, and minutes of meeting of the Board of Directors, Board of Commissioners, and GMS.

Pursuant to the Financial Services Authority Regulation No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuers or Public Companies, the Corporate Secretary functions are:

- a. Update on capital market development especially its prevailing regulations;
- b. Provide recommendations on compliance with capital market regulations to the Board of Directors and Board of Commissioners of Issuers or Public Companies;
- c. Support the Board of Directors and Board of Commissioners in the implementation of corporate governance, which covers:
 1. Information transparency to the public, including information disclosure on the Website of Issuers or Public Companies;
 2. Timely submission of reports to the Financial Services Authority;
 3. Organization and documentation of the General Meeting of Shareholders;
 4. Organization and documentation of the Board of Directors and/or Board of Commissioners' meetings; and
 5. Orientation program on the company for the Board of Directors and/or Board of Commissioners.
- d. As a liaison officer between Issuers or Public Companies with the shareholders of Issuers or Public Companies, Financial Services Authority, and other stakeholders.

Corporate Secretary Duties and Responsibilities

BRI Corporate Secretary main duties include the management of public relations, corporate social responsibility, information

management to investors, stakeholders, and operating units; as well as the corporate secretary management, including the Board of Directors and Board of Commissioners in order to support the achievement of BRI corporate image in line with the Bank's vision, mission, and corporate strategy. Moreover, the Corporate Secretary is also responsible to update information on regulations applicable to the Bank, and to provide information on corporate actions to relevant regulators. In terms of compliance function, the Corporate Secretary executes the governance relations' function that aims to create and nurture a goodwill between the Bank and regulators.

The Corporate Secretary is responsible in ensuring continuous communication between the Bank and stakeholders and to ascertain the accessible information disclosure for the stakeholders in line with fair requirements of the stakeholders. Having strategic duties and responsibilities, BRI Corporate Secretary is directly responsible to the President Director. The performance report is submitted to the Board of Directors with copy to the Board of Commissioners.

Corporate Secretary Competency Building Program

As stated in BRI Corporate Secretary Manual, the Corporate Secretary qualifications shall be an individual with the knowledge in law and/or economics, or other fields that support the performance of duties and responsibilities.

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In addition, shall hold a broad professional experience, expertise, respect to confidentiality, ability as a good communicator, ability to act as a good listener, and able to liaise as the first layer of communication that provides input to the Board of Commissioners, Board of Directors, and other senior executives in BRI. As such, the Corporate Secretary receives training in law and accounting, as well as courses concerning good corporate secretary practices.

No	Name	Year	Training
1.	Budi Satria	2015	Indonesia Media and PR Gymboree Conference (JAMMPIRO) 2015, 10-11 June 2015, organized by Media Enterprises Association
2.	Hari Siaga Amijarso	2015	1. Workshop on Financial Services Business, Survey Business, and Consultancy; 27 November 2015, held by SOE Ministry 2. Board of Commissioners/Supervisory Board Duty and Rule Workshop; 27 November 2015, held by SOE Ministry.

RISK MANAGEMENT

A detailed description of Risk Management, from organization to risk profile, is available in the Operational Review Chapter.

Risk Management Legal Reference

1. Bank Indonesia Regulation No. 11/25/PBI/2009 concerning the Risk Management Implementation for Commercial Banks.
2. Bank Indonesia Circular No. 13/23/DPNP dated 25 October 2011, as amended by Circular No. 5/21/DPNP concerning the Risk Management Implementation for Commercial Banks.
3. Bank Indonesia Regulation No. 14/14/PBI/2012 on the Transparency and Publication of the Banks' Reports
4. Bank Indonesia Circular No. 14/35/DPNP.
5. Basel II, Pillar 3 (market discipline).

Integrated Risk Management

1. Risk Management Scopes Addition

Pursuant to prevailing regulations, there are two additional risk types that BRI Financial Conglomerate shall manage, namely Intra-Group Transaction Risk and Insurance Risk, which currently scored as Low and Low to Moderate, respectively.

• Integrated Risk Management implementation

Divided into four pillars of risk management, comprising: Active supervision of the Board of Commissioners and Board of Directors, Policy Adequacy, Limit Procedure and Determination, Risk Management Process, and Human Resource Adequacy, and Information Management System and Internal Control System Adequacy. These pillars and their execution are discussed in details in the Operational Review Chapter, Risk Management sub-chapter.

2. Risk Management Implementation Quality Assessment

The Intra-Group Transaction and Insurance Risks are at satisfactory level following the changes in integrated risk management governance. For detailed discussion, see Operational Review Chapter, Risk Management sub-chapter

Integrated Risk Management Implementation

The Integrated Risk Management implementation commenced at the end of 2015 has led to several changes in BRI risk management, which are:

- a. Risk profile
- b. Implementation of Risk Management Committe (RMC) Meeting, and
- c. Calculation of Minimum Capital Adequacy

For detailed discussion on integrated risk management, see Operational Review Chapter, Risk Management sub-chapter.

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INTERNAL AUDIT UNIT
(IAU)Internal Audit Legal
Reference

The IAU in BRI refers to several external regulations, among others:

1. Bank Indonesia Regulation No.1/6/PBI/1999 dated 20 September 1999 concerning the Assignment of Compliance Director and the Internal Audit Function Implementation Standard of Commercial Banks.
2. Decree of Chairman of Bapepam LK No. KEP 496/BL/2008 concerning the Establishment and Guidelines of Internal Audit Unit Charter Formulation.
3. State-Owned Enterprises Minister Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises.
4. Financial Services Authority Regulation No.18/POJK.03/2014 dated 18 November 2014 on the Implementation of Integrated Governance in Financial Conglomerates.
5. State-Owned Enterprises Minister Regulation No. PER-02/MBU/2013 dated 18 February 2013 on the Guidelines of Information Technology Management Development in State-Owned Enterprises.
6. Bank Indonesia Regulation No. 27/164/KEP/DIR and Circular No. 27/9/UPPB dated 31 March 2015 on the Use of Information Technology System by Banks.
7. Bank Indonesia Regulation No. 9/15/PBI/2007 dated 30 November 2007 and Bank Indonesia Circular Letter No.

9/30/DPNP dated 12 December 2007 concerning the Risk Management Application in Information Technology by Commercial Banks.

8. Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 concerning the Integrated Governance in Financial Conglomerates.

Internal Audit Charter

BRI Internal Audit Charter is stipulated by Joint Decree of the Board of Commissioners and Board of Directors Nokep: 08-KOM/BRI/08/2015; Nokep: S.17-DIR/AIN/08/2015 dated 11 August 2015 on the Internal Audit Charter of PT Bank Rakyat Indonesia (Persero) Tbk. The Internal Audit Charter is established to illustrate and as a guideline on the vision, mission, composition, duties and responsibilities, authorities, Internal Auditor code of conduct, independency and objectivities, including scope of internal audit in the organization.

IAU Duties and
Responsibilities

The Internal Audit Unit carries out assurance as well as independent and objective consultancy for added value and operational activities improvement. The Internal Audit Unit takes part in the achievement of organization objectives through systematic and organized measures to evaluate and enhance the effectiveness of risk management, internal control, and governance process.

Moreover, IAU also regularly communicates with the Audit Committee through IAU Quarterly Reports, quarterly Presentations of Audit Findings Principals, and other meetings.

Head of IAU Duties and
Responsibilities

1. Effectively and efficiently manage the Internal Audit function, ensuring the capability of internal audit to provide added value for BRI.
2. Coordinate, formulate, and enhance Internal Audit Strategy to ensure the alignment with BRI's vision, mission, and strategies.
3. Direct and coordinate annual audit planning as a guideline for internal audit activities.
4. Direct and coordinate audit activities across Audit Units, ensuring that audit process is independent, objective, and professional according to the applicable quality standard.
5. Direct and coordinate Audit Organization, Human Resource, Policies, and Procedures to improve audit quality and increase the value of Internal Audit's role.
6. Periodically report to the President Director and Vice President Director.

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IAU Duties and Responsibilities

1. Assist the President Director and Board of Commissioners in the supervisory duties by providing operational details with regards to audit planning, execution, and findings.
2. Develop and implement Annual Audit Plan.
3. Analysis and assessment on efficiency and effectiveness of Financial, Accounting, Operations, Human Resources, Marketing, Information Technology and other activities, through direct audit and indirect monitoring.
4. Identify rooms to improve and enhance efficiency of resources and fundings.
5. Provide objective improvement recommendation for audit activities at all levels of the management.
6. Monitoring, analysis, and reporting of the follow-up on recommended improvements.
7. Assessment of the assurance of the quality of risk management processes, internal control system, and governance – ensuring adequate and effective measures are taken across all BRI Operating Units.
8. Audit activities across all BRI Operating Units, among others Head Office, Regional Offices, Branch Offices, Sub-Branch Offices, Cash Offices, BRI Units, Foreign Branch Offices/ Overseas Representatives

and Financial Services Entities under BRI Financial Conglomerate (Subsidiaries and Related Parties), as well as non-LJK Subsidiaries where BRI controls are more than 50% shares.

9. Carry out special audit whenever necessary.
10. Develop and submit audit reports to the President Director and Board of Commissioners.
11. Cooperate with the Audit Committee on the supervision and monitoring of follow-up actions on Internal Audit Unit findings.

Audit Methodology

The Internal Audit Unit adopts risk-based internal audit (RBIA) methodology. The RBIA is implemented gradually according to risk management maturity corporate-wide. The Audit universe is identified by taking into account corporate objectives, evaluation toward risks that potentially obstruct the company's objectives achievement, and ensuring the sufficiency of existing internal control system to mitigate risks. With this methodology, the audit activities are focused on areas with significant risk potential and may impact the Bank's performance. To ensure efficiency and effectiveness of risk-based audit, IAU uses the Computer Assisted Audit Techniques (CAATs) as audit analytical tool.

To enhance audit roles in providing Early Warning Signal, the IAU performs offsite monitoring on strategic achievements and red flags. IAU also carries out periodic monitoring on unusual transactions. The audit role in Early Warning Signal is expected to provide early detection regarding risks in Operating Units.

To realize IAU's role as a strategic business partner, several measures are in place. Among these measures are IAU's input to internal policy drafts, input to management based on audit findings, consultation activities, and knowledge sharing especially related to internal control, risk management, and GCG. These activities demonstrate IAU's effort to accomplish its vision of being a resilient, trustworthy, and valuable SBP that can create added value to BRI. The activities are also expected to contribute to building risk awareness culture, compliance culture, and GCG culture across all Operating Units and in all BRI's employees.

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BRI Internal Audit Code of Conduct

To drive ethical culture in the profession of Internal Auditor, BRI IAU has in place the Internal Audit Code of Conduct that all individuals and groups shall comply with in audit activities. The Code of Conduct consists of 4 principles, namely Integrity Principle, Objectivity Principle, Confidentiality Principle, and Competency Principle. The Internal Auditors are required to present commitment to Code of Conduct by signing the Internal Audit Code of Conduct Declaration, updated annually. This is done to continually remind all auditors to uphold and observe the Code of Conduct.

To ensure the objectivity of Internal Auditors, periodical rotation of audit assignments is applied. An Internal Auditor will be rotated to a different Operating Unit after he/she performs audit in the same unit for 3 (three) consecutive years.

Coordination with External Auditor and Audit Committee

In line with IAU's role and function as a Liaison Officer of BRI external parties, IAU is responsible to coordinate its activities with the External Auditors'. There are a number of external parties that

may perform audit on BRI, among others Bank Indonesia (BI), Financial Services Authority (OJK), Supreme Audit Board (BPK), and Public Accountant Firm, the latter is appointed in the GMS to audit BRI financial statements.

To ensure continuous audit coordination, BRI IAU appoints a contact person for each External Party that will continuously communicates and coordinates, to accompany during audit, and adequately monitoring the follow up on External Party findings.

Profile - Head of Internal Audit Unit

Saptono Siwi
Senior Executive Vice President
Internal Audit Unit

Born in Purworejo, 25 November 1960. A graduate from Padjajaran University, Bandung, 1986; and Gajah Mada University, Yogyakarta, 2006. His professional experiences included as Staff (1989-1993), Lending & Operation Manager (1993-1997), Branch Manager (1997-2009), Deputy Head of Regional Offices (2009-2011), Head of Special Branch Office (2011-2012), Inspector (2012-2014), and Head of Credit Administration Division (2015). Currently, he serves as Senior Executive Vice President of IAU.

Trainings

He has attended various training programs and seminars, among others: 4th World Congress on Rural & Agricultural Finance (2013) in France; Institute for Banking Staff and Leaders (SESPIBANK) class 58 (2013) in Jakarta; Audit Psychology & Communications Workshop (2013) in Bandung; National Conference V IAIB (2013) in Denpasar; Internal Audit (2014) in Lombok; Board And Executive Development Program For Insurance (2015); Insurance Company Risk Management Workshop (2015), and QIA Certification (2015).

Awards/Certificates

In the last four years, he has received Level 4 Banking Risk Management (2012) Certification from BSMR and GARP; Service Award for 25 Years of Continuous Service with BRI (2012); SESPIBANK graduation certificate with VERY GOOD achievement (2013) from LPPI; and Level 5 Insurance Risk Management Certification from the Association of Indonesian Insurance Management Experts.

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Integrated Audit

To implement integrated governance in a financial conglomerate, BRI as the Parent Entity shall have an Integrated Internal Audit Unit. The duty implementation of integrated internal audit is executed by BRI IAU. BRI IAU has the following duties and responsibilities:

1. Assist BRI Board of Commissioners and Board of Directors as Parent Entity to monitor internal audit activities in Financial Service Institution (LJK) under BRI Financial Conglomerate as the implementation of integrated governance.
2. Monitor the internal audit in individual Financial Service Institution (LJK) under BRI Financial Conglomerate.
3. In monitoring, BRI IAU may perform the following:

- a. Monitoring based on Financial Service Institution (LJK) IAU's reports of respective BRI Financial Conglomeration.
- b. Perform individual audit on Financial Service Institution (LJK) under BRI Financial Conglomerate, or
- c. Perform a joint audit on Financial Service Institution (LJK) under BRI Financial Conglomerate.

In the implementation of Integrated Internal Audit, BRI IAU has performed the following:

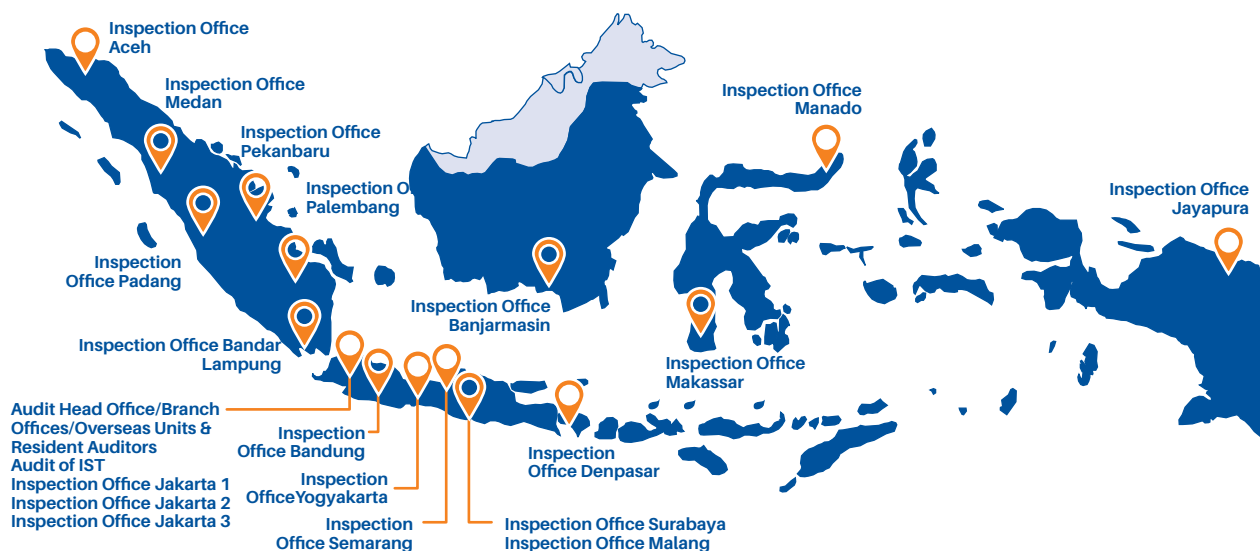
1. Assessment on Subsidiaries to determine suitable method to monitor the IAU in Financial Service Institution (LJK) under BRI Financial Conglomerate.
2. Coordinate with Subsidiaries' IAU periodically.
3. Monitor the functions of IAU in Financial Service Institution (LJK) under Financial

Conglomerate based on the subsidiaries' quarter and semester reports.

4. Conduct individual audit on BRI Agro's Core Banking System.
5. Submit the Integrated Internal Audit Report pursuant to Financial Services Authority Regulation No 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerates.
6. Conduct the integrated governance self assessment pursuant to Financial Services Authority Circular No. 15/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerates.
7. Provide consultation to IAU of Financial Service Institution (LJK) under Financial Conglomerate concerning the audit methodology update.
8. Provide training and delegate the representatives from subsidiaries to attend various audit training programs.

Human Resource of Internal Audit Unit

The following are Operating Units that are assigns for auditing in BRI.

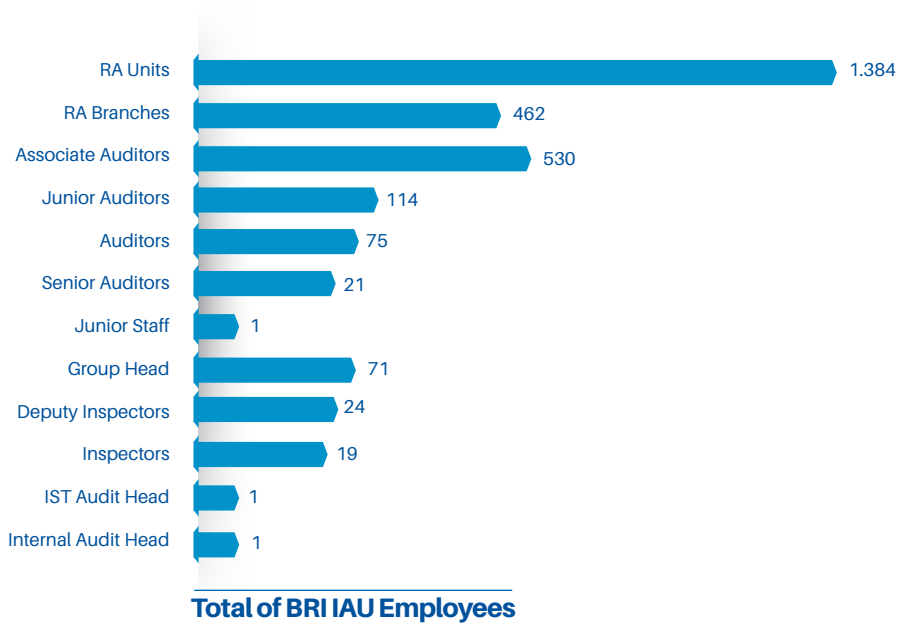


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Total Auditors based on Position

As of 31 December 2014, the HR of IAU consisted of 1 Head of IAU, 19 Inspectors, 24 Deputy Inspectors, 1 Head of Section, 71 Group Head, 1 Junior Staff, 740 Auditors (Senior Auditors to Associate Auditors), 462 Resident Auditors in Branch Offices, and 1,384 Resident Auditors in Units.



Majority of BRI IAU employee members consist of RA Units, RA in Branch Offices, and Associate Auditors.

Internal Audit Certification

To ensure quality audit, BRI IAU is supported by profesional and competent auditors that hold national and international certifications, as follows.

Professional Certifications

Certifications	Total Dec 2014	Total Dec 2015
Certified Fraud Examiner	9	7
Qualified Internal Auditor	12	34
Certified Information System Audit	3	2
Certified Ethical Hacker	1	1
Certified Data Center Professional	1	1
Certified Forensic Security Specialist	1	1

Membership in Audit Professional Associations

Other than professional certifications, BRI IAU is also active in the management and membership of the Banks' Internal Auditor Association, Internal Control Unit Forum, and Indonesia IIA Chapter. Moreover, members of BRI IAU are also members of professional associations, including the IIA and ACFE.

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Formal Education Background

The formal education qualification by job position is as follows:

No	Level of Formal Education	2014	2015
1	Doctorate	1	2
2	Masters	137	131
3	Bachelors	2.033	2.236
4	Others	300	333

Audit Orientation

The Bank provides Internal Audit induction program for new employees (new entry/BRI internal), which aims at familiarization on the Internal Audit Charter, Internal Audit Policies, Internal Audit Procedures, and audit tools (electronic documentation and audit analytical tools). Thereafter, the employees development programs and capacity building of BRI IAU are systematically monitored to ensure continuous improvement of auditors skills and expertise.

Internal Audit Competency Criteria

In general, there are 6 (six) technical competencies that shall be achieved by the auditors to enable duties performance, which are:

1. Core Hard Competency that consists of General Audit, Risk Management, IT Audit, and IT Risk Management.
2. Complementary Hard Competency (Supporting Audit & Audit Tools) covering Audit Communications, Fraud Audit, Risk Based Audit, COSO ERM Frame Work, Investigations Interview Techniques, and Audit Tools.
3. Complementary Hard Competency (Banking Industry), covering General Banking Knowledge, banking business process, loans, financing, etc.

4. Complementary Hard Competency (certain business profile), covering business profile according to market segmentation in loan, funding, and services.
5. Information System & Technology, covering IT Strategy Execution & IT Architecture Development (including SOA Architecture, SOA Project Development), Strategic Planning, IT Management & Operations in BRI, SDLC, Disaster Recovery, etc.
6. Complementary Hard Competency (Support) covering Legal Aspect, Loan/ Deposits/Services Law, logistics, HR, taxes, etc.

The depth of competency required by the Auditors varies depending on the auditor's position level and scope of audit assignment. To accelerate and ensure that IAU auditors have the necessary competency to perform their duties, the sustainable education efforts have been performed, which consist of:

1. On-the-job training to increase the auditor's skills by the assignment of auditors to areas according to and outside his/her scopes of work.
2. Education programs (in-house training, Public Course, Seminar, & Workshop).

3. Professional certification programs (among others Certified Internal Auditor, Qualified Internal Auditor, Certified Fraud Examiner, and Certified Information System Auditor).
4. Continuing mentoring and supervision to keep track on the assignments' progress.

Internal Audit Unit in Organizational Structure

Pursuant to BRI Board of Directors Decree No. S.129.d-DIR/REN/09/2014 dated 25 November 2015 on the Internal Audit Organization, IAU organization is structurally under the President and Vice President Director with communication line access to the Board of Commissioners (i.e. Audit Committee), hence to allow independent and objective audit activities and consultation.

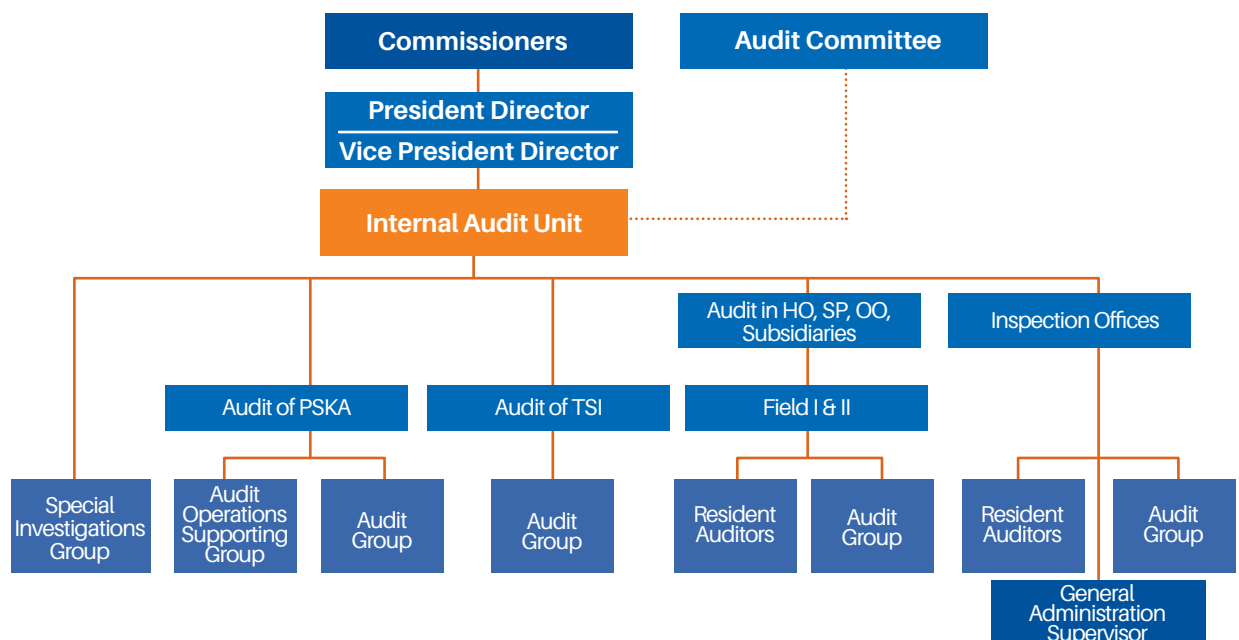
As of October 2015, Internal Audit Organization changed to Internal Audit Unit Organization (IAU Organization). The Head of BRI IAU is Senior Executive Vice President (SEVP) that oversees Head Office/ Special Branch Offices/Overseas Units/Subsidiaries; IST Audit; Audit Standard & Quality Development; and Special Investigations Group.

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Internal Audit Independency

As the third line of defense, IAU is structurally independent from the first line of defense (Operating Units) and second line of defense (Risk Management and Compliance Executives). IAU is structurally under the President and Vice President Director with the communication line to the Board of Commissioners (i.e. Audit Committee), hence to allow independent and objective audit activities and consultation. As such, IAU may disclose its views and opinions without pressure and influence from the management or other related parties.

BRI IAU Organization Structure

Structurally, IAU consists of audit activity unit and unit that is responsible to develop audit standard and quality:

1. Audit Implementation Unit

a. IST Audit

Implements audit activities and as strategic business partner that provides consultation regarding IST management process by the Development Unit and IST users.

b. Head Office/Special Branch Offices/ Overseas Units & Subsidiaries Audit

Implement audit activities and as strategic business partner that provides

consultation with auditees in the Head Office, Special Branch Offices, Overseas Units, and Financial Service Institution (LJK) under BRI Financial Conglomerate structure (Subsidiaries and Related Entities) as well as Subsidiaries outside the Financial Conglomerate structure where BRI controls over 50% shares. The Head Office/Special Branch Offices/Overseas Units & Subsidiaries Audit also review regulated issues, such as risk management implementation and anti-fraud strategy.

c. Audit Office

Implements audit activities and as strategic business partner that provides consultation with auditees in Regional Offices, Branch Offices, Sub-Branch Offices, Cash Offices, and BRI Units. The Audit Office consists of Audit Group, and Resident Auditors (RA) assigned at the Branch Offices. The Audit Group conducts annual audit on Regional Offices, Branch Offices, Sub-Branch Offices, Cash Offices, as well as BRI Units according to the audit targets. Whilst

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RA conducts periodic audit and continuous monitoring on the assigned audit objects. The RAs consist of RA in Branch Offices with the audit objects of Branch Offices, Sub-Branch Offices, & Cash Offices, and RA in Units responsible to audit BRI Units. The RAs across all Operating Units are expected to provide early detection of potential risks in Operating Units. To improve RAs' audit efficiency and effectiveness, the Audit Office defines the audit scopes, taking into account the scopes and audit findings from RA in Branch Offices and RA in Units. The synergy and communications between Audit Office and RAs are the primary factors that ensure audit efficiency and effectiveness.

- d. Special Investigations Group
Analysis of red flags (abnormalities), fraud risk indicators, and investigation of fraud indications. The scope of this group is BRI's entire Operating Units.
2. Audit StBapakrd & Quality Development
This unit formulates the vision, mission, strategy, formation as well as reviews the organization, human resource, policies, procedures, audit tools, and develops audit quality, hardware and software review and design.

Internal Audit Activity Report Summary

BRI Internal Audit Programs

Human Resources

1. Improve auditors' competencies.
2. Build auditors' competencies in certain fields (specialization), e.g. fraud examiner, IT, etc.
3. International certification for auditors.

Organization

The development of independent organizational structure, and business growth support.

Strategy & Methodology

1. Annual Audit Plan development and audit implementation that in line with corporate objectives and strategies as well as risk profile.
2. Enhancement of risk-based audit methodology, referring to best practices.
3. Quality development and enhancement of integrated audit reports.
4. Improvement of function as a liaison officer related to external auditors.

Technology

1. Development of continuous audit management system.
2. Development of continuous PDE.
3. Development of audit tools (BRIDeX).
4. Fulfillment of infrastructure to support audit activities.

Internal Audit Implementation and Scope

BRI IAU has the duties and responsibilities to audit all operating units, among others, Head Office, Regional Offices,

Branch Offices, Sub-Branch Offices, Cash Offices, BRI Units, Overseas Branch Offices, and Financial Service Institution (LJK) under BRI Financial Conglomerate (Subsidiaries and Related Entities), as well as Subsidiaries outside the Financial Conglomerate structure where BRI controls over 50% shares. Monitoring of internal audit activities in each Financial Service Institution (LJK) under BRI Financial Conglomerate is accomplished through:

1. Monitoring based on IAU reports of respective BRI Financial Service Institution (LJK)
2. Individual audit on Financial Service Institution (LJK) under BRI Financial Conglomerate
3. Joint audit on Financial Service Institution (LJK) under BRI Financial Conglomerate. Individual audit or joint audit are carried out upon request from BRI Board of Directors or Board of Directors of one of the Financial Service Institution (LJK) under BRI Financial Conglomerate structure and with the approval of the President Director of BRI as the Parent Entity.

This procedure is stated in the Internal Audit Charter and Annual Audit Plan approved by the President Director and President Commissioner. The Audit activity consists of Regular Audit, Special Audit, Surprise Audit, Mandatory Audit, and Thematic Audit. The Audit scope is defined by taking into account the corporate objectives and risk assessment results.

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Audit Duties Implementation

The following table presents the audit regular activities.

No	Audit Types	Number of Findings
1	General Audit – Head Office	464
2	Information System and Technology Audit	220
3	General Audit – Regional offices	575
4	General Audit – Branches (Branch, Sub-Branch, Special)	10.760
5	General Audit BRI Units (Including TerasBRI)	14.305

The IAU regularly monitors the management commitment to improve internal control gaps according to agreed timeline. IAU also provides opinion on the adequacy of follow-up actions carried out by the management. The following table presents the results of managements commitment monitoring up to December 2015:

No	RPM Monitoring Result	%
1	Adequate	94.03%
2	Ongoing Monitoring	4.12%
3	Poor	1.84%
Total		100.00%

Quality Management System

To ensure audit quality, the quality assurance assessment is carried out by internal and external parties. The internal assessment methods include supervision, peer review, and quality assurance. Meanwhile, external assessment is accomplished by means of ISO 9001:2008 surveillance, and to ensure the operations of internal audit function are in line with SPFA IB, an independent consultant that carries out assessment every 3 years. The ISO 9001:2008 surveillance focuses on the appropriateness of quality system in Audit Operating Units according to ISO 9001:2008 standard. The 2015 surveillance was completed and revealed the result of "No Minor and Major Findings Identified". Meanwhile, assessment to ensure the consistency to the Standard of Internal Audit Function (SPFA IB) and Risk Management for the

use of Information Technology in Commercial Banks was carried out by an Independent Consultant (Pricewaterhouse Coopers) in 2014. The result was, "Overall consistency with SPFA IB". Whilst when benchmarked against the leading practices, the result was, "overall in level 3" and "overall consistency" with IIA standard.

Head of Internal Audit Unit Appointment and Termination

BRI IAU is chaired by Senior Executive Vice President (SEVP) appointed and terminated by the President Director following the approval of the Board of Commissioners. The Appointment and termination of the Head of IAU are reported to Bank Indonesia and the Capital Market & Financial Institutions Supervisory Body (now OJK), pursuant to the Board of Directors Decree No. 626-DIR/KPS/10/2015 and the

Board of Commissioners Decree No. R. 24/ KOM/07/2015, and the Executives reporting to the Head of IAU was submitted online through BI portal (intranet network <http://192.168.32.8/lkpbuy2>) on 7 September 2015 (using Commercial Banks Head Office Report/LKPBU form 801 and 802, August 2015 period).

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EXTERNAL AUDIT (PUBLIC ACCOUNTANT)

Procedure of Public Accountant Firm Appointment

The Audit committee is involved in the Public Accountant Firm selection process with the Technical Team and the recommendation on the Public Accountant Firm candidate will be submitted to the Board of Commissioners. Following the assessment process through bidding system, the Board of Commissioners will announce the winner.

Public Accountant and Audit Period of the Annual Financial Statements

Name of Accountant: Sinarta
Public Accountant Registration No. AP.0701

Membership:

- Indonesian Institute of Certified Public Accountants
- Indonesian Accountant Association (IAI)

Experience:

Sinarta has more than 24 years experience in national and international audit assignment and Accounting industry. He has strong record in all industrial sectors.

Audit Period

1. Hari Purwantoro for financial year 2011
2. Peter Surja for financial year 2012
3. Sinarta for financial years 2013, 2014 and 2015

Public Accountant Firm and Audit Period of the Annual Financial Statements

Audit Period

1. Purwantono, Suherman & Surja Public Accountant Firm for the periods of 2011, 2012, 2013, 2014 with the audit scope: General Audit of BRI Financial Statements
2. Purwantono, Sungkoro & Surja Public Accountant Firm for the period of 2015 with the audit scope: General Audit of BRI Financial Statements

Public Accountant Service Fees

The General Audit service for BRI Financial Statements and the Audit of Financial Report for BRI's Partnership and Environment Development Program amounted to Rp6.950.000.000 inclusive of 10% VAT and other relevant taxes. The service included out of pocket expenses (OPE) such as visit cost for branch offices in Indonesia, as well as review on the financial statements of branches and the overseas representatives.

Other Service Fees

There was limited review for the BRI Financial Statements period of 30 June 2015 with the fee of Rp3.730.000.000 inclusive of 10% VAT, other relevant taxes and out of pocket expense (OPE).

Summary of Audit Result (Auditor's Opinion)

The Audit was delivered by Purwantono, Sungkoro and Surja Public Accountant Firm that had been signed by Auditor Sinarta in Independent Auditor Report No. RPC-250/ PSS/2016 on the "Opinion" paragraph with the elaboration:

"In our opinion, the attached consolidated financial statements was presented fairly, in all material respects, the consolidated financial position of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries for the period of 31 December 2015, as well as consolidated financial performance and cash flows for the years ended at the said date, in accordance with Financial Accounting Standard in Indonesia".

Amendment and Impact of Amendment of Accounting Policy in 2015

BRI and its subsidiaries have amended and implemented the prevailing accounting standards as of 1 January 2015, which are considered relevant to the consolidated financial statements, namely:

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No	Changes of Accounting Policy	Impacts
1	SFAS No. 1 (2013 Revision), "Presentation of Financial Statements", which was adopted from IAS 1, regarding the changes of group items presentation in other comprehensive income. Items that will be reclassified to profit or loss are presented separately from items that will not be reclassified to profit or loss.	BRI has changed the presentation of items group in other comprehensive income. The implementation of SFAS does not create significant changes towards financial reporting and the disclosure in consolidated financial statements.
2	SFAS No. 4 (2013 Revision), "Separate Financial Statements", which was adopted from IAS 4, regarding the accounting requirements when the parent entity presents separate financial statements as additional information. Accounting treatment for the consolidated financial statements is determined in SFAS Number 65.	BRI has presented separate financial statements in the 2015 long form financial statements. The SFAS implementation does not create significant changes toward financial reporting and disclosure in the consolidated financial statements.
3	SFAS No. 15 (2013 Revision), "Investments in Associates and Joint Ventures", which was adopted from IAS 28, regarding the implementation of equity method on investments in joint ventures in associates.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
4	SFAS No. 24 (2013 Revision), "Employee Benefits", which was adopted from IAS 19, which removes the corridor mechanism and the contingent liabilities disclosure to simplify the clarifications and disclosures.	The impact of SFAS implementation has led BRI to present retrospective implementation and restatement of initial financial position of previous closest period as additional to minimum comparative financial statements.
5	SFAS No. 46 (2014 Revision), "Income Taxes", which was adopted from IAS 12. This SFAS provides additional regulation for deferred tax assets and liabilities arises from a non-depreciable assets measured using the revaluation model, and those arises from investment property that is measured using the fair value model.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
6	SFAS No. 48 (2014 Revision), "Impairment of Assets", which was adopted from IAS 36. This SFAS provides additional disclosure requirements for each individual asset or a cash-generating unit, for which impairment losses has been recognized or reversed during the period.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
7	SFAS No. 50 (2014 Revision), "Financial Instruments: Presentation", which was adopted from IAS 32. This SFAS provides criteria on legally enforceable right to set off the recognized amounts and settlement criteria on a net basis.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
8	SFAS No. 55 (2014 Revision), "Financial Instruments: Recognition and Measurement", which was adopted from IAS 39. This SFAS, among other, provides additional criteria of hedging instrument, which cannot be considered as expired or terminated, also stipulation to record financial instruments at the measurement date and after initial recognition.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.

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No	Changes of Accounting Policy	Impacts
9	SFAS No. 60 (2014 Revision), "Financial Instruments: Disclosures", which was adopted from IFRS 7. This IFAS, among other, provides additional offset disclosures stipulation with quantitative and qualitative information, and transfers of financial instruments disclosures.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
10	SFAS No. 65, "Consolidated Financial Statements", which was adopted from IFRS 10. This SFAS replaces SFAS No. 4 (2009 Revision) regarding accounting treatment for consolidated financial statements, establishes for presentation and preparation of consolidated financial statements when an entity controls one or more other entities.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
11	SFAS No. 66, "Joint Arrangements", which was adopted from IFRS 11. This SFAS replaces SFAS No. 12 (2009 Revision) and IFAS No. 12. This SFAS removes the option of proportional consolidation method to record joint venture.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.
12	SFAS Number 67, "Disclosure of Interests in Other Entities", which was adopted from IFRS 12. This SFAS includes all disclosures that were previously stipulated in SFAS No. 4 (2009 Revision), SFAS No. 12 (2009 Revision) and SFAS No. 15 (2009 Revision). These disclosures are related to an entity's interests in other entities.	The impact of SFAS implementation provides changes toward the disclosure of consolidated financial statements.
13	SFAS No. 68, "Fair Value Measurement", which was adopted from IFRS 13, provides guidance on how to determine fair value when it was required or permitted.	The SFAS implementation does not result in significant changes toward financial reporting and disclosure in the consolidated financial statements.

Reason of Amendment of Accounting Policy during 2015:

BRI complies with the applicable Statement of Indonesia Financial Accounting Standard or SFAS.

Release of Financial Statements (Audited)

The Financial Statements 31 December 2015 (audited) was published on 4 February 2016, hence the report was released in no more than 60 days after the report period.

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INTERNAL CONTROL SYSTEM

Internal Control System
Legal Reference

To implement comprehensive internal control system effectively, BRI refers to Bank Indonesia stipulations, as follows:

1. Bank Indonesia Regulation No. 5/8/PBI/2003 dated 19 May 2003 concerning the Risk Management Implementation of Commercial Banks, as amended by Bank Indonesia Regulation No. 11/25/PBI/2009 dated 1 July 2009.
2. Bank Indonesia Circular Letter No. 5/21/DPNP dated 29 September 2003 concerning the Risk Management Implementation of Commercial Banks, as amended by Circular Letter No.13/23/2011 dated 28 October 2011.
3. Bank Indonesia Circular Letter No. 5/22/DPNP dated 29 September 2003 on the Internal Control System Standard Guideline for Commercial Banks.

Brief Information on Internal Control System, comprises Financial and Operational Control

BRI has in place internal control system policy which includes 5 (five) components:

1. Control environment
2. Identification, analysis, assessment, and risk mitigation
3. Control activity and division of functions
4. Information and communication system
5. Internal control monitoring and improvements

BRI management and employees have the roles and responsibilities in improving the quality and implementation of internal control system. The parties involved and responsible for the implementation of internal control system among others 1st line of defense (BRI Management and employees), 2nd line of defense (Risk Management executives including Risk Management functions, and Compliance Executives), and 3rd line of defense (IAU Executives including Resident Auditors in Branch Offices and Resident Auditors in Units).

The internal control is implemented through:

1. Strategic Control

- a. Bank Business Plan, which discuss overall strategy that consists of business development direction.
- b. The strategy is defined by taking into account the impacts on BRI capital, such as capital projection and Minimum Capital Adequacy Requirement (CAR).
- c. The Board of Directors actively conducts discussion/provides input and monitoring on internal condition and external factors development, which directly or indirectly influence BRI business strategy.
- d. Financial control process through periodical financial and non-financial target achievement realization monitoring.

2. Operational Control

- a. The Operational Procedure Book (OPB), which specifies authority and responsibilities, work flows and definition, internal control adequacy aspects (data/source document, Bookkeeping Validation, segregation of duty, authority, Verification, Validation/approval, Reconciliation, and filing) of BRI banking operational transactions related to new products and activities, including relevant operational risk mitigations. Service division develops the OPB and the review is done by relevant operating units to ensure proper mitigation of potential operational risks, including prudential principles testing by Compliance Division.
- b. To ensure risk management adequacy in every product and or activity, prior to launching of new products and activities, the operating units shall develop publication or implementation plan of new activity by considering risk exposure potentials and ensuring the availability of risk monitoring and control in the new products or activities, including SOP or OPB, as well as organizational structure and authority in managing new products and or activities with due observation to internal control principles.

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- c. Organizational Job-Description List that disseminate the duties and responsibilities of a position, including key performance indicators, controlled position dimensions, necessary work relations, issues and challenges, as well as stipulated authority. The list serves as a written guideline for the employees in conducting duties and responsibilities based on job descriptions.
- d. Application of division of duties in makers, checkers & signers, authority limit establishment in a transaction, employee access management to BRInets system with user ID and password. Whereas the application of four eyes principles is conducted on loans, in which approval shall be done by minimum of 2 (two) loan officers, which at least one or both having the same considerable authority, either done in a symmetrical or asymmetrical methods.
- e. Management information system for internal control system monitoring, such as:
 - 1). DWH Portal that contains, for instance, data exception reports.
 - 2). Applications of OPRA, Guava, Cognos, which provides information on operational risk, market risk, and credit risk.
 - 3). BRISMA that provides risk profile based on audit results and audit electronic data center, which provides data exception reports.
- f. Establishment of the organization structure equipped with monitoring function that supports operational control, such as:
 - 1). Clear segregation of authority and responsibility between policymakers and policy implementers as a form of division of duty in order to improve close monitoring to achieve the Bank's set forth objectives.
 - 2). The 1st line of defense function through monitoring of Supervision Operating Units (Regional Offices to Branch Offices, Sub Branch Offices, Cash Offices, and BRI Units; Branch Offices to Sub-Branch Offices, Cash Offices, and BRI Units). Divisions responsible for training and monitoring functions to operating units, Mentoring Directors that conducts training to Regional Offices, and Divisions' Directors. The monitoring and supervision are done regularly.
 - 3). The 2nd line of defense function through control monitoring in every operating unit, by embedding:
 - Risk Management function in every operating unit
 - Compliance function, both in Regional office and Head Office
 - Control monitoring in every operating unit for each risk type that communicated regularly in the forums of Risk Management Committee, Credit Risk Management Committee, Market Risk Management Committee and Operational Risk Management Committee.

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To ensure the alignment of policies, stipulations, systems, and procedures, as well as Bank business activities with the regulations, BRI implements training and monitoring on AML-CFT, monitoring on the Board of Directors decrees or policies that has gone through prudential principle testing, internal policies review, monitoring on commitments to regulators, prudential monitoring, external regulations monitoring, cash transaction reports & suspicious transaction reports monitoring, financial transactions reports on fund transfers from and to overseas. The compliance function report is submitted to the Management every semester.

The IAU is functioned as the 3rd line of defense, which is independent to operating units. The IAU provides periodic assurance and consultation on the adequacy and effectiveness of internal control system, risk management, and corporate governance that stated in the Annual Audit Plan. The IAU consists of operating units responsible in auditing (audit of HO/Sub Branch Offices/Overseas Units & PA, IST, Inspectoral offices, and Investigations Special Group) and Audit Standard & Quality Development. To provide early detection on risks potential at Operating Units, BRI has in place the Resident Auditors of Branch Offices and Resident Auditors of Units that responsible to conduct daily audit at the Branch Offices, Sub Branch Offices, Cash Offices,

and BRI Units. Following up the audits, the IAU submits the Quarterly Report on audit realizations to the Management.

3. Financial Control

BRI regularly monitors the adequacy of capital and statutory reserve. The financial control is also carried out on loans disbursement to customers that in line with business portfolio and the allocation is adjusted with the authority of loan officers. Selective expansion based on target market and acceptable risk criteria including prioritizing loan quality. The corporate financial control is coordinated by ALCO.

Internal Control System Policy

BRI Internal Control System refers to the following regulations:

1. Board of Directors Decree No.S.87-DIR/REN/06/2014 concerning the Organizational General Policy.
2. Board of Directors Decree No.S.88-DIR/REN/06/2014 on the Guideline of Organizational General Policy.
3. Board of Directors Circular Letter on Risk Management Policy and Procedure of New Products and Activities No. 03-DIR/DMR/08/2013 dated 14 August 2013.
4. Board of Directors Circular Letter, No. S.16-DIR/ LYN/06/2009 concerning the Bookkeeping and Verification and User Authority in BRIInets.

5. Board of Directors Decree No. S.340/DIR/ LYN/07/2008 on the Development Standard of Operational Procedure Book (OPB).
6. Risk Management General Policy Decree No. 314-DIR/ DMR/06/2015 dated 30 June 2015.
7. Board of Commissioners and Board of Directors Joint Decree No. 08-KOM/BRI/08/2015; No. S.17-DIR/AIN/08/2015 dated 11 August 2015 on the Internal Audit Charter of PT. Bank Rakyat Indonesia (Persero) Tbk.

Internal Control System Conformity with COSO - Internal Control Framework

BRI applies internal control by referring to the international standard framework, namely COSO IC Framework (Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring). The efforts are aimed to:

1. Ensure compliance with the prevailing laws and regulations in all operational activities.
2. Ensure the availability of financial and non-financial information that is accurate, comprehensive and on time for internal and external parties.
3. Obtain efficiency and effectiveness of Bank's business activities.
4. Prevent deviations, including frauds.

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The parties involved in internal control system are:

1. 1st line of defense as Risk Owners namely Operating Units responsible in business and operational activities.
2. 2nd line of defense namely Operating Units responsible in functional monitoring (Risk Management Executives, Compliance Division, and Policy and Procedure Development Division).
3. 3rd line defense namely Operating Units responsible in assurance, consists of internal and external auditors. The IAU constitutes as part of internal control system that in charge in supervisory function on internal control system monitoring.

Internal Control and Audit

The internal control system monitoring is performed by direct supervisors and independent party of the company, namely IAU. The IAU carries out independent and objective assurance and consultation activities designed to add value and enhance operational activities. The IAU assists the organization to reach its goals through systematic and organized approach to evaluate and enhance the effectiveness of risk management, internal control, and governance process.

Explanation of Internal Control System Effectiveness Evaluation

BRI continuously evaluates the internal control effectiveness, carried out by three lines of defense. The 1st line of defense as risk owners performs continual evaluation of the Bank's operations; the 2nd line of defense, namely the Risk Management and Compliance executives periodically ensures risk management and compliance adequacy toward regulations; and the 3rd line of defense performs the audit activities. Moreover, to anticipate changes of internal and external conditions, BRI also evaluates and ensures the adequacy and reliability of internal control system.

In general, the internal control system adequacy and effectiveness evaluation focuses on several interrelated control components, which are:

- a. Control environment
- b. Risk identification, analysis, assessment, and mitigation
- c. Control activities and function segregations
- d. Information and communications system
- e. Internal control monitoring and improvements

The result of internal control system evaluation is applied as one of the basis on system refinement and control policies to enhance the effectiveness of operational activities.

Regulatory Compliance

- a. BRI has a firm commitment of compliance with the prevailing laws and regulations and takes measures to improve weaknesses where occur.
- b. BRI has in place the Compliance Division that is independent from the operating units in carrying out its compliance functions.
- c. On a monthly basis, the Bank administers AML and CFT report; monitoring on the Board of Directors decrees or policies that has gone through prudential principle testing, internal policies review, monitoring on commitments to regulators, prudential monitoring, external regulations monitoring, cash transaction reports & suspicious transaction reports monitoring, financial transactions reports on fund transfers from and to overseas accounts.

BRI compliance strategies specify its efforts to nurture compliance culture across all operating units through periodic dissemination and internalization. The policy is to ensure consistent compliance with the prevailing regulations at all times through proactive prevention measures (ex-ante) in order to minimize frauds and conduct curative measures (ex-post) to improve and monitor the Bank's commitment to external regulations.

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IAU Independency

The IAU is functioned as the 3rd line of defense independent from the operating units. The IAU provides periodic assurance and consultation on the adequacy and effectiveness of internal control system, risk management, corporate governance, based on the Annual Audit Plan. The IAU consists of operating units responsible in auditing (audit of Head Office/Sub Branch Offices/Overseas Units & PA, IST audit, Inspectoral Offices, and Investigations Special Group) and Audit Standard & Quality Development. To provide early detection on risks potential at

operating units, BRI has in place the Resident Auditors assigned daily in Branch Offices, Sub-Branch Offices, Cash Offices, and BRI Units. Following up the audits, the IAU submits the Quarterly Report on audit realizations to the Management.

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LITIGATIONS

Principal Cases/Lawsuits

The following are several litigations or lawsuits faced by BRI over the course of 2015:

Litigations	
1. Principal Case	Legal compensation on the loss of gold collateralized under pawn scheme (Civil Case No. 187/PDT.G/2013/PN.Jak.Sel)
Merits of the Case	The plaintiff is a Debtor at BRI Jakarta 2 area branch who obtained working capital facility with the total exposure of Rp28 Billion. The plaintiff obtained loan facility by pledging gold and fixed asset of premises as principal collaterals. The gold collateral was committed under Fiduciary scheme and kept in SDB. The commitment was later changed to Pawn and kept in the same SDB. The debtor later applied for credit limit increase; prior to the approval, the gold collateral in SDB was re-examined, which revealed differences between gold weight measured and weight measurement in the Bank's records. Witnessed by the debtor, the gold's genuineness was examined and declared as counterfeit. Upon the finding, the debtor filed civil lawsuit through the South Jakarta District Court and confiscated the collaterals of BRI Head Office Building and BRI Jakarta 2 Regional Office Premises. BRI suspected fraud committed by the debtor. The debtor has also reported a number of BRI's executives to the District Police for suspected fraud.
Settlement Status	The case contained 2 (two) lawsuits: • The civil case is currently legally binding/inkracht van gewijsde, whereby the appeal filed by the debtor on the civil case No. 2507.K/PDT/2014 has been decided on 30 April 2015 and the verdict was rejected. • The criminal case has been decided by the first level court of the South Jakarta District Court and on appeal in the DKI Jakarta High Court. Currently, the case is on appeal to the Republic of Indonesia Supreme Court. A ruling is pending.
Impact on Bank's Financial Condition	Rp31.86 Billion
2. Principal Case	Lawsuit filed by PT. MPPC (Case Lawsuit No.: 539/ PDT.G/2013/PN.Jkt.Pst.) against BRI and BRI Pension Fund, which consists of payment claims of the remaining lease of building management rights for 99 months.
Merits of the Case	PT. MPPC claimed payments on lease of BRI Building II, Parking Building, and all facilities, in which according to PT MPPC are entitled to such claim. However, such claim is in the contrary with the Decision on BOT Agreement between PT MPPC and BRI.
Settlement Status	Filed an appeal to the Supreme Court, with pending ruling.
Impact on Bank's Financial Condition	USD64,002,373 or equal to Rp780 Billion (currency 1 USD = Rp12.000)

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Litigations		
3.	Principal Case	Business Competition Supervisory Commission (KPPU)
	Merits of the Case	BRI carried out selection/beauty contest for several life insurance companies to be the Bank's partner in covering loan facility disbursed by BRI. Based on the selection, Bringin jiwa sejahtera (BJS) insurance was chosen as BRI insurance partner. BJS on its own initiative formed a consortium with PT. Heksa Eka Life Insurance to cover life insurance product for BRI House Ownership Loan, with BJS as the leader of consortium. According to KPPU, BRI engaged in bancassurance activities with BJS and PT HELI and intentionally hindered other life insurance companies from partnering with BRI. BRI was alleged of breaching Indonesia's business competition regulation.
	Settlement Status	Appeal to Supreme Court filed by KPPU on the Central Jakarta District Court Decision No: 615/PDT.KPPU/2014/ PN.Jkt.Pst. A ruling is pending.
	Impact on Bank's Financial Condition	Rp25 Billion

Status of Case/Lawsuit Settlements

The total cases under settlement process and has non-binding legal force (inkracht) are 1,789 cases.

Total Cases/lawsuits

Below is BRI legal case summary:

a. Development of Total Cases

Year	2013	2014	YoY(%)	2015	YoY(%)
Total Cases	270	268	(0,7)	256	(4,5)

b. Total Significant Cases in 2015

Period	Credit Area (Bidding & Non-Bidding)	Treasury & Investment	Operations and Service	Support Area	Total
Quarter 1	47	-	1	6	54
Quarter 2	64	-	2	3	69
Quarter 3	50	-	1	4	55
Quarter 4	71	-	4	3	78
Total	232	-	8	16	256

c. Total Cases based on Case Status in 2015

Settlements Status	Type of Case		
	Civil Cases	Criminal Cases	Industrial Relations
Has been settled and legally binding	1.006	1	31
In the settlement process	1.741	1	47
Total	2.747	2	78

Administrative Sanctions

During fiscal year 2015, all cases handled by the Bank do not have any involvement of the Board of Directors or BRI Management Executives, hence there were no material administrative sanctions extended by relevant authorities to BRI, both as institution or individual Management and Executives of the Bank.

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ANTI-CORRUPTION ACTION

Anti Fraud Strategy

The fraud control system has been implemented according to BRI's internal regulations and procedures, whereby specific attention is extended on fraud resolutions to demonstrate the Bank zero tolerance to fraud. Anti-Fraud prevention strategy is part of BRI risk management and covers 4 (four) pillars, namely prevention pillar, detection pillar, investigations, reporting, & sanctions pillar, and evaluation, monitoring & follow-up pillar. Anti-Fraud commitment is signed by BRI Directors and Commissioners, the management executives, and employees to improve employee awareness and fraud prevention. Anti-Fraud policy is stipulated by BRI Board of Directors Circular Letter No. S.17-DIR/DMR/07/2015.

Anti Gratification

BRI strongly prohibits all elements of the organization and all BRI employees from receiving monetary gifts, tangible objects, or any kind of rewards that may influence business process or decision-making. The Bank also strongly prohibits actions to serve self-interests by using the Bank's facilities or costs, which will lead into the corruption category.

To build Good Corporate Governance and to create anti-bribery environment, the Bank has established a guideline applicable to all BRI employees. The guideline defines gratification, reporting and incident, and procedures. The guideline is endorsed by BRI Board of Directors Letter No. B.01-DIR/DKP/03/2013 dated 14 March 2013.

BRI employees are not allowed to receive/present gratification related to their position and contradict with their obligations or duties that are not in line with the prevailing laws and regulations, such as:

- a. Money/objects/other facilities given to influence policies/decision-making/result in preferential treatment towards the interested party,
- b. Money/objects/other facilities of any value given in relation to the employees duties, authority, or responsibilities,
- c. Money/objects/other facilities given to employees/observers/visits during their field visit, and
- d. Money/objects/other facilities given in the process of employee or executive recruitment/promotion/mutation.

Anti-Gratification and Anti-Corruption Activities and Reporting Mechanism

To prevent gratification and corruption, BRI has strengthened its anti-fraud efforts and awareness, by:

1. Updating Anti-Fraud
To reinforce anti-fraud awareness among employees, through an Employee Development Forum performed annually by each operating unit.

2. Promoting Risk Awareness
To disseminate anti-fraud strategy and to build employee awareness, the Bank has in place several programs and activities, among others:
 - a. Anti-fraud messages during strategic forum and campaigning to operating units
 - b. Anti-fraud awareness training and education program
 - c. Employee awareness program
 - d. The Bank has conducted various anti-fraud activities to increase employees fraud awareness

3. Customer awareness program
The customer awareness program is conducted as part of customer service. The program seeks to educate customers hence to create awareness of the importance to keep secure and safe transactions at BRI.

Program highlights:

- Placement of password security stickers on ATM units.
- Announcement to re-count money before leaving teller desks.

4. Know Your Employee principle
– BRI's program to prevent fraud by human resources internal control.

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Gratification Report Mechanism

Every gratification presented in relations to position and in contrary to the obligations or duties shall be reported to the Corruption Eradication Committee (KPK) within 30 (thirty) days following the receipt of the gratification. The report shall uses the format and mechanism determined by KPK. The report should at least contains the following:

1. Name and full address of the person receiving and presenting the gratifications;
2. Position of civil servants or a state officials;
3. Time and place;
4. Description of items received; and
5. Value of items.

Internal Fraud

BRI is highly committed to the law enforcement against any fraud. A fraud of code of conduct or violation of the law committed or involved by BRI's employees is punishable by law. In the event of breach of discipline with strong indication and proof of internal involvement, BRI shall exercise disciplinary procedures of dismissal followed by applicable legal procedures.

Total Internal Fraud

Internal Fraud in 1 Year	Number of cases conducted by:		
	Board Members	Permanent Employees	Non-Permanent Employees
Has been settled		42	10
In the internal Bank settlement process	-	36	-
Settlement effort has not been seek	-	-	-
Has been followed up through legal process	-	11	3

Note: Value of fraud stated is when the internal fraud is more than Rp 100 million

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INFORMATION ACCESS AND CORPORATE DATA

Public Relations Functions

BRI Public Relations has the function to manage information and data regarding BRI's activities and performance that are available for the public, media, and other stakeholders. Information and data are disseminated through press releases, magazines, events, exhibitions, e-mail, social media, and BRI website www.bri.co.id. The corporate website contains various information from products and services, financial information, to career opportunity and other information on BRI.

The public, customers, and stakeholders may inquire further information through BRI Call Center 14017 or (+62 21) 57 987 400 or email to humas@bri.co.id.

Public Relations Activities in 2015

No	Activities	Target Focus	Schedule
01	Conducted visit to national media offices	Maintain good relations with media	During 2015
02	Together with journalists conducted customer and BRI activities coverage	Positive news on Bank BRI roles	During 2015
03	Sponsorship for mass media as well as other external parties	Maintain good relations with media and other external parties	During 2015
04	Break-fasting with journalists	Maintaining good relations with journalists	June/July 2015
05	Banking seminar for journalists	Sharing insight and maintaining good relations with journalists	Each semester
06	Press Gathering - Print Media	Maintaining good relations with print media journalists	May 2015
07	Conducted negative news inspection in the mass media	Maintaining Bank BRI image	During 2015
08	Conducted news inspection and follow up on readers' letter complaints	Maintaining Bank BRI image	During 2015
09	Press conference of Bank BRI corporate activity	Positive news on Bank BRI roles	During 2015
10	Placement of advertorial for corporate activities in mass media	Positive news on Bank BRI roles	During 2015
11	Placement of corporate display ad/ TVC/adv announcement in mass media	Maintaining Bank BRI image	During 2015
12	Press release of Bank BRI corporate activity	Positive news on Bank BRI roles in the mass media	During 2015
13	Information updating on the website	Website updates at all time	During 2015
14	Conducted corporate activities in relations with obligations to stakeholders	The activity has been adhered to the rules	During 2015

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No	Activities	Target Focus	Schedule
15	Provide sponsorship to the seminars, arts, cultural, environmental, sport activities, etc.	Maintaining Bank BRI positive image	During 2015
16	CSR activity dissemination	Positive news on Bank BRI roles	During 2015
17	Thematic advertisement communications	Maintaining relations with other parties	During 2015
18	Conducting exhibition/expo	Maintaining and improving Bank BRI positive image	During 2015
19	Outdoor media placement - billboard	Maintaining and improving Bank BRI positive image	During 2015
20	Corporate communication material development	Maintaining and improving Bank BRI positive image	During 2015
21	Financial report publication in the print media	Bank BRI performance information update	Each Quarter
22	Developing company profile video, filler and other communications material based on the designated tasks	Bank BRI communication material availability	During 2015
23	Documenting the company activity	Data in the form of photos or videos on Bank BRI activities	During 2015
24	Management of BRI Museum in Purwokerto	Professional management and proper maintenance of the Museum	During 2015

INVESTOR RELATIONS

BRI has established investor relations desk, which has the duties as the company's liaison with the capital market communities and other external parties. Investor relations desk has the responsibility to ensure compliance of the transparency aspect as one of the GCG principles to the capital market communities, through communication with the shares, bonds, and other securities investors, the analysts, ranking agencies, self-regulatory organizations (SROs), as well as other respective financial communities.

To fulfill the responsibility as well as in compliance with the regulations and to improve effective communication, BRI investor relations desk organize activities such as:

1. Public expose: As a public company, BRI has the obligation to deliver information on its performance and latest development at least once a year hence the information can be equally disseminated.
2. Analyst meetings: A routine activity to present BRI performance to the analyst/ securities companies each quarter for further deliverables of latest data by the analysts report to the investors.
3. Company visits - field visits: Visits from investors/analysts for performance updates or observations on the company operations both in the head office and the operational units.
4. Conference call: Tele-conference to accommodate investors/analysts in obtaining company information and economic impacts on the company.
5. Investor newsletters: Latest information update uploaded in BRI investor relations website.
6. Information update in the investor relations site for shareholders to acquire information on BRI latest development (www.bri.co.id dan www.ir-bri.com).
7. Investor conference and non-deal roadshow: One on one and group meetings with domestic and foreign investors in the financial center cities in Asia, Europe and America.

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8. Rating reviews: Assessment by rating agencies that renders by BRI, both international rating agencies (such as Moody's, fitch rating, S&P) as well as domestic rating agency (Pefindo).

BRI also delivered information on the latest company update through the Annual Report Publications as well as fulfilling the shareholders right by holding the General Meeting of Shareholders (GMS).

Investor Communication Activity in 2015

No	Kegiatan	Total
1	Company Visits	235
2	Conference Calls	69
3	Field Visits	18
4	Analyst Meetings	4
5	Analyst Gatherings	1
6	Roadshows/Conferences (domestic)	9
7	Roadshows/Conferences (overseas)	7
8	Investor Newsletters	1
9	Public Expose	1
10	General Meeting of Shareholders	3

Investor Relations Website Management

To facilitate information access and ensuring accessible information for the investors, analysts and public, BRI provides investor relations desk website www.ir-bri.com that connects with BRI corporate website (www.bri.co.id). The information listed in the investor relations desk website are as follows:

- BRI Shares Performances
- Company Presentations
- Financial Performances
- Calendar Events
- GMS Announcements

To ensure the latest information access to the investors, analysts, and public, BRI conducts periodic website update.

Investor Information Access

The investors/shareholders may contact BRI Investor Relations through email: ir@bri.co.id
Telephone: (+62-21) 575 1969

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Press Release

No	Title	Date
1	BRI Target Fund Growth of 19%	5 January 2015
2	Asmawi Syam titled as Acting CEO of BRI	5 January 2015
3	BRI launches Nusantara Bright Scholarship Program Class III	16 January 2015
4	BRI to Become the Largest Bank in Indonesia	26 January 2015
5	BRI Infinite presented Michael Buble Live in concert	29 January 2015
6	BRI Supported the Implementation of Less Cash Society	29 January 2015
7	BRI Supported Government to issue IUMK Cards	30 January 2015
8	BRI Improved e-channel and e-banking Transaction Growth	3 February 2015
9	Moratorium of People Business Loans (KUR), BRI distributes Kupedes Rakyat	5 February 2015
10	Jakarta flood, BRI Service Still Runs	10 February 2015
11	2015, Bank BRI credit card is targeted to grow 20 – 25%	12 February 2015
12	Improve Non-Cash Transaction, Bank BRI adds 35 thousands EDC	16 February 2015
13	BRI New York, recorded profit Rp246 Billion	20 February 2015
14	Growth of BRI Third Party Funds Exceeds the Average Of National Banking	25 February 2015
15	Teras BRI Nusantara Adds Festivity in Imlek Palembang Festival 2015	1 March 2015
16	LPPNPI engages BRI to Manage Cash Dropping	2 March 2015
17	Serving the Remotes Communtieis, BRI launches "Teras Kapal BRI".	4 March 2015
18	Facilitating Subsidized Fertilizer, BRI issues Farmers Card	5 March 2015
19	BRI Targets Trade Finance Fee Based Income to grow 20%	5 March 2015
20	BRI Pension Fund Aims to Manage Assets of Rp4.81 trillion	13 March 2015
21	Synergy with Ministry, BRI issues IUMK card	16 March 2015
22	BRI distributes dividend of Rp7.27 trillion	19 March 2015
23	Support Indonesia National Police, BRI Grants Car License Online Application	21 March 2015
24	BRI Implements Less Cash Society in Kelapa Gading	23 March 2015
25	OJK and Bank BRI launches Laku Pandai (Financial Services in the Framework of Finance Inclusion)	27 March 2015
26	Ministry engages BRI to submit IUMK for Sukoharjo Community	1 April 2015
27	Citilink engages BRI to Strengthen the Business Network	7 April 2015
28	BRI Strengthens Relationship with Ministry of Religion	7 April 2015
29	World Bank Appoints BRI as Paying Agent for Clean Stove Initiative Program	8 April 2015
30	BRI Targets to Manage Fund in Trust Service to grow 20%	9 April 2015
31	BRI Requests its Customers to be Careful in Internet Banking Transaction	15 April 2015
32	BRI Care (BRI Peduli) Complements Transportation Facilities of Halfway House of Ronald McDonald House charities foundation	19 April 2015
33	BRI donates Mobile Library Car for KNPA	20 April 2015
34	BRI Distributes Pension Fund for Farmers of NTT	24 April 2015

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35	Economic Deceleration Q1-2015 and its Impacts to the Economy	27 April 2015
36	BRI manages Cash Card Pertamina	15 May 2015
37	Ministry of Transportation engages BRI to Manage Non-Tax Government Revenue (PNBP) in Real Time online	22 May 2015
38	Quarter I-2015, BRIfast Remittance Service Achieved USD 9.6 Billion	22 May 2015
39	Pioneer, BRI conducts Foreign Exchange State Revenue in Indonesia	27 May 2015
40	One Stop Services: BRI Serves All Financial Needs of BKN	1 June 2015
41	BRI Issues Bonds Phase I amounted to Rp 3 Trillion	3 June 2015
42	Strengthening Business Synergy, HIMBARA and Jasa Marga opens Toll-Payment Access	15 June 2015
43	Welcoming Ramadhan, BRI Distributes Essential Commodities (sembako) in 15 Locations	24 June 2015
44	Approaching Ramadhan 2015, BRI prepares Rp 27.56 trillion and 453 UKOs	25 June 2015
45	BRI and Courts Retail Indonesia provide their Customers with Promo until end of year	26 June 2015
46	BRI and Rimowa hold Charity Exhibition for Cultural Preservation	1 July 2015
47	BRI engages HIMBARA to Break-fast together with 3500 Orphans	2 July 2015
48	Collaboration of BRI and Jiwasraya: improving Integrated Financial Services	13 July 2015
49	BRI Provides Free Transport for 6000 People for Homecoming during Ramadhan	14 July 2015
50	Develops Office in Singapore, BRI Strengthens its Business Network in Asia	29 July 2015
51	BRI Strengthens the Business Network in Asia	29 July 2015
52	Financial Inclusion for Islands Communities, BRI launches "Teras Kapal BRI"	4 August 2015
53	Driving the FBI Growth, BRI Counts on e-banking Transaction	10 August 2015
54	By Extraordinary GMS, BRI Shareholders Agree the Re-Structuring of the Board of Directors	12 August 2015
55	BRI becomes Main People Business Loans (KUR) Distributor from the Government	13 August 2015
56	Government engages BRI to Develop Palm Oil in Indonesia	18 August 2015
57	BRI Provides Banknotes Facility for Hajj Pilgrims 2015	20 August 2015
58	BRI Becomes Main People Business Loans (KUR) Distributor from the Government	21 August 2015
59	JCB and Bank BRI sign a New Partnership; Partnership Starts from JCB Card Acceptance, and JCB Card Issuance	21 August 2015
60	BRI Strengthens International Cooperation with JCB	21 August 2015
61	Increasing Managed Fund in Wealth Management, BRI holds Gathering in Singapore	21 August 2015
62	Implements Corporate Social Responsibility, BRI Develops Housing and Supporting Facilities for Landslide Victims in Banjarnegara	26 August 2015
63	Supports Cashless Society, BRI Cooperates with McDonalds's by Providing 40% Discount for Delivery via e-commerce	28 August 2015
64	SOE Synergy, PT PELNI engages BRI to Launch e-ticketing	28 August 2015
65	YBM BRI achieves MURI record in Corpse Handling	29 August 2015
66	SOE realizes Toll-Road Payment Synergy	31 August 2015
67	BRI accelerates Micro KUR Absorption 2015 in Bandar Lampung	4 September 2015
68	Celebrates customer day, BRI Board of Directors Directly Serves The Customers	4 September 2015
69	Bank BRI with Kodam XVI Pattimura provides Marine Product Cultivation Training	10 September 2015
70	Three SOE Banks receives Loan of USD 3 billion from CDB	16 September 2015
71	One month, BRI People Business Loans (KUR) Distribution reaches Rp 2.1 Trillion	23 September 2015
72	MSME from People to People, "Develop Strong MSME to Win Regional Competition"	27 September 2015

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73	Ministry of Education RI engages BRI to provide Banking Service Cooperation	30 September 2015
74	BRI Strengthens Citilink with Cash Solution Service	09 October 2015
75	Bank BRI provides Public Facility Donation for Tegal fishermen	4 October 2015
76	Bank BRI provides Entrepreneurship Training for SOE Employees and Former Employees	7 October 2015
77	Strengthening its business, BRI acquires Bringin Life	8 October 2015
78	Constructs Satellite Control Facility, Bank BRI is Ready to Operate Satellite in 2016	19 October 2015
79	Improving tax revenue, D.G. of Taxation synergizes with SOEs	21 October 2015
80	Bank BRI appoints Hari Siaga as Corporate Secretary	21 October 2015
81	Bank BRI engages OJK to drive "Let's Saving" for Students	22 October 2015
82	Quarter III-2015, performance of Bank BRI grows soundly and stable	21 October 2015
83	SOEs Presence for the Country	23 October 2015
84	Bank BRI synergizes with Cigna and Sequis Life Insurance launches "BRI Telemarketing Bancassurance"	21 October 2015
85	Syndication credit of BNI and BRI with PT Waskita Karya Group for the Development of Bekasi Cawang Kampung Melayu Toll-Road	30 October 2015
86	Number of Agents of BRILink reaches 35,955, Bank BRI continues accelerating Branchless service Banking	5 November 2015
87	Develops Electronic Hybrid Branch, BRI strengthens Electronic Service Banking	5 November 2015
88	RI Ministry of Finance engages BRI to launch Multifunction Identity Card	10 November 2015
89	BRI launches lucky draw e-Banking BRI	10 November 2015
90	Twelve Years in the Stock Exchange, BRI shows remarkable performance	10 November 2015
91	BRI has positive performance, share capitalization reaches Rp 263.9 Trillion	11 November 2015
92	National Narcotics Agency (BNN) engages BRI to Decrease Drugs Circulation	19 November 2015
93	BRI Hong Kong Representative Office held Micro-business training	23 November 2015
94	Maximize People Business Loans (KUR) achievement 2015, Bank BRI Recruits Traditional Market Sellers' children as KUR Marketer	25 November 2015
95	BRI achieves Bank of the Year 2015 Indonesia from The Banker	3 December 2015
96	Facilitating Car License payment, BRI and Indonesia National Police launches Car License Online	6 December 2015
97	Through Extraordinary GMS, BRI officially takes over Bringin Jiwa Sejahtera	14 December 2015
98	BRI wins Indonesia National Records Museum (MURI) as the largest People Business Loans (KUR) distributor in Indonesia.	16 December 2015
99	BRI leads syndication of credit facility payment of PT PLN	17 December 2015
100	BRI and Angkasa Pura II sign cooperation of Integrated Cash Management	18 December 2015
101	Asmawi Syam, Black-Belted CEO	20 December 2015
102	Synergizes ATM Management, Banking SOE Launches ATM HIMBARA	17 December 2015
103	Celebrates end of year 2015, Bank BRI prepares cash up to Rp24.71 trillion	21 December 2015
104	Cooperation of BRI-Kidzania, early Banking education for children	21 December 2015
105	Celebrates 120th Anniversary, BRI holds Fun Walk Charity	27 December 2015

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Correspondences with OJK and IDX

No	Date	Letter Number	Recipient	Concerning
January				
1	2-Jan	B.04-SKP/DHL/01/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Information Transparency
2	2-Jan	B.05-SKP/DHL/01/15	Chairman of OJK	Information Transparency
3	6-Jan	B.09-SKP/DHL/01/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Information Transparency
4	6-Jan	B.10-SKP/DHL/01/15	Chairman of OJK	Information Transparency
5	7-Jan	B.12-SKP/DHL/01/15	Bank Supervisory Directorate I Team 1-3	Report of BRI Shareholders Structure based on business group
6	7-Jan	B.13-SKP/DHL/01/15	Chairman of OJK	BRI Debt/liabilities data in foreign exchange
7	7-Jan	B.14-SKP/DHL/01/15	Board of Directors of IDX	Shareholders Registration Monthly Report
8	27-Jan	B. 57-DIR/AMK/01/15	Chairman of OJK	BRI Consolidated Financial Statements position of 31 Dec 2014
9	27-Jan	B. 58-DIR/AMK/01/15	Listing Director of IDX	BRI Consolidated Financial Statements position of 31 Dec 2014
10	27-Jan	B.26-SKP/DHL/01/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	BRI Consolidated Financial Statements position of 31 Dec 2014
11	27-Jan	B.27-SKP/DHL/01/15	Chairman of OJK, attn: Head Executive of Capital Market Supervision	BRI Consolidated Financial Statements position of 31 Dec 2014
12	27-Jan	B.28-SKP/DHL/01/15	Chairman of OJK, attn: Head Executive of Capital Market Supervision	BRI Consolidated Financial Statements position of 31 Dec 2014
13	27-Jan	B.29-SKP/DHL/01/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Announcement Proof of BRI GMS 2014
14	30-Jan	R.32-DIR/SKP/01/15	Chairman of OJK	Delivery of BRI Annual GMS 2015
February				
15	9-Feb	B.36-SKP/DHL/02/15	IDX Board of Directors	Shareholders Registration Monthly Report
16	9-Feb	B.37-SKP/DHL/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on Debt/Liabilities in foreign exchange
17	9-Feb	B.38-SKP/DHL/02/15	Bank Supervisory Directorate I Team 1-3 OJK	Report of BRI Shareholder Structure based on business group
18	10-Feb	B.39-SKP/DHL/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Publication of BRI GMS 2015
19	10-Feb	B.40-SKP/DHL/02/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Publication of BRI GMS 2015
20	10-Feb	B.41-SKP/DHL/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Announcement Proof of BRI GMS 2015
21	10-Feb	B.42-SKP/DHL/02/15	IDX Director of Corporate Assessment, attn.: head of division of Corporate Assessment Group 1	Announcement Proof of BRI GMS 2015
22	11-Feb	B.43-SKP/DHL/02/15	IDX head of division Corporate Assessment Group 1	Announcement Proof of BRI GMS 2015
23	25-Feb	B.45-SKP/DHL/02/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	BRI Annual Report 2014
24	25-Feb	B.47-SKP/DHL/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI Annual Report 2014

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25	25-Feb	B.48-SKP/DHL/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Invitation of BRI Annual GMS 2015
26	25-Feb	B.49-SKP/DHL/02/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Invitation of BRI Annual GMS 2015
27	25-Feb	B.50-SKP/DHL/02/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment group 1	Invitation Proof of BRI Annual GMS 2015
28	25-Feb	B.51-SKP/DHL/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Delivery of BRI Annual GMS 2015 Invitation Proof
March				
29	5-Mar	SR/06-DIR/SKP/03/15	Ministry of SOE	Preparation of BRI Annual GMS 2015
30	6-Mar	B.54-SKP/DHI/02/15	IDX Board of Directors	Monthly Report of Shareholders Registration
31	6-Mar	B.55-SKP/DHI/02/15	Bank Supervisory Directorate I Team 1-3	Report of BRI Shareholders Structure based on business group
32	9-Mar	B.57-SKP/DHI/02/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on Debt/liabilities in foreign exchange
33	19-Mar	B.67-SKP/DHI/03/15	Bank Supervisory Directorate I Team 1-3	Submission of BRI Annual Report 2014
34	23-Mar	B.68-SKP/DHI/03/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Implementation Report of BRI Annual GMS 2015
35	23-Mar	B.69-SKP/DHI/03/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Implementation Report of BRI Annual GMS 2015
36	23-Mar	B.70-SKP/DHI/03/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Announcement Proof of BRI GMS 2015
37	23-Mar	B.71-SKP/DHI/03/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Announcement Proof of BRI GMS 2015
38	23-Mar	B.73-SKP/DHI/03/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Notification of Schedule and Method of Dividend Distribution
39	23-Mar	B.74-SKP/DHI/03/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Notification of Schedule and Method of Dividend Distribution
April				
40	10-Apr	B.81-SKP/DHI/04/15	Bank Supervisory Directorate I Team 1-3 OJK	Report of BRI Shareholders Structure based on business group
41	10-Apr	B.82-SKP/DHI/04/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
42	13-Apr	B.85-SKP/DHI/04/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on Debt/liabilities in foreign exchange
43	17-Apr	B.86-SKP/DHI/04/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Submission of BRI Annual GMS 2015 Proceeding
44	22-Apr	B.106-SKP/DHI/04/15	Bank Supervisory Directorate 1 OJK	Effective appointment of Mr Asmawi Syam and Sunarso
45	30-Apr	B.98-SKP/DHI/04/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI Financial Statements Quarter 1 2015
46	30-Apr	B.99-SKP/DHI/04/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	BRI Financial Statements Quarter 1 2015
47	30-Apr	B.101-SKP/DHI/04/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Announcement Proof of BRI Financial Statements Quarter 1 2015
48	30-Apr	B.102-SKP/DHI/04/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Announcement Proof of BRI Financial Statements Quarter 1 2015

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May				
49	6-May	B.105-SKP/DHI/05/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
50	6-May	B.106-SKP/DHI/05/15	Bank Supervisory Directorate I Team 1-3 OJK	Report of BRI Shareholders Structure based on business group
51	11-May	B.107-SKP/DHI/05/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on debt/liabilities in foreign exchange
June				
52	1-Jun	B.119-SKP/DHI/05/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Information Transparency
53	3-Jun	B.122-SKP/DHI/06/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Publication Proof of Short Prospectus of Continuous Bonds Offering I 2015
54	3-Jun	B.123-SKP/DHI/06/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Publication Proof of Short Prospectus of Continuous Bonds Offering I 2015
55	9-Jun	B.129-SKP/DHI/06/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on debt/liabilities in foreign exchange
56	9-Jun	B.130-SKP/DHI/06/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
57	9-Jun	B.131-SKP/DHI/06/15	Bank Supervisory Directorate I Team 1-3 OJK	Report of BRI Shareholders Structure based on business group
58	12-Jun	B.133-SKP/DHI/06/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Information Transparency
59	12-Jun	B.134-SKP/DHI/06/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Information Transparency
60	16-Jun	B.136-SKP/DHI/06/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Change of Audit Committee Structure
61	16-Jun	B.137-SKP/DHI/06/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Change of Audit Committee Structure
62	26-Jun	B.141-SKP/DHI/06/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment group 1	Announcement Proof of Additional Information for Short Prospectus of Continuous Bonds Offering I BRI Phase 1
63	26-Jun	B.142-SKP/DHI/06/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Announcement Proof of Additional Information for Short Prospectus of Continuous Bonds Offering I BRI Phase 1
64	26-Jun	B.168-SKP/DHI/06/15	Chairman of OJK	Submission of BRI Annual GMS 2015 Plan
July				
65	8-Jul	B.155-SKP/DHI/07/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Submission of Publication Proof of Extraordinary GMS 2015
66	8-Jul	B.156-SKP/DHI/07/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Delivery of Publication Evidence of Extraordinary GMS 2015
67	9-Jul	B.158-SKP/DHI/07/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
68	9-Jul	B.159-SKP/DHI/07/15	Bank Supervisory Directorate I Team 1-3 OJK	Report of BRI shareholder structure based on business group
69	9-Jul	B.160-SKP/DHI/07/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on debt/liabilities in foreign exchange
70	10-Jul	B.161-SKP/DHI/07/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Information Transparency
71	10-Jul	B.162-SKP/DHI/07/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Information Transparency

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72	15-Jul	B.167-SKP/DHI/07/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Invitation for BRI Extraordinary GMS 2015
73	15-Jul	B.168-SKP/DHI/07/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Invitation for BRI Extraordinary GMS 2015
74	30-Jul	B.170-SKP/DHI/07/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Announcement Proof of BRI Financial Statements Quarter II 2015
75	30-Jul	B.171-SKP/DHI/07/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Announcement Proof of BRI Financial Statements Quarter II 2015
76	30-Jul	B.172-SKP/DHI/07/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Financial Statements Quarter II 2015
77	30-Jul	B.173-SKP/DHI/07/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Financial Statements Quarter II 2015
78	30-Jul	B.174-SKP/DHI/07/15	PT. IcaMel	Submission of Financial Statements Quarter II 2015
August				
79	7-Aug	B.179-SKP/DHI/08/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on debt/liabilities in foreign exchange
80	7-Aug	B.180-SKP/DHI/08/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
81	7-Aug	B.181-SKP/DHI/08/15	Director of Bank Supervision I, Deputy of Bank Supervision I	Report of BRI Shareholders Structure based on business group
82	14-Aug	B.184-SKP/DHI/08/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Implementation Report of BRI Extraordinary GMS 2015
83	14-Aug	B.185-SKP/DHI/08/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Implementation Report of BRI Extraordinary GMS 2015
84	24-Aug	B.197-SKP/DHI/08/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Explanation on the news in mass media
September				
85	8-Sep	B.200-SKP/DHI/09/15	Chairman of OJK	Rating of BRI
86	9-Sep	B.203-SKP/DHI/09/15	Director of Bank Supervision I, Deputy of Bank Supervision I	Report of BRI Shareholders Structure based on business group
87	9-Sep	B.204-SKP/DHI/09/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
88	10-Sep	B.205-SKP/DHI/09/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on debt/liabilities in foreign exchange
89	11-Sep	B.211-SKP/DHI/09/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Submission of BRI Extraordinary GMS 2015
90	25-Sep	R.224-DIR/DIS/09/15	Director of Bank Supervision I, Deputy of Bank Supervision I	Request of approval of BRI shares buyback
October				
91	6-Oct	B.219-SKP/DHI/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Change of BRI Head of Internal Audit
92	7-Oct	B.220-SKP/DHI/10/15	Director of Bank Supervision I, Deputy of Bank Supervision I	Report of BRI Shareholders Structure based on business group
93	7-Oct	B.221-SKP/DHI/10/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
94	8-Oct	B.692-DIR/ SKP/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Information Transparency of PT. Asuransi Jiwa Bringin Jiwa Sejahtera Shares Acquisition
95	8-Oct	B.693-DIR/ SKP/10/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Information Transparency of PT. Asuransi Jiwa Bringin Jiwa Sejahtera Shares Acquisition

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96	9-Oct	B.224-SKP/DHI/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data on debt/liabilities in foreign exchange
97	13-Oct	B.701-DIR/ DIS/10/15	Chairman of OJK	Report of fund utilization of continuous bonds offering 1 of BRI
98	16-Oct	R.245-DIR/ SKP/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Submission of BRI Extraordinary GMS 2015 Plan
99	21-Oct	B.225-SKP/DHI/10/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Response on explanation request for shares buyback plan
100	23-Oct	B.226-SKP/DHI/10/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Announcement Proof of Financial Statements Quarter III 2015
101	23-Oct	B.227-SKP/DHI/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Announcement Proof of Financial Statements Quarter III 2015
102	23-Oct	B.228-SKP/DHI/10/15	PT. IcaMel	Submission of Financial Statements Quarter III 2015
103	23-Oct	B.743—DIR/ AMK/10/15	IDX Director of Corporate Assessment	Consolidated Financial Statements Quarter III 2015
104	23-Oct	B.744-SKP/DHI/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Consolidated Financial Statements Quarter III 2015
105	27-Oct	B.231-SKP/DHI/10/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Submission of Publication Proof for the Extraordinary GMS Announcement 2015
106	27-Oct	B.232-SKP/DHI/10/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Submission of Publication Proof for the Extraordinary GMS Announcement 2015
107	29-Oct	B.233-SKP/DHI/10/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Submission of Public Expose Plan
November				
108	6-Nov	B.239-SKP/DHI/11/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Submission of Public Expose material
109	10-Nov	B.242-SKP/DHI/11/15	Director of IDX	Monthly Report of Shareholders Registration
110	10-Nov	B.243-SKP/DHI/11/15	Director of Bank Supervision I, Deputy of Bank Supervision I	Report of BRI Shareholders Structure based on business group
111	10-Nov	B.244-SKP/DHI/11/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data of debt/liabilities in foreign exchange
112	10-Nov	B.245-SKP/DHI/11/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Invitation for BRI Extraordinary GMS II 2015
113	11-Nov	B.246-SKP/DHI/11/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Invitation for BRI Extraordinary GMS II 2015
114	16-Nov	B.248-SKP/DHI/11/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Report of Public Expose Implementation
115	20-Nov	B.250-SKP/DHI/11/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Submission of Re-Invitation of BRI Extraordinary GMS II 2015
116	20-Nov	B.251-SKP/DHI/11/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Submission of Re-Invitation of BRI Extraordinary GMS II 2015
117	27-Nov	B.252-SKP/DHI/11/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Submission of XBRL Report

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December				
118	8-Dec	B.255-SKP/DHI/12/15	Board of Directors of IDX	Monthly Report of Shareholders Registration
119	8-Dec	B.256-SKP/DHI/12/15	Director of Bank Supervision I, Deputy of Bank Supervision I	Report of BRI Shareholders Structure based on business group
120	10-Dec	B.257-SKP/DHI/12/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	BRI data of debt/liabilities in foreign exchange
121	17-Dec	B.260-SKP/DHI/12/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Implementation report and publication proof of BRI Extraordinary GMS II 2015 resolutions
122	17-Dec	B.261-SKP/DHI/12/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Implementation report and publication proof of BRI Extraordinary GMS II 2015 resolutions
123	22-Dec	B.268-SKP/DHI/12/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Response on confirmation request of ranking of debt securities issuers
124	30-Dec	B.269-SKP/DHI/12/15	Chairman of OJK, attn.: Head Executive of Capital Market Supervision	Information transparency for Shares Acquisition of PT. Asuransi Jiwa Bringin Jiwa Sejahtera
125	30-Dec	B.270-SKP/DHI/12/15	IDX Director of Corporate Assessment, attn.: Division Head of Corporate Assessment Group 1	Information transparency for Shares Acquisition of PT. Asuransi Jiwa Bringin Jiwa Sejahtera

BUSINESS CONTINUITY MANAGEMENT AS THE MANIFESTATION OF WORK SAFETY

The potentials of disruptions due to natural, human or technological failures constitute threats to BRI's business continuity given BRI's vast and widespread network throughout Indonesia. As such, BRI Board of Directors sees the necessity of development and implementation of Business Continuity Management (BCM) Policy. BRI develops, implements, and conducts tests and updates the BCM to ensure the security and safety of employees, customers and stakeholders within the environment of BRI Operating Units, and the continuity of business and operational activities, hence the interests of the customers and BRI assets are protected.

BRI applies the BCM in all Operating Units, as follows:

1. Establishment of Business Continuity Management Maintenance Team (BCMMT) that serves to maintain the BCM program in a normal situation prior to the occurring of disasters.
2. Establishment of Crisis Management Team that holds a crucial role in the event of disruption/disaster to take the necessary actions when disaster occurs. This team has an active role in the event of any disruption/disaster.
3. Preparation or update on Call Tree that lists the names, reachable phone numbers, and positions of those in the organizational structure, which are the required information in an evacuation procedure.
4. Assignment of alternate sites to be used after a disruption/disaster occurs at the primary location of the Operating Units.

5. Appointment of floor wardens.
6. BRI Operating Units also carry out Business Impact Analysis (BIA), which includes results of identification of disruption/disaster impacts, as well as the Threat and Disaster Risk Assessment with the goal of mapping the Operating Units that prone to disasters and drawing up inventories of resources required to guard against threats and disasters in each Operating Unit, the Emergency Response Procedures for Disaster Management and Business Continuity Plan (BCP) for several Critical Operating Units.

BRI coordinates the implementation of BCM on an ongoing basis with the related Operating Units in the form of scheduled drills or testing, such as the DC-DRC switch over and fire drills in several BRI office buildings, including BRI Head Office Building and Ragunan IT Building, including throughout BRI Operating Units and other disasters drills.

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The disaster simulation programs are conducted at least once a year and includes the following:

1. Training in evacuation procedures from multi-story buildings.
2. Basic training in the use of fire extinguishers.
3. Exercises for security officers in rescuing victims from a building.
4. Other relevant basic trainings.

BRI's preparedness to implement business continuity procedures has been proven under times of disasters experienced by several Operating Units. In this case, BRI took advantage of the E-Buzz vehicles and the BRI Keliling (Mobile BRI) spread across its business areas as alternate sites in the event of disasters, allowing operations to resume as quickly as possible.

CODE OF CONDUCT

Code of Conduct Contents

Since its conception in 2003, BRI Code of Conduct policy has been updated in 2010 and refined in 2013 through Joint Decree of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/12/2013 and No. S.65-DIR/DKP/12/2013 dated 16 December 2013. The implementation of Code of Conduct is followed by policies on gratifications and the Whistleblowing System (WBS-BRI) mechanism as a reporting channel for any breach of code of conduct and BRI Disciplinary Rules, which stipulates the types of breach and resolutions mechanism. BRI Code of Conduct applies to all employees in their day-to-day conducts, as a

representation of BRI's business ethics. The principles defined in BRI Code of Conduct set the guidelines for work activities, which includes the following elements:

1. Compliance on Laws, Regulations and Bank Policy.
The Bank's employees highly uphold the Bank's compliance towards prevailing regulations to strengthen the Bank's compliance culture.
2. Stakeholders Relationship
 - a. Code of Conduct towards Customers
BRI is committed to uphold professional and customer-oriented business ethics in providing banking products and/or services.
 - b. Code of Conduct towards Partners
BRI's relationship with its Partners is maintained based on reasonable business practices and with integrity, by constantly prioritizing the Bank's interests over personal or other parties' interests, and providing optimum benefits for the Bank. BRI Code of Conducts also requires the Partners to comply with the Bank's policies and prevailing rules and regulations, as well as to agree to safeguard any confidentiality in their relationship with the Bank, unless a disclosure of confidentiality has been recognized and approved by the Bank.

- c. Code of Conduct towards Competitors

All Bank's components adhere to the principle of prudence, professionalism as well as fair and competitive competition. BRI requires all employees to position competitors as an impetus for performance improvement.

- d. Code of Conduct towards Regulators

All BRI's business activities are implemented by fulfilling the obligations and requirements as established by banking regulators and other relevant authorities, including by building proper communications with banking regulators and other relevant authorities.

- e. Code of Conduct towards Shareholders

As the highest organ in the Organization, relationship with the Bank's shareholders is managed with the principles of transparency and responsibility, as well as mutual cooperations.

3. Communities and Environmental Relations
As part of the community and environment, BRI and its components uphold a virtuous relationship by respecting the local values and provision of benefits, as well as supporting the environment in which the Bank operates.

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4. **Employees Relations**
BRI maintains good relationship with all employees based on trust and mutual respects, through the management of the employees' rights, the opportunity to contribute and reward for achievements without discrimination. BRI is committed to provide a favorable work environment to improve productivity and comfort. The employees shall also uphold trust, mutual respect and appreciation towards each other.
5. **Information Confidentiality**
All BRI's components uphold the Bank's protection of information and are committed to protect the Bank's confidentiality, both internal and the customer's information. Dissemination of BRI's internal information that may only be disclosed to relevant parties in accordance with the prevailing rules.
6. **Integrity and Accuracy of Reports**
BRI is committed to submit appropriate, accurate and accountable reports to the management, shareholders, customers, and other interested parties. The Bank's employees are responsible for official documentation of the Bank's activities; all records shall be accurate, transparent, comprehensive, and timely.
7. **Conflicts of Interests**
BRI has and applies conflicts of interests policy that bind the Bank's employees to prevent corruption, collusion, and nepotism practices within the Bank's environment. BRI employees are prohibited from deliberately placing oneself in a position or situation that may lead to conflicts of interests between them and the Bank, the Bank's customers, or any third parties, from which the Bank may incur losses or impaired gain.
8. **Political Contribution and Activities**
The Bank is committed to prohibit funding, or use of the Bank's facilities and resources for and or by parties with political purposes or similar endeavours. The Bank's employees uphold the principle to not contribute their time, money, or personal resources for political activities.
9. **Prohibition to Accept Gratifications**
BRI prohibits any individual or any part of its organization to solicit or receive any forms of gratifications or rewards in any form from the third party or the customers, which are not in accordance with the prevailing regulations. The Bank's employees shall highly uphold the ethics to restrain from soliciting or receiving any forms of gratifications for personal gains or for the advantage of employees' family members.

Disclosure of Code of Conduct Application to all Organization Levels

BRI Code of Conduct is the basic principles of personal and professional behavior for all employees. It is the standard for work conduct that upholds moral, integrity and professionalism, both individually and on behalf of the Bank. BRI Code of Conduct applies to all levels across the Board and employees of BRI in all organization levels. The implementation of BRI Code of Conduct is supported by the Bank's rules and regulations, rewards, and sanctions for violations. The Bank's Directors and Commissioners are committed to the implementation of the Code of Conducts, including to the penalty of any violation of BRI Code of Conducts.

Code of Conduct Dissemination

BRI Code of Conduct induction program is provided for all new employees through education program held in BRI education centres, while policies are continually and consistently disseminated. In addition, Code of Conduct dissemination is also carried out across all operating units, which encompasses, among others, anti-fraud strategy, work culture, risk awareness culture, compliance culture, and service culture.

Throughout 2015, BRI has disseminated the provisions in the Code of Conduct to several Operating Units in various activities, including educational activities, workshops and the implementation of the Performance Improvement Forum in each operating unit.

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Enforcement and Sanction for the Code of Conduct Violations

Efforts to implement and enforce BRI Code of Conduct are done by means of the following actions, commitment, and policies:

1. **Statement of Compliance**
All BRI's employees shall properly read and understand, and sign the Statement of Compliance to the Code of Conduct.
2. **Management Commitment**
The affirmation of BRI Management commitment related to the integrity and professionalism of relationship with third parties, published in mass media and BRI website.
3. **Anti Fraud Commitment**
BRI has in place the Anti Fraud Commitment that serves as a basis in the formulation of policies, rules, or the prevailing regulations on the implementation of GCG principles, Risk Management and Internal Control System.

The Anti Fraud statement is conducted through anti fraud commitment, enacted by the Board of Directors and Board of Commissioners of BRI, as well as the commitment of employees in all operating units. The operating units shall formulate and/or renew the employees' Anti Fraud Commitment, at least once a year at the Performance Improvement Forum.

4. **Integrity Pact**
BRI applies the Integrity Pact in its relationship with partners for goods and/or service procurement. The partners are required to create and sign the Integrity Pact as a commitment to the GCG principles in the cooperations. BRI Integrity Pact covers the following:
 - a. Independency
 - b. Duty of Care and Loyalty
 - c. Prudent Person Rule
 - d. Conflict of Interest Rule
 - e. Duty Abiding the Laws

5. **Disclosure of Conflict of Interest**
All elements of the Company shall disclose all transactions that pose any conflict of interest, by detailing names and positions of the persons with conflict of interest, names and positions of the decision makers that approve the transaction with conflict of interest, types of transaction, values of transaction, and other descriptions as required. In addition, every employee shall submit the Annual Disclosures with respect to conflicts of interests at every end of the year in accordance with BRI's internal policy.

6. **Reward and Punishment Policy**
Efforts in enforcing BRI's Code of Conducts are followed by a reward and punishment policy that has been defined according to the Bank's policies and capability, with due observance to prevailing laws and regulations. In addition to providing compensation and

benefits, the Company also consistently applies disciplinary rules. Discipline enforcement is deemed necessary to encourage employees in performing their duties and responsibilities and to create sound and favourable work environment.

WHISTLEBLOWING SYSTEM (WBS)

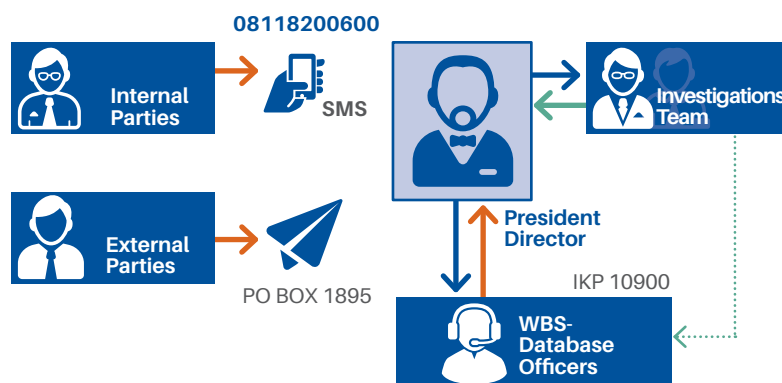
BRI has developed and implemented Whistleblowing System through internal regulations, stated in the Decree of BRI Board of Directors No. B.01-DIR/DKP/03/2013 dated 9 January 2013. The system is aimed to create a favorable environment and to encourage reporting on issues that may result in financial and non-financial losses, including those that can impair the organization's image.

Whistleblowing Reporting Mechanism

Whistleblowing system is one of the infrastructures that support BRI anti fraud strategy. The reports of violation are submitted to the President Director through short message service (SMS) or through written letters. The reports or complaints from external parties can be submitted through phone calls or by mails to the President Director, with the assistance from the Whistleblowing System (WBS) officers that manage the complaints/reports.

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**Whistleblower Protection**

Bank BRI provides protection and confidentiality assurance to all whistleblowers that discloses any violations or suspected breaches. The protection includes:

1. Confidentiality of whistleblowers' identity (name, address, contact number, fax, email, operating units).
2. Protection from vengeful actions committed by reported parties or institutions. The protection from pressures, delay of promotion, dismissal, legal lawsuits, material threats, to physical violence. The protection applies not only for the whistleblowers, but may also be extended to the whistleblowers' family members.

Whistleblower Management

The process to manage and follow up on complaints/disclosures of violation or suspected violations is as follows:

1. The whistleblower reports a violation through the whistleblowing system that has been assigned by BRI.
2. Every report that comes through the whistleblowing system will go through a data verification and investigation process for report verification.
3. The whistleblowing system officer selects the reports that can be followed up and verified for further observation of sufficient and adequate preliminary evidence.
4. If necessary, the whistleblowing system officers may collect additional information (second opinions) for the reported violations, and further follow up by the related units without disclosing the whistleblowers' identity.
5. The Internal Audit Unit is responsible for following up the reports of violations that are suspected of misconducts, through investigative audits according to the applicable regulations.
6. The whistleblowing system officer ensures that all reports of violations have been verified and well managed.
7. The reported party that is proven to have committed violations will be sanctioned in accordance with the prevailing regulations.
8. The whistleblowing system officers prepare periodic reports to the President Director and the President Commissioner, on all violations including the follow up progress, and for the repeated and systematic violations to be reported to the related Officials that has the authority to conduct improvements.

Whistleblower Officers

BRI President Director, assisted by the WBS officers appointed by the Board of Directors, directly manages the Whistleblowing System. Information on the reported violations that can be reported through the WBS-BRI are, among others:

1. Deliberate misconducts/willful negligence by the management;
2. Illegal misconducts (the use of violence towards employees or subordinate);
3. Blackmails, drug abuses, harassments, and other criminal actions);

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4. Frauds;
5. Violations of the prevailing laws and regulations;
6. Breaches of Bank SOP;
7. Breaches of BRI Code of Conduct;
8. Actions that endanger the work safety and health or endanger the Bank's security, and that could be detrimental to the Company.

The reports shall be clear and accountable. The reports shall at least include the following:

1. The reported violations;
2. Parties involved;
3. Period of violations;
4. Site of violations;
5. Description of violations; and
6. Supporting evidences.

Reports Handling on the Use and Output of WBS

BRI has developed and implemented Whistleblowing System, as regulated in the Circular Letter of the Board of Directors No. SE.B.01-DIR/DKP/03/2013 dated 9 January 2013. The system implementation is aimed to create a favorable environment and to encourage reporting on matters that may result in financial and non-financial losses, including those that could impair the organization's image.

Total Complaints Received and Processed in the Last Fiscal Year and Follow-Ups

The complaints of violations or potential violations in 2015 are outlined in the following table.

Recapitulation of WBS Total Reports

	Until 2010	2011	2012	2013	2014	2015			
						Q 1	Q 2	Q 3	Q 4
Total Reports	161	278	333	278	267	60	74	56	48

Reports Categorized by Sources of Report, Whistleblowers' Identity, Media Channels, and Report Classifications

Period	Σ	Source of Reports		Whistleblowers Identity		Media Channels			Classifications	
		Internal	External	Available	No	SMS	Mail	Phone/ direct	Complaints/ Feedback	Violations Reports
Q 1 - 2015	60	50	10	17	43	49	9	2	25	35
Q 2 - 2015	74	66	8	16	58	69	4	1	35	39
Q 3 - 2015	56	48	8	15	41	47	6	3	24	32
Q 4 - 2015	48	38	10	13	35	43	5	0	25	23
Total	238	202	36	61	177	208	24	6	109	129

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CORPORATE CULTURE

BRI realizes with the increasing growth of its business and operations, the human resources monitoring and management related to work ethics and mindset are becoming increasingly complex and require a comprehensive attention. The corporate culture reinforcement is categorized into: Work Culture, Compliance Culture, Service Culture, Risk Awareness Culture, and Anti Fraud Culture.

Disclosure of Work Culture

The implementation of BRI Work Culture Revitalization is formulated into 5 Core Values of work culture named BRILiaN that has a crucial aspect and character to become the guideline for the employees' conduct and behavior to the customers, fellow employees, the management, as well as other external parties. BRILiaN covers the following:

1. Integrity
2. Professionalism
3. Outstanding Role model
4. Customer Satisfaction
5. HR Awards

Ten Principles of BRI Employees Conducts

1. Honest, trustworthy and compliant to rules and regulations
2. Strives to maintain both personal and the company's honor and reputation
3. Excellent, prudent, disciplined and responsible
4. Future-oriented
5. To be a role model with noble heart
6. Assertive in acting towards violations
7. Providing excellent services while taking into account the company's interests
8. Skilfull, friendly, happy to serve
9. Treat other employees openly with fair and mutual respect
10. Develop teamwork in creating synergy for the company's interests

The Work Culture Revitalization program has been initiated since 2013 to support the company's work plan as stipulated in BRI Corporate Planning. The scopes of Work Culture Revitalization are as follows:

1. Architecture of BRI Work Culture
2. Organization of BRI Work Culture
3. Formulation of BRI Work Culture
4. Principal Values of BRI Work Culture
5. Measurement of BRI Work Culture
6. Internalization and Externalization Programs of BRI Work Culture
7. Indicators and Measuring Tools of BRI Work Culture
8. Communication Media of BRI Work Culture

The Work Culture Revitalization Program consists of two programs, namely the Internalization of Work Culture, and Externalization of Work Culture. The Work Culture Internalization is aimed to support the achievement of the Company's strategy. This program is conducted following the Strategic Forum at Head Office and the Communication Forum at Regional Offices.

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The Internalization of Work Culture Programs are:

- a. Performance Improvement Forum
- b. Focuss Group Discussion (FGD)
- c. Family Gathering (FG)
- d. Change Agent Forum (CAG)
- e. The Best Change Agent
- f. Mentoring of New Employee
- g. Innovation Day (InnoDay)

BRI Work Culture Externalization program is intended to introduce the work culture to external parties through dissemination and publication activities, which covers the following programs:

- a. BRI Communities (BRIComm)
- b. Business Gatherings
- c. Social Activity (BRI Peduli)
- d. Religious and Educational Activity

One of the main programs of the Work Culture Revitalization is to improve the role of Change Leader (CL) and Change Agent (CA) as the motivator of BRI Work Culture revitalization in all operating units. The revitalization of BRI work culture, both internally and externally are conducted annually; from Strategic Forum in Head Office, to the Communication Forum in Regional Offices, and followed by the Performance Improvement Forum in every Operating Units across Indonesia.

The following are BRI Work Culture Revitalization report in 2015:

- a. Reinstatement and appointment of Change Agents in all BRI Operating Units with the ratio of one CA to 8-10 employees (friends).
- b. Change Agent Forum as a sharing forum between Change Agents related to the implementation of work culture in each operating unit.

- c. Innovation Day (InnoDay), a competition for innovative ideas participated by all BRI employees to provide a chance to actively contribute to the Company's growth.
- d. Implementation of indicators and core value self assessment of BRI Work Culture by BRI Change Agents, in every Operating Unit across Indonesia.
- e. Focus Group Discussion (FGD) and Performance Improvement Forum in all operating units.
- f. Family Gathering in the Family Day of BRI Anniversary celebration.
- g. Optimizing the use of various communication channels and social media to internalize and externalize BRI Work Culture, such as photo contest in the social media.

Compliance Culture

The compliance culture is stated in BRI Board of Directors Policy that binds all elements of BRI organization. The structure and scope of the compliance culture covers the following:

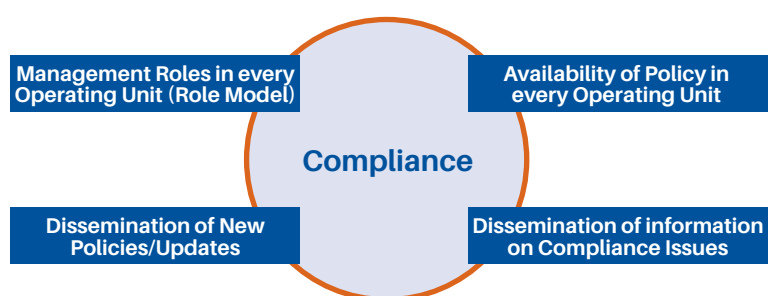


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Pillars of the compliance culture applied in all BRI Operating Units throughout Indonesia, are as follows:

- a. Management roles in every Operating Unit (Role Model)
- b. Dissemination of new policies/updates
- c. Availability of Policy in every Operating Unit
- d. Dissemination of information on compliance issues

Compliance Culture Supporting Pillars

Every operating unit shall conduct ongoing dissemination related to the implementation of BRI compliance culture. Each employee has to ensure the alignment of values, behaviours and conducts with external and internal policies, commitment to regulators, as well as actively transmitting information on compliance issues. The head of operating unit shall have the commitment and set an example in the implementation of compliance culture to all subordinates. This shall also be supported with related policy in every operating unit as a reference in supporting the related duties.

BRI Service Culture

The foundation in realizing the vision and mission of Bank BRI is the work culture, which includes Integrity, Professionalism, Customer Satisfaction, Outstanding Role Model, and HR Awards. One of the Work Cultures, "Customer Satisfaction" is realized through BRI slogan "*Melayani Dengan Setulus Hati*" (Service from The Heart). This slogan is expected to be the Service Culture reflected by all BRI employees in the customer service activities, both internally and externally.

Service culture serves as important values that constituted as customers expectation for the guidelines of code of conduct in customers relations, both externally and internally. The service culture is stipulated in BRI Board of Directors policy, which binds all BRI employees through a Decree NOKEP: S.05-DIR/LYN /03/2014. BRI Service Values are Fast, Accurate, Friendly, Safe, and Convenient, or "CAKRAM" for short, which has also been interpreted into the 10 Service Guidelines applied as a guideline for all BRI employees in providing first-rate services to all customers.

Service Guidelines

1. Create BRI as the customers' main option by providing friendly and personalized services.
2. Provide added value to stakeholders through quality service, supported by honest, professional and high integrity Human Resources.
3. Strives to provide quality and timely services, supported with a reliable and integrated system.
4. Strives to ensure the security and safety of customers' assets by implementing good corporate governance practices.

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5. Strives to provide quality services by working quickly and efficiently with good cooperation, spirit, and support for each other, as well as provide clean, comfortable, and attractive facilities and infrastructure to customers.
6. Strives to provide convenience to customers by providing convenient network of operational work supported by policy and authority that are delegated to all employees.
7. Provide convenience to customers through e-banking services accessible 24 hours a day and 7 days a week.
8. Strives to provide products and facilities that are tailored to customers' requirements and to the latest technology developments.
9. Strives to provide product information systems as well as the latest services to the public.
10. Strives to have extensive knowledge to provide financial solutions for customers through a one stop banking products.

Service Culture Internalization

Internalization of the service culture is conducted in all levels of BRI Operating Units, from the Head Office, Regional Offices, Branch Offices to BRI Units through dissemination in the form of video and other programs, including the 'Love the Work Culture and Service Culture' program held at Head Office and Regional Offices. As the largest micro business entity, BRI organized Training and Motivation programs for its Units to uphold the service culture that involved Heads of Units, Unit Supervisors, Customer Services, and Teller Officers.

Risk Awareness Culture

The risk awareness culture is implemented through intensive communications to all elements of organization on the importance of effective risk control. This is realized through:

1. Risk Management dissemination to all employees (risk owners) and to Risk Management Functions (RMF) in all levels of Operating Units.
2. The implementation of RMF in all levels of Operating Units. The RMF lies on the officers that have been appointed to coordinate the implementation of Risk Management in his/her Units, including coordination of risk awareness culture implementation, dissemination of anti fraud culture, and re-dissemination of Risk Management materials.
3. The implementation of Risk Management tools, which include the Operational Risk Management tools such as Risk and Control Self Assessment (RCSA), Key Risk Indicator (KRI), Incident Management, Risk Management Forum, and Maturity Assessment. Whereas the tools for Credit Risk Management include Credit Risk Rating (CRR) and Credit Risk Scoring (CRS) for all of BRI loan segments. The implementation of RMF Forum as a meeting platform between Head of Units with the RMF and the employees to discuss issues related to business and operational activities.

4. Fire drills (BCM) as one form of dissemination of disaster awareness culture in all Operating Units.
5. Letters of guidance and monitoring to all Operating Units related to internal control for significant risk issues that occur in each Unit.
6. Top Risk Issues that listed the most prevalent risk issues in BRI, along with the control that needs to be done by the Operating Units. In 2015, the Top Risk Issue was published three times with the topics of IT Crime, Fraud Risk Assessment, Savings and Loans Product.
7. Business Continuity Management (BCM) Bulletin as a form of dissemination of disaster awareness culture in all Operating Units.

In addition to expanding the knowledge and increasing the risk awareness culture of the employees (risk owners), the Board of Directors has planned and created the risk human resources quality improvement for risk managers, regularly and continuously through:

- a. Issuance of budget on a regular basis, based on the human resource quality improvement program planning and periodic evaluation of its effectiveness.
- b. Improve knowledge and skills of the human resources through training or training on a regular basis that includes monitoring and risk management system.

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Anti Fraud Culture

BRI implements Anti Fraud Culture through the implementation of Anti Fraud Awareness, to induce awareness on the importance of Fraud preventions by all relevant parties. The implementation of Anti Fraud Awareness is reported at every Semester to Compliance Division. Anti fraud awareness is disclosed through the dissemination program and the formulation of anti fraud statement, employee awareness, and customer awareness.

Implementation of Anti Fraud Culture

The implementation of anti fraud culture is implemented based on the Anti Fraud Strategy stipulated in the Circular Letter No. SE S.17-DIR/DMR/07/2015, which is by the application of Anti Fraud Awareness to all BRI employees. The Anti Fraud Awareness is important to raise the awareness regarding fraud prevention by all related parties.

Forms of Anti Fraud Awareness

1. Formulation of Anti Fraud Statement as stated in the Anti Fraud Commitment signed by the Board of Directors, Board of Commissioners and all BRI employees during the Performance Improvement Forum. As a proof of its commitment, the Board of Directors provides zero tolerance to any kind of frauds, both internally or externally.

2. The Know Your Employee (KYE) is a program implemented by the leaders of the operating units to its subordinates, to learn the lifestyle and any changes of pattern.
3. Customer Awareness is conducted through customers' education to raise awareness and prudence in regards to safety of transactions. Other forms of education, among others, are by inviting the Operating Units to disseminate awareness to the frontliners, concerning any forms of extortions that may be done by BRI employees and other modes of frauds.
4. Effective whistleblowing mechanism applied to encourage the employees' participation in violations prevention (including frauds) by reporting to the authority (SMS 08118200600 or by mail to POBOX 1895 JKP 10900).
5. Internal violation is reported in the Company's Annual Report, shown in page 523.

Internal Violations (Internal Fraud)

The Internal violation is reported in the Company's Annual Report, under the Internal Violation discussion.

Implementation of Anti Fraud Strategy**Prevention**

BRI conducted prevention efforts through Prevention Pillars that consists of three prevention initiatives:

1. Anti-Fraud awareness: efforts to build awareness on the importance of fraud prevention by all parties. The Anti-fraud awareness is implemented by the formulation and dissemination of anti-fraud commitment, employee awareness program, and customer awareness program.
2. Vulnerability assessment: refers to the process of identification, analysis, and measurement of operational risk potential and the probability of internal as well as external frauds in all operational activities. The identification results are informed to related parties and are continually updated, particularly with respect to activities where fraud risk is significant.
3. Know Your Employee (KYE): observe the behaviour of employees in operating units.

Detection

The mechanisms for BRI's detection efforts are:

1. Whistleblowing System
2. Continuous Auditing by Internal Audit Unit and Surprise Audit on high risk areas.
3. Functional Review on Anti Fraud Strategy Regulation Compliance in order to strengthen internal control system, in particular Fraud control.

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Investigations and Sanctions Reporting

Investigations are conducted based on:

- Continuous monitoring results
- Continuous auditing results
- Whistleblower reports, which is a violation report
- Management information or requests
- Operating Units information or requests

The Operating Units assign to conduct investigations are:

- a. Internal Audit Unit
- b. Operations Centre Division
- c. Credit Card Division
- d. Adhoc team assigned by the Board of Directors

The investigation activities that are conducted by the abovementioned investigative functions maybe conducted as joint investigation and may involve parties outside the Investigation Unit, by considering their competencies.

The investigation activities are conducted in compliance with the prevailing regulations and procedures.

Based on the investigations, two types of reports are submitted, the internal reporting and reporting to the Financial Services Authority. The reporting to the Financial Services Authority is conducted both periodically and incidentally.

The fraud perpetrators will be sanctioned as stipulated in BRI disciplinary regulation NOKEP: 152-DIR/SDM/05/2009 dated 11 May 2009.

Observations, Evaluations, and Follow Up

BRI has in place the tools intended to monitor and evaluate frauds, as well as the necessary follow-up actions based on the evaluation, which includes:

- a. Monitoring
Implement on every fraud from detection, to the investigation process, disciplinary actions, to the recovery of losses.
- b. Evaluation
Implement through identification of weaknesses and causes of Fraud and determination of corrective measures, and governance in the Incident Management Module of OPRA application.
- c. Follow-up
Carry out by the operating units where the fraud occurs, by the operating units that conducts the disciplinary actions, by the operating units that develops the policy, and by the operating units that monitors the litigation process in accordance with their authority. All operating units work together to improve the weaknesses and strengthen the internal control system in order to prevent the incidents to reoccur.

ADMINISTERING CONFLICT OF INTERESTS

Policy on Conflict of Interests

BRI Conflict of Interest is a derivative of BRI Code of Conduct, stipulated in the Joint Decree of the Board of Commissioners and Board of Directors No. 02-KOM/BRI/05/2012

and S.104DIR/DKP/05/2012 dated 24 May 2012 on the General Guidelines for Administering Conflict of interest in BRI. The policy regulates the form, the cause, the basic principles in the handling process, the stages, success factors, as well as reporting of the transparency and disclosure of conflict of interest. The general policy for the handling of such conflict of interest is the basic provision that serves as a basic reference in the preparation of the provisions of the administration of conflict of interest for some segments of activities, such as the handling of conflict of interest in the procurement of goods and services, decisions on loans, and so forth.

In the case of transactions with possible conflict of interest, BRI's internal and external parties that may have any interests in the said transactions shall not be involved in the decision making process related to the transactions. As such, all parties are prevented from domination of one party against the other party; free from any influence and pressure, hence the decision-making related to the transactions can be carried out objectively. Furthermore, the Board of Directors is also prohibited from holding shares in the BRI affiliated companies or in its subsidiaries.

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Conflict of Interests Transparency

Over the course of 2015, the Board of Commissioners and Board of Directors made no transactions with specific related parties, either directly or indirectly related to the Bank main business activities, which defined as conflict of interest by the Bapepam-LK Regulation No.IX.E. 1 on "Conflict of Interest". Moreover, each member of the Board of Commissioners, Board of Directors and all employees are required to complete the Annual Disclosure related to the disclosure of conflict of interest at every end of year.

PUBLICATION OF FINANCIAL CONDITION TRANSPARENCY REPORT

BRI continuously in compliance with the regulations of the related authorities to fulfill the principles of transparency by creating and publishing various reports on the Bank's financial conditions, as required. In 2015, BRI regularly published Quarterly and Half-year Financial Statements to be reported to the financial authorities and the capital market. In addition, in 2015, BRI has also published the 2014 Annual Report in Indonesian and English versions, which contains information about the Company's performance. The 2014 Annual Report has been submitted to the related authorities and institutions as the Company's commitment to transparency and compliance. Information about BRI's financial condition is also published in newspapers and other print media, and can also be obtained through the BRI website (www.bri.co.id), the Indonesia Stock Exchange website (www.idx.co.id), Bank Indonesia website (www.bi.go.id) and the FSA website (www.ojk.go.id)

BRI Financial Condition Reporting Activity

No	Type of Reports	Publications	
		Media	Date
1	BRI 2014 Annual Report	BRI Website	25 February 2015
		Indonesia Stock Exchange Website	
		Indonesia Stock Exchange	
		ICaMEL: Indonesian Capital Market Electronic Library	
		Financial Services Authority (OJK)	
		The Indonesian Consumer Protection Foundation (YLKI)	16 March 2015
		Fitch Rating Indonesia	
		PEFINDO	
		The Indonesian Bankers Association	
		PERBANAS	
		Regional Banking Association	
		Indonesia Banking Development Institute	
		Indonesia Deposit Insurance Corporation	
		LPEM FE UI	
		LPM UGM	
		Kontan	
		Infobank	
		Investor Daily	

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No	Type of Reports	Publications	
		Media	Date
2	Financial Report	Financial Services Authority (OJK)	
	Year 2014 (31 December 2014 position)	Bank Indonesia	27 January 2015
	1st Quarter 2015 (31 March 2014 position)	Indonesia Stock Exchange	30 April 2015
	2nd Quarter 2015 (30 June 2014 position)	Indonesia Stock Exchange Website	30 July 2015
	3rd Quarter 2015 (30 September 2014 position)	BRI Website	23 October 2015
		Daily Newspapers	
3	Monthly Report Publications *)	BRI Website	
	April 2015		15 May 2015
	May 2015		30 June 2015
	June 2015		31 October 2015
	July 2015		31 August 2015
	August 2015		31 October 2015
	September 2015		30 November 2015
	October 2015		30 December 2015
	November 2015		31 January 2016
	December 2015		

*) In compliance with the FSA regulation, reporting commences on April 2015

TRANSPARANCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS UNDISCLOSED IN OTHER REPORTS

No	Description	Period	Objective	Deadline
1	Monthly Reputational Risk Profile Report	Monthly	RM	Every 10th day of the month
2	RCSA Report	Quarterly	RM	2 weeks after the system has been opened in OPRA
3	3rd Quarter Reputational Risk Profile Report of 2014	Quarterly	President Director	1 week after receiving report from RM
4	Prime Lending Limit Report	Quarterly	BI & FSA (OJK)	Every 8th of the month
5	Functional Work Plan (RKF) Realization Report	Quarterly	Strategic Planning	Every 15th of the month
6	Bank Business Plan Realization Report	Quarterly	Strategic Planning	Every 10th of the month

Funding for Related Party and Large Exposures

Legal Reference

Pursuant to Bank Indonesia regulations, BRI has formulated written policies and procedures regarding Funding for Related Parties or Large Exposures, and/or Funding for other Parties from which conflict of interest may arise. Funding for related parties are provided with the approval of BRI Board of Commissioners.

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Data on Funding

No	Funding	Total	
		Debtors	Nominal/Total Outstanding (Rp. Million)
1	Related Parties	383	3,686,259
2	Main Debtors:	25	90,569,990
	a. Individual	25	89,538,995
	b. Group		

Shares Buyback and/or Bonds Buyback

The Bank has carried out shares buyback for the purchase period up to 31 December 2015. The disclosure is detailed in this Annual Report under the Stock Highlights Chapter in the shares buyback section. With the completion of the buyback program on 12 January 2016, the total number of shares buyback is recorded at 221,718,000 shares with the average purchase price of Rp10,910 per share, bringing the total stock purchases during the buyback period amounted to Rp2.42 trillion.

DISCLOSURE OF HIGHEST TO LOWEST SALARY RATIO

The ratio of highest and lowest salaries per month between the management and the employees of BRI are as follows:

Ratio	2013	2014	2015
Highest and Lowest Salary of Employees	25.66	33.21	39.07
Highest and Lowest Salary of Directors	1.11	1.11	1.11
Highest Honorarium of Commissioners and Lowest of Directors'	1.11	1.11	1.11
Highest Salary of Directors and Highest Salary of Employees	2.40	3.06	1.51
Highest Salary of Directors and Lowest Salary of Employees	-	101.6	59.05
Ratio of Highest Salary of Permanent Employees and Lowest Salary of Permanent Employees	-	-	49.9

GUIDELINES FOR THE VIOLATIONS AND SANCTIONS HANDLING

BRI has a disciplinary regulation that regulates the handling of violations and sanctions stipulated in NOKEP: S. 152-DIR/SDM/05/2009 dated 11 May 2009. The decree regulates the types of disciplinary violations, sanctions for the violations, criteria and categories of violations, as well as the type of disciplinary actions.

SOCIAL AND POLITICAL ACTIVITIES FUNDING

BRI is committed to not provide funding, facilities and resources for the contribution to and/or use in any political activities or similar causes. All employees of the Bank are also discouraged to contribute time, money or resources for his/her political activities. As for charity activities, BRI has its own empowerment and community support channel through its Partnership and Community Development Program that has an extensive and comprehensive social work plan.

ASSETS DECLARATION (LHKPN)

Mechanism of LHKPN

BRI has instructed its Executives to submit their Assets Declaration (LHKPN) according to the Board of Directors Letter No.B.193-DIR/KPS/ 03/2015 dated 31 March 2015 and the Board of Directors Letter No. B.815-DIR/KPS/11/2015 dated 23 November 2015.

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Implementation of LHKPN

Reporting of LHKPN

BRI has instructed its Executive Vice President and Vice President to submit their Assets Declaration (Board of Directors Letter No. B.193-DIR/KPS/03/2015 dated 31 March 2015 and Board of Directors Letter No.B.815-DIR/KP/11/2015 dated 23 November 2015).

- i. The Model-A LHKPN Form is intended for Executives that declare their assets for the first time.
- ii. The Model-B LHKPN Form is intended for Executives that has completed the Model-A LHKPN Form and:
 - Has undergone job rotation and/or promotion.
 - Has completed his/her tenure and/or retired.
 - Has assumed his/her position for two years; or
 - Has been requested by KPK at any time for Assets Declaration investigation.

LHKPN Reporting Data

No	Operating Units	Total LHKPN Subjects	Total Reporting Subjects		Total Subjects that are Not Reported					
			Total	%	Form A		Form B		Total	
					Total	%	Total	%	Total	%
1	Board of Commissioners	8	4	50.00	1	12.50	3	37.50	4	50.00
2	Board of Directors	11	6	54.55	0	0.00	5	45.45	5	45.45
3	PT Bank Rakyat Indonesia (Persero) Tbk.	260	154	59.23	64	24.62	42	16.15	106	40.77
4	Subsidiaries	14	4	28.57	2	14.29	8	57.14	10	71.43
TOTAL		293	168	57.34	67	22.87	58	19.80	125	42.66

PROCUREMENT OF GOODS AND SERVICES SYSTEM AND MECHANISM

The Implementation of Vendor/Contractor Selection and Criteria Policy

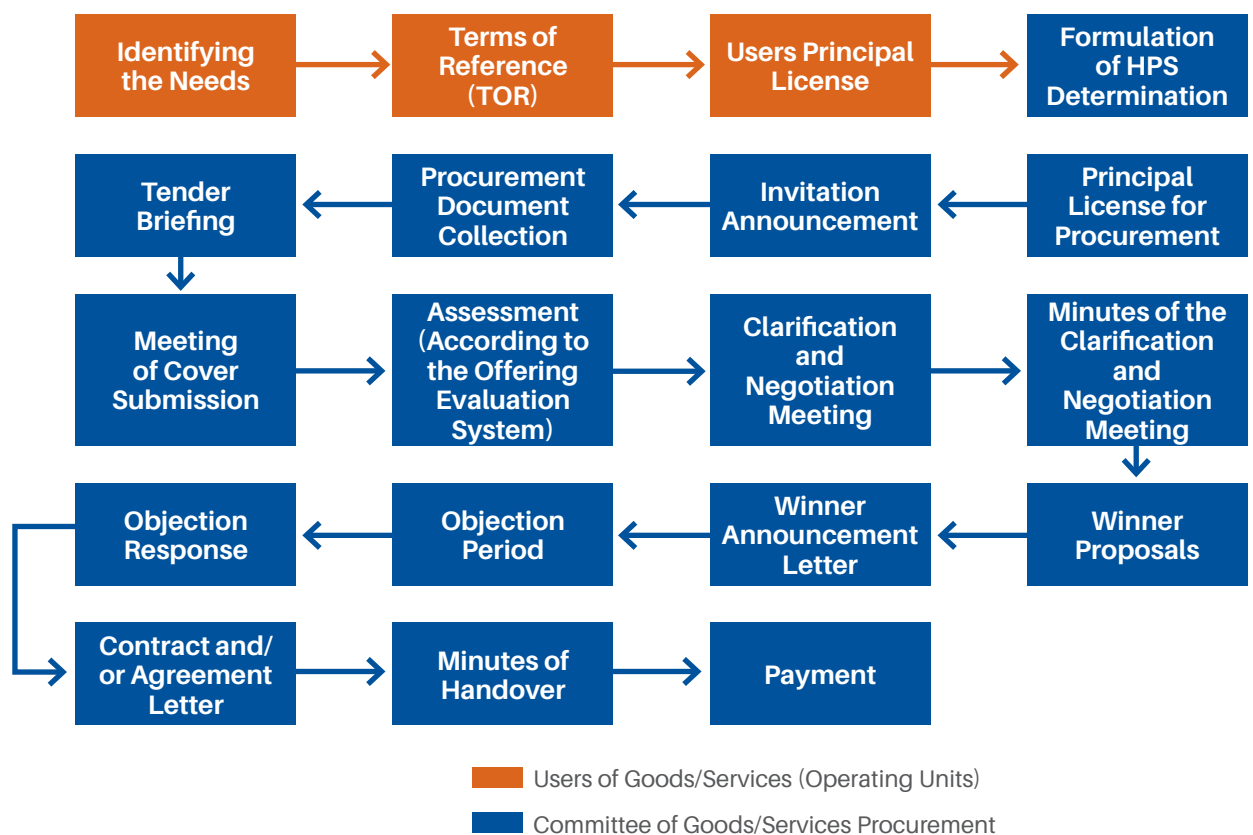
BRI has a list of partners of goods/services that are employed for the procurement of goods/services in BRI. The partners' list is created by vendors' selection that fulfills the qualifications and requirements. The implementation of becoming BRI's partners up to the selection as vendors of goods/services has been conducted transparently based on the stipulated requirements, in order to apply Good Corporate Governance principles.

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The vendors of goods and/or services that become the partners shall have a Certificate of Supplier, which stated the holder registration as a Partner, as the requirements to take part in the procurement of goods and services. The regulation regarding this certificate is stated in the Board of Directors Circular Letter.

Goods and Services Procurement Process



To support BRI's operational activities and to achieve the Bank's target, sufficient facilities, supporting facilities and infrastructure is necessary. To fulfill the required facilities and infrastructures, a procurement process is necessary.

The procurement process is implemented through several methods, among others, self-managed, direct purchasing, direct appointment, direct selection, and open auction. In the procurement process, the proposals evaluation submitted by the Prospective Suppliers of Goods/Services is conducted, to obtain the best quality and price.

To get the best possible match between BRI's needs and the offers from prospective vendors of goods/services, a clarification and negotiation is conducted until a winner has been decided. Upon the winner appointment, BRI allocates an objection period for any parties that aim to submit an objection regarding the procurement, or towards the winner of the procurement. This is implemented to maintain a procurement of goods and services that comply with the principles of Good Corporate Governance.

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Principles in the Procurement of Goods and Services

To enhance the implementation of Good Corporate Governance, BRI also has in place the principles that shall be applied in the procurement of goods/services, as follows:

Efficient

The procurement of goods and/or services shall obtain the most optimum results, in the shortest time possible, by using as minimal as possible funds and resources, in a reasonable and is not based solely on the lowest price.

Effective

The procurement of goods and/or services shall meet the stipulated requirements and provide maximum benefits according to the objectives.

Competitive

The procurement of goods and/or services is open to any vendor of goods and/or services that meet the requirements, and conducted through fair competition between the vendors of goods and/or services that are equal and qualified, based on clear and transparent regulations and procedures.

Transparent

All regulations and information on the procurement of goods and/or services, including administrative requirements, evaluation procedures, results of the evaluation, the selection of candidate vendors of goods and/or services, are open to any interested vendors of goods and/or services.

Fair and Reasonable

Provide equal treatment for all eligible vendors of goods and/or services.

Accountable

Shall reach the target and can be accounted for, to avoid potential misuse and deviance.

Standardization of Goods and Services

The procurement of goods and/or services refers to the guidelines of goods and/or services standardization applied by BRI or other companies.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The company's social responsibility is embodied in the BRI Peduli (BRI for Care) Program that is divided into seven social areas:

1. "Indonesia Cerdas" (Smart Indonesia) – Education
2. "Indonesia Sehat" (Healthy Indonesia) – Health
3. "Indonesia Membangun" (Indonesia Builds) – Public Facilities
4. "Indonesia Lestari" (Sustainable Indonesia) – Environmental Preservation
5. "Indonesia Sejahtera" (Prosper Indonesia) – Poverty Eradication
6. "Indonesia Peduli" (Indonesia Cares) – Natural Disaster
7. "Indonesia Takwa" (Spiritual Indonesia) – Religious

Further details on the basic references, work programs, implementation of the work programs and budget realization, as well as the financial impact are detailed in each social sector for the last five years, under the Corporate Social Responsibility chapter of this Annual Report.

RESPONSIBILITY TOWARDS CUSTOMERS

The customer is one of the stakeholders that have an important role in ensuring BRI's sustainability in the long-term period.

Through the significant roles as customers of savings account, loans and other banking services, the trust and customer satisfaction is an element that shall properly be managed by the Bank.

The policies, procedures or mechanism, implementation, evaluation, and certification as well as awards related to the handling of customer complaints are detailed under the Corporate Social Responsibility Chapter, sub-chapter Responsibility Towards Customers of this Annual Report.

Financial Impacts

Further details on BRI's total investments during 2015 regarding the improvement of service quality and the enhancement of BRI's business network can be viewed under the capital expenditure description in the Financial Review chapter of this Annual Report.

OCCUPATIONAL HEALTH AND SAFETY RESPONSIBILITY

Collective Labour Agreement Policy

The Collective Labour Agreement (CLA) stipulates the terms of employment, the rights and obligations of the Bank and the unions as the result of negotiations and agreements between the Bank and the Bank's unions, which will be applied as a guideline by both parties in implementing the

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employment relationship and as the main reference in case of a dispute in the collective labour agreement.

The agreement is the mandate of Labor Law, which is a reference in fostering harmonious industrial relations between the Bank and its employees. The Collective Labor Agreement discussion is detailed in the Operations Review Chapter, sub-chapter Collective Labor Agreement (CLA).

Work Programs

Legal Reference

BRI has issued a safety and health provisions Nokep: S.01 DIR/KPS/01/2015 to ensure the health and safety of all BRI employees and to reduce the factors that may cause harm, both for the employees and the Company.

Turnover Rate

The data on turnover rate is detailed in the Operations Review chapter, under the Human Resources – Employee Turnover of this Annual Report.

Activities

Activities that have been put into practice are:

- BRI performance assessment and career development is conducted with competence-based, hence the gender factor is not included in the performance assessment and does not impede the employees' opportunities.
- Equal facilities between male and female workers, among others, on Overseas Scholarship program where both genders receive the same family benefits.

- BRI continues to maintain the facilities and infrastructure of the work place, including the work safety factor. In the event of natural disaster, an evacuation and emergency response procedure is applied to ensure workers' safety and business continuity.
- Development of a competitive edge is seen as important, hence in 2015 BRI has established the Corporate University to improve the implementation of Learning Culture.

Employees Composition Based on Gender

The employees composition data based on gender is detailed under the Operations Review chapter, under the Human Resources – Profile of BRI Human Resources of this Annual Report.

Facilities for Employees

Types of Facilities	Permanent Employees	Non-permanent Employees
Salary	Available	Available
Overtime Fees	Available	Available
Health Insurance	Available	Available
Life & Accident insurance	Available	Available
Defined Benefit Pension Plan (PPMP) and Defined Contribution Pension Plan (PPIP)	Available	Not Available
Annual Leave	Available	Available
Grant Leave	Available	Not Available
Short Term Incentives	Available	Available
Education and Trainings	Available	Available
Employee Loans	Available	Not Available

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Medical Check Up Facilities for Employees

Position	Age	Frequency
Executive Vice President, Vice President	No limit	Once a year
Assistant Vice President, Senior Manager, Manager, Assistant Manager, Officer, Assistant	> 50 years old	Once a year
Assistant Vice President, Senior Manager, Manager	< 50 years old	Once every 2 years
Assistant Manager, Officer, Assistant	40 to 50 years old	Once every 2 years

Employees Education

Types of Education organized in 2015 are detailed in the Operational Review section on Human Resources.

Work Safety

The discussion of work safety is elaborated further in the Business Continuity Management Sub-chapter at page 535 of this Annual Report.

Financial Impacts

Throughout 2015 there were costs disbursed for the employees' welfare. The cost is a form of BRI's responsibility towards its stakeholders, in particular the employees. BRI believes that good employee welfare is crucial for an optimum and sustainable company performance.

Labor Costs Components	2015	2014
Salary, Benefits, Incentives and Bonus	14,073,640	12,177,963
Education and Trainings	629,634	682,794
Jamsostek payment (Social Insurance for Private Sector)	433,374	212,997
Health Benefits	302,379	255,068
Pension, Severance Payment, and Pension Preparation	955,664	565,552
Others	204,467	272,048
Total Labor Cost	16,599,158	14,166,422

FINANCIAL CONGLOMERATION

The share ownership in BRI's Financial Conglomeration represents parties that are shareholders in the financial institutions (LJK) in the financial conglomeration up to the ultimate shareholders.

BRI Shareholders (Parent Entity)

Name	%
Government of Republic of Indonesia	57.24
Public	42.76
Total	100.00

Shareholders Registry of BRI Financial Conglomeration

a. BRI Syariah

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	1,957,999,000	99.99
Employees Welfare Foundation (Yayasan Kesejahteraan Pekerja -YKP BRI)	1,000	0.01
Total	1,958,000,000	100

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b. BRI Agro

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	10,013,470,929	87.23
Pension Fund of Plantation	1,044,978,364	9.10
Public	421,266,405	3.67
Total	11,479,715,698	100

c. BRI Remittance Company

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	1,600,000	100

d. BRINGIN LIFE

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	1,626,642,875,000	91.00
Employees Welfare Foundation (Yayasan Kesejahteraan Pekerja -YKP BRI)	160,857,125,000	9.00
Total	1,787,500,000,000	100.00

e. PT BTMU-BRI Finance

Name	Total Shares
The Bank of Tokyo-Mitsubishi UFJ	55
PT Bank Rakyat Indonesia (Persero), Tbk	45

f. PT Pemeringkat Efek Indonesia (PEFINDO)

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	210,000,000	00.21
Other Shareholders	99,790,000,000.00	99.79
Total	100,000,000,000.00	100.00

g. PT Kustodian Sentral Efek Indonesia (KSEI)

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	900,000,000	3.00
Other Shareholders	29,100,000,000	97.00
Total	30,000,000,000	100.00

h. PT Sarana Bersama Pengembangan Indonesia (SBPI)

Name	Total Shares	%
PT. Bank Rakyat Indonesia (Persero), Tbk	536,000,000	8.00
Bank Mandiri & BNI	2,814,000,000	42.00
Other Shareholders	3,350,000,000	50.00
Total	6,700,000,000	100.00

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Management Structure of the Parent Entity and Financial Institutions in the Financial Conglomeration

Management Structure of BRI (Parent Entity)

Commissioners		Directors	
President Commissioner/ Independent Commissioner	Mustafa Abubakar	President Director	Asmawi Syam
Vice President Commissioner	Gatot Trihargo	Vice President Director	Sunarso
Independent Commissioner	Adhyaksa Dault	Director	Agus Toni Soetirto
Independent Commissioner	Ahmad Fuad	Director	Randi Anto
Independent Commissioner	A. Fuad Rahmany	Director	Gatot Mardiwastito
Independent Commissioner	A. Sonny Keraf	Director	Mohammad Irfan
Commissioner	Vincentius Sony Loho	Director	Zulhelfi Abidin
Commissioner	Jeffry J. Wurangian	Director of Compliance	Susy Liestiwaty
		Director	Donsuwan Simatupang
		Director	Haru Koesmahargyo
		Director	Kuswiyoto

Management Structure of BRI Financial Conglomeration

a. BRI Syariah

Commissioners		Directors	
President Commissioner	Indra Kesuma	President Director	Mohammad Hadi Santoso
Commissioner	Hermanto Siregar	Director	Indra Praseno
Commissioner	Komarudin Hidayat	Director	Wildan
Commissioner	Anggito Abimanyu *)	Director	Pardiman*)
Commissioner	Eko B. Suharno*)	Director	Agus Katon*)

*) BRI HR that is appointed as management in the Subsidiary

b. BRI Agro

Commissioners		Directors	
President Commissioner	Bambang Soepeno	President Director	Heru Sukanto*)
Commissioner	Roswita Nilakurnia	Director	Mustari Damopolii
Commissioner	Zainuddin Mappa*)	Director	Zuhri Anwar*)
Independent Commissioner	Achmad Fachmi	Director	Sahala Manalu*)
		Director	Sudarmin Sjamsoe

*) BRI HR that is appointed as management in the Subsidiary

c. BRI Remittance Company

Commissioners		Directors	
Non-Executive Director	Roby Firmansjah S.*)	Executive Director	Gigieh Perkasa *)

*) BRI HR that is appointed as management in the Subsidiary

d. BRINGIN LIFE

Commissioners		Directors	
President Commissioner	Ali Mudin	Acting President Director**	Nandi Hendrian Hamaki

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d. BRINGIN LIFE

Commissioners		Directors	
Independent Commissioner	M Ridwan Rizqi R. Nasution	Director of Finance***	Benny Kaliani
Commissioner	Soni Harsono*)	Technical Director	Sugeng Sudibjo

*) BRI HR that is appointed as management in the Subsidiary

**) Appointed as Acting President Director at the EGMS, effective as of 16 September 2016

***) Appointed as Director of Finance on 17 February 2015, and passed away on 22 December 2015

e. PT BTMU BRI Finance

Commissioners		Directors	
President Commissioner	Edi Masrianto*)	President Director	Hideki Nakamura
Vice President Commissioner	Akihiko Hasegawa	Vice President Director	Hendrickus*)
Commissioner	Edy Utomo*)	Director	Toshio Nabeyama
Independent Commissioner	-	Director of Compliance	Hadi Susanto*)

*) BRI HR that is appointed as management in the Subsidiary

f. PT Pemeringkat Efek Indonesia (PEFINDO)

Commissioners		Directors	
President Commissioner	Syamsul Arifin	President Director	Salyadi Saputra
Commissioner	Erry Firmansyah	Director	Vonny Widjaya
Commissioner	Benecdita Maria Tri Lestari	Director	Yohanes Arts Abimanyu

g. PT Kustodian Sentral Efek Indonesia (KSEI)

Commissioners		Directors	
President Commissioner	Wahyu Hidayat	President Director	Margeret M. Tang
Commissioner	Heri Sunaryadi	Director	Syafuruddin
Commissioner	Ananta Wiyogo	Director	Friderica Widayasari Dewi

h. PT Sarana Bersama Pengembangan Indonesia (SBPI)

Commissioners		Directors	
Commissioner	Henri*)	President Director	Arief Radjasa Wardhana

*) BRI's HR assigned as the Management of Subsidiary

Intra-Group Transactions Policy

- Board of Directors Decree No. B. 73-DIR/DIS/01/2016 dated 22 January 2015 on the Stipulation of Parent Entity and Members of BRI Financial Conglomerate.
- Board of Commissioners Decree NOKEP: 05-KOM/BRI/05/2015 dated 19 May 2015 on the Changes of Membership of the Integrated Governance Committee of PT. Bank Rakyat Indonesia (Persero) Tbk.
- Board of Directors Decree No. 452-DIR/DMR/08/2015 dated 5 August 2015 on the Integrated Risk Management Committee.
- Joint Decree of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/07/2015; No. 339-DIR/DKP/07/2015 dated 28 July 2015 on the Guidelines of Integrated Governance.
- Board of Directors Decree No. 314-DIR/DMT/06/2015 dated 30 June 2015 on the Policy of Integrated Risk Management.
- Board of Directors Decree No. 18-DIR/DMR/07/2015 dated 24 July 2015 on Risk Based Bank Rating.
- Joint Decree of the Board of Commissioners and Board of Directors Nokep. S.17-DIR/AIN/08/2015 and Nokep.08 KOM/BRI/08/2015 dated 11 August 2015 on the Internal Audit Charter of PT Bank Rakyat Indonesia.
- Integrated Risk Profile Self Assessment, in the the Integrated Risk Profile Report.
- Board of Directors Decree No. S.92-DIR/REN/07/2014 dated 23 July 2014 on the Investment Services Division Organization.

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CORPORATE SOCIAL RESPONSIBILITY



12,120

ENVIRONMENTAL CONSERVATION PROGRAM "INDONESIA LESTARI"
MANGROVE TREE PLANTING AT THE
REGIONAL OFFICE OF MAKASSAR
AS MUCH AS 12,120 TREES IN 2015



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Corporate Social Responsibility



“

BRI Corporate Social Responsibility program is conducted to establish a harmonious relationship between the Bank, employees, and communities. A harmonious relationship is one of the preconditions for current business success, and for business sustainability in the long run. In addition to being responsible for business continuity, as the company that established and evolved within the community, BRI also has a commitment to supporting social, environmental, and community livelihoods by prioritizing economic empowerment. This is in line with government programs that are pro-poor, pro-jobs, pro-growth, and pro-environment.

”

PRINCIPLES & COMMITMENT

The implementation of BRI Corporate Social Responsibility (CSR) is not merely based on obligations, but especially driven by the will to move forward and grow with the community. It has become BRI's commitment to give back to society, especially on the achievement of economic independence to resolve and improve the quality of communities' standards of living.

BRI CSR planning and implementation is formulated by taking into account BRI's objectives as a business entity and is balanced by the commitment to the community. The formulation was later determined as a CSR mission, which comprises three basic aspects of the Bank's successful CSR implementation:

CORPORATE SOCIAL RESPONSIBILITY ◀

Corporate Social Responsibility



CSR Implementation is also one of the forms of social investment that have been carried out by BRI along with local communities, as well as many other parties such as the Government, NGOs, and public organizations. As such, in determining its CSR objectives, the Company strives to include reciprocity benefit for all parties. BRI CSR objectives are as follows:

- Creating harmonious relations between the company, employees, and the community.
- Supporting independent, resilient, and competitive small businesses and hence the ability to drive manpower absorption, as well as assisting in professional business management improvement.
- Improving the development scheme for small and medium enterprises (SMEs) and cooperatives to acquire long-term mutual benefit with the Company business through partnership loan transfers and continuous development by emphasizing equalization, independence, professionalism, and ethical aspects.
- Encouraging full participation in the environmental preservation program, and improved community quality of life in education, health and welfare aspects.

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Corporate Social Responsibility



LEGAL REFERENCES

To achieve the CSR program objectives and successful implementation, BRI refers to several legal bases and terms to determine a strong and enforceable foundation for CSR activity planning, targets, and implementation. Below are the legal bases:

1. Republic of Indonesia Law No. 8 of 1999 concerning Consumer Protection
2. Republic of Indonesia Law No. 13 of 2003 concerning Employment
3. Republic of Indonesia Law No. 40 of 2007 concerning Limited Liability Companies
4. Financial Services Authority Regulation No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector
5. State-Owned Enterprises Minister Regulation No. Per-05/MBU/2007 as amended by State-Owned Enterprises Minister Regulation No. Per-08/MBU/2013 concerning Small Enterprises and Community Development Programs

CORPORATE SOCIAL RESPONSIBILITY ◀

Corporate Social Responsibility

ACTIVITY OUTLINES

The implementation and reporting of BRI CSR are established under a social responsibility program based on the terms of the Financial Services Authority, and grouped in four criteria, as follows:

- Responsibility Toward Environment
- Responsibility Toward Occupational Health and Safety (OHS)
- Responsibility Toward Social and Community Development
- Responsibility Toward Customers

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Responsibility Toward Environment

OPERATIONAL IMPROVEMENT THROUGH ENVIRONMENTAL CONSERVATION COMMITMENT

In the banking sector, the direct impact of operational activities on the environment is still relatively low compared to other sectors. However, BRI has a strong commitment to manage and minimize operational risks/impacts on the environment.

In this regard, BRI has a specific division to manage environmental aspects, under the Fixed Asset Management Division and Goods and Services Procurement. This division applies policies, supervision, and strategic monitoring functions. Environmental conservation management in BRI's operational activities is practiced in water efficiency, paper, energy and other natural resources usage.

Below are BRI's environmental responsibility programs in its operational activities:

Paperless System

BRI has a commitment to improve its operational efficiency through efficient paper usage with integrated information technology system support, both for internal purposes as well as improving services for customers. The applications developed to support this commitment are as follows:

BRI Internal Paperless Applications

1. Intranet and internet connected for real-time communications
2. Official Travel Documents (SPJ) for business travel documentation
3. Policy socialization through public folders
4. Attendance monitoring using EDC
5. BRISTARS, which comprises the following technology applications:
 - e-Recruitment, facilities for applicants that aim to join BRI through online applications
 - Assessment digitization, online employee competency evaluations
 - e-Mutasi, automatic process of BRI employees' transfer inter operating units
 - Employee Personal Data, automatic personal data applications
 - e-Cuti, employees on leave application and online approval from a supervisor
 - e-SPJ, electronic Official Travel Documents issuance
 - e-Fasilitas Pinjaman Pekerja - employee loan facility, online loan facility requests
 - e-Jaminan Pemeliharaan Kesehatan - Healthcare Insurance, online submission of claims for medication cost and refunds
- e-Lembur - Overtime, online issuance of Overtime Orders and automatic overtime payment
6. BRI Human Capital (BRIHC), HR business process management
7. Online Performance Management System (SMK Online) for employee performance monitoring
8. Industrial Relations Portal for employee disciplinary violation monitoring
9. e-Pensiun - Retirement, benefits information for normal retirement period
10. e-Corporate Culture, BRI Employee Work Culture implementation monitoring
11. HR Consultation and Information, latest information on HR
12. e-Filing, taxpayer reporting obligations
13. Digital Office, internal correspondence efficiency and effectiveness
14. Online Surveys, customer satisfaction surveys with BRI employees/operating units respondents

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility Toward Environment

Paperless Applications for BRI Customers

1. e-Tax, BRI is the first bank in Indonesia to launch e-Tax
2. e-statement, information through registered emails
3. New account swap, customers' facility to connect loans and current accounts, without having two separate accounts
4. Application of non-printed receipts at ATMs
5. Loan approval system

Electricity Consumption

BRI realizes the high energy consumption in the Bank operations and commits to maintain energy facilities in a stable condition. To this end, BRI issued a electricity consumption saving policy by using energy-saving lighting as well as proper air temperature, by maintaining near zero downtime quality. Furthermore, in the recruitment of operating units, BRI added a technology-integrated server to eventually centralized data management.

Operational Vehicle Utilization

BRI's commitment to maintain clean environment has also been established by using Pertamina fuel for the Company operational vehicles. This is in line with the Government policy issued in 2012 obliging all State-Owned Enterprises' vehicles to use non-subsidized fuel.

Other energy saving efforts applied by BRI were:

1. Fuel efficiency in transportation and document delivery services through paperless banking initiative;
2. Business travel efficiency with the application of teleconferences;
3. Document archives efficiency from hardcopy to softcopy to reduce maintenance and transportation costs.

Managing other Environmental Impacts

BRI's concern on reducing other negative environmental impacts has been shown through many activities, such as:

1. Solid waste management in cooperation with licensed company
2. Using environmentally friendly fire extinguishers (APAR)
3. Replacing chlorofluorocarbon (CFC) Freon with halotron Freon

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Responsibility Toward Environment

INDONESIA LESTARI



In addition to BRI's engagement in the environmentally friendly operations, the commitment to environmental sustainability has also been established by BRI through the Indonesia Lestari Program. This program is focused on two (2) main activities; reforestation and endangered animal conservation. During 2015, the funds allocated to the Indonesia Lestari Program amounted to IDR 2.39 billion. The following are activities in this program:

REFORESTATION PROGRAM

Activity	Location	Total Trees
Jabon Tree Planting	Denpasar	10,000
Tree Planting Reforestation Program Assistance	Sumenep	1,000
Tree Planting Assistance during Tree Planting Day	Kanca Kebumen	600
Earth Celebration (Ngaruwat Bumi) at KBR Radio	Bandung	500
Assistance of 63 Frangipani Trees for Nganjuk District Administration	Nganjuk	63
Indonesia Lestari Tree Planting at BRI Padang Regional Office	Padang	120
Indonesia Lestari Tree Planting at BRI Jakarta 1 Regional Office	Rawamalang Forest	1,030
Indonesia Lestari Tree Planting at BRI Surabaya Regional Office	Surabaya City Park	16,312

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility Toward Environment

Activity	Location	Total Trees
Indonesia Lestari Tree Planting at BRI Yogyakarta Regional Office	Wonosobo and Bantul	1,058
Indonesia Lestari Tree Planting at BRI Semarang Regional Office	Salatiga, Rembang, Jepara, Brebes	12,050
Indonesia Lestari Tree Planting at BRI Denpasar Regional Office	Buleleng	1,200
Indonesia Lestari Tree Planting at BRI Jayapura Regional Office	Sorong	300
Indonesia Lestari Tree Planting at BRI Medan Regional Office	Medan	360
Indonesia Lestari Mangrove Tree Planting at BRI Makassar Regional Office	Takalar	12,120
TOTAL		56,713

ENDANGERED ANIMAL CONSERVATION

Activity	Location	Total Values
Balinese Starling Revitalization Program	Bali Barat National Park	123,597,177
Elephant Conservation through Water Tower and Installation Provisions	Way Kambas National Park	120,000,000
Orangutan Conservation through Cage Installation	Pematang Siantar Zoo	63,740,000
Adoption and Release of 150 Turtle Hatchlings	Kuta Beach	76,401,100

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Responsibility toward Occupational Health and Safety (OHS)



EMPLOYMENT

BRI continuously maintains good relationships with all of its employees through an agreement formulated in the Collective Labour Agreement (CLA). In 2015, a new CLA was formulated and will be applied until 2017. The agreement also regulates the relationship between the Company and the BRI Workers Union.

BRI provides opportunities for locals to become part of the BRI family through the Staff Development Program (PPS) and Staff Resident Development Program (PPRS). Since 2011, this program has been available throughout the most remote areas of Indonesia, especially in Nusa Tenggara Timur, Maluku and Papua.

All BRI employees are protected by the issuance of Employment Decree, which consists of the employees' rights and obligations. BRI also ensures that the remuneration and allowances provided are in accordance with the prevailing Provincial Minimum Wage. One of the forms of employees protection is BRI's employment guarantee for female employees that are taking maternity leave. The guarantee is also provided for employees that perform the hajj.

Moreover, BRI also provides benefits for employees' retirement (Karyawan Purna Bakti). The benefits are in the form of BRI Pension Fund, which is regulated based on the terms in the Board of Directors' Decree by using a Projected Unit Credit Method.

Benefit programs for employees' retirement comprise:

- Fixed Benefit Retirement Program (PPMP)
- Fixed Premium Retirement Program (PPIP)
- Annuity Program (THT)
- Pension Plan Program (JHT)
- Employment Social Security Agency (BPJS)
- Retiree Healthcare Program (Prospens)

OCCUPATIONAL SAFETY AND HEALTH (OHS)

BRI is committed to provide wellbeing of its Employees. In addition to remuneration, providing a comfortable, safe, and healthy work environment is one of BRI's major concerns. The terms of Occupational Safety and Health (OHS) are stated in the OHS management regulation within the Collective Labour Agreement (CLA) Chapter IX, concerning Work Protection.

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Occupational Health and Safety (OHS)

The risk management of work accident in the banking industry is different to other industries, such as mining. Nevertheless, OHS in the workplace and in multi-story buildings still warrants serious attention. Even though BRI has no special committee on OHS yet, the Bank has identified relevant work accident risks and management methods.

OCCUPATIONAL ACCIDENT RISK MANAGEMENT IN BRI

Business Areas	Non Business Areas
Multi-story buildings, home offices, store offices, as well as e-channel based mobile operating units.	Locations of project development and customer visit supervision.
• OHS implementation is facilitated by Building management authority • Regular training and information in evacuation procedures from multi-story buildings • Basic training in the use of fire extinguishers • Drill for security officers on rescuing victims from a building • Facilities equipped with relevant and adequate basic safety equipment, including O2 tube, first aid kit, emergency slide at exit window • Supply of two ambulances at Head Office and cooperation with BRI Medika (BRI subsidiary)	• OHS implementation is facilitated by the project manager • Regulation for all employees to join safety induction • Provision of work accident insurance policy for all employees, which comprises personal accident and Work Accident Security program

On health aspect, BRI provides general medical check-ups and health insurance facilities to ensure health security for all employees. In 2015, BRI has also implemented a work-life balance concept, by providing nursery rooms, day care, and group exercise sessions at its Head Office and in several Regional Offices. For employees with mild disabilities, BRI provides appropriate positions based on abilities and provides general medical check-ups and health insurance.

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Responsibility toward Social and Community Development

BRI demonstrates Responsibility in Social and Community Development through two (2) main activities:

- Environment Development Program - BRI Peduli
- Partnership Program

COMMUNITY DEVELOPMENT PROGRAM - BRI PEDULI

In consideration of State-Owned Enterprises Minister Regulation No. PER.09/MBU/07/2015 dated 3 July 2015, and the Board of Directors Circular Letter NOSE. S.32-DIR/SKP/11/2013 dated 29 November 2013, concerning the Implementation of Community Development Program of PT. Bank Rakyat Indonesia (Persero) Tbk, the BRI Community Development conducted in 2015 was focused on productive small business sector development. The assistance distributed to the productive sector is expected to provide optimum impact to drive community living standards.

The development of productive small businesses was conducted through training and business mentoring, in cooperation with many competent parties. Moreover, BRI also conducts development and/or business supporting infrastructure improvement as well as grants business facility tools to business actors. To obtain optimum and well-targeted benefits, the grants are distributed by considering the suitability between Environmental Development objectives, proper budgets proposed by the small businesses, and assistance priority considerations as well as the benefit for communities.

Furthermore, aside from the engagement in a community's economic level improvement, BRI through its Community Development also takes a role in improving the quality of education in Indonesia. Through a scholarship program as well as educational assistance facilities, BRI enables Indonesian students to access a better education. BRI provides special priority to underdeveloped regions or to educational institutions that have limitations in providing adequate educational facilities.

In general, the Community Development Program is aimed at seven (7) sectors: Education, Health, Public Facilities, Religious Facilities, Nature Conservation (a discussion on nature conservation can be found in the sub-chapter of Responsibility toward the Environment), Natural Disasters, and Social Assistance for Poverty Eradication. On public communications, the Community Development Program is known as the BRI Peduli program with the tagline "BANGGA BERINDONESIA - PROUD OF INDONESIA".

BRI Peduli Diagram



CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Social and Community Development

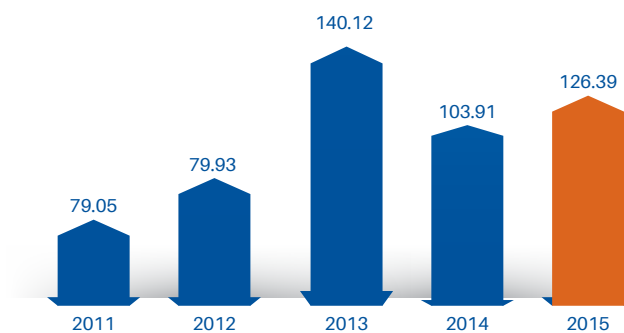
REALIZATION OF ENVIRONMENTAL DEVELOPMENT PROGRAM DISBURSEMENT - BRI PEDULI

To achieve equal and well-targeted disbursement, the operating units across Indonesia carry out BRI Peduli activities in the hope of benefiting all communities including in remote areas. In 2015, BRI succeeded in disbursing BRI Peduli program funds of Rp126.39 billion, increased by 21.63% compared to Rp103.91 billion in 2014.

BRI Peduli Program Realization

(Rp Million)

No.	Type of Program	2014 Realization	%	2015 Realization	%	% from the previous year
1	Indonesia Cerdas	29,483	28.37%	31,029	24.55%	105.25%
2	Indonesia Sehat	22,705	21.85%	17,452	13.81%	76.86%
3	Indonesia Membangun	12,017	11.57%	31,397	24.84%	261.26%
4	Indonesia Lestari	4,057	3.90%	2,387	1.89%	58.83%
5	Indonesia Sejahtera	12,695	12%	23,546	18.63%	185.48%
6	Indonesia Peduli	6,089	5.86%	3,194	2.53%	52.46%
7	Indonesia Takwa	16,864	16.23%	17,385	13.75%	103.09%
Total		103,910	100.00%	126,391	100.00%	121.63%



Realization of BRI Peduli Program for the last 5 years

(Rp Billion)

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Responsibility toward Social and Community Development

Below are the Community Development activities under BRI Peduli programs that were performed during 2015:



INDONESIA CERDAS

Indonesia Cerdas is a BRI Peduli program in the education sector. During 2015, the BRI Peduli program realization in this sector was Rp31.03 billion, an increase of 5.24% from the previous year's realization. Several programs conducted in this sector are as follows:

Teras Usaha Mahasiswa Program (Student Business Terrace Program)

This activity selects the best students at University level to be creative and innovative entrepreneurs, as well as able to create job opportunities especially in their regions. The Teras Usaha Mahasiswa Program is divided into three (3) categories:

- Creativepreneur
- Technopreneur
- Sociopreneur

By engaging many parties competent in their sectors, Teras Usaha Mahasiswa Program is conducted in 6 cities: Jakarta, Bandung, Yogyakarta, Denpasar, Makassar, and Medan. From each city, 3 teams of winners are selected, hence a total of 18 teams received business development mentoring and coaching. The budget allocated for this program was Rp2,681,969,950.

Berbagi Buku Untuk Sahabatku Program (Book Sharing for My Best Friend Program)

This program has been implemented since 2013. Previously the activities were limited to BRI employees participating in book donations. In 2015 the activity was intended to involve customers to participate in this program. Following the donations, the books are provided to schools in need, in the surrounding area of BRI operating units. In 2015, a total of 34,264 books were collected.

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Social and Community Development

Productive Business Training Program

Productive Business Training is education/training for the community, especially micro, small and medium enterprise (MSME) entrepreneurs, which aimed to improve ability in production capacity. The trainings that have been conducted are:

Types of Training	Location
Seminar, Training and Exhibition of NTT Ikat	NTT
BRI and Kontan Export Workshop and Sales Coaching	Denpasar
Business Opportunities during Crisis Entrepreneurship Education Workshop	Jakarta
Capacity Building Training in cooperation with PD Pasar Jaya	Jakarta
Entrepreneurship and Simple Bookkeeping Training	Jakarta
Training and Mentoring of MSME in relation to Synergy CSR Program of BRI - ASEPHI DKI Jakarta with a Program named "Export Craft Championship"	Jakarta
Selayar Region Featured Product Development Training	Selayar
Eel Cultivation Business Training at Brilian Institute in Banyumas District	Ajibarang

Scholarships for Indonesian Children

The scholarship program is one of BRI's contributions to improve education for Indonesian children. In 2015, BRI has distributed scholarships cooperated with several parties, such as:

Scholarship Programs	Total Beneficiaries	Total Values
IAIN Antasari Cooperative Scholarship Program	25	37,500,000
Universitas Palangka Raya Cooperative Scholarship Program	25	120,000,000
Law and Human Rights Ministry - Dharma Wanita Association Cooperative Scholarship Program	46	41,400,000
Yakespen Cooperative Student Scholarship Program	500	2,304,000,000
Paskibraka Appreciation Scholarship Program	100	250,000,000
Strada Association Cooperative Scholarship Program	200	200,000,000
Universitas Terbuka Cooperative Scholarship Program	554	2,632,800,000
IKIP PGRI Madiun Cooperative Scholarship Program	35	126,000,000
Politeknik Negeri Bengkalis Cooperative Scholarship Program	100	30,000,000



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Responsibility toward Social and Community Development



INDONESIA SEHAT

Indonesia Sehat is BRI's means of engagement to support a Healthy and Prosperous Indonesian society through Community Development in the health sector. In 2015, the budget disbursed in this sector reached Rp17.45 billion. The activities conducted through this program were:

Healthcare Program

The healthcare program is conducted in cooperation with many parties, in the form of general examinations and free surgery. Several activities that have been and will be performed are as follows:

Activities	Location	Total Values
Free Medication and Mass Circumcision	RSUD Meuraxa	75,000,000
Mass Circumcision assistance at Santosa Hospital Bandung Kopo	Bandung	50,000,000
Mass Circumcision assistance at DKM Baabul Haqqi SMAT Krida Nusantara Bandung	Bandung	35,000,000
Free medical check-ups for the community in Kali Adem, Muara Angke	Jakarta	304,716,000
Health care for Jakarta Flood Victims in cooperation with BRI Medika	Jakarta	263,520,000
Free Cataract Surgery social service at Puri Cinere Hospital	Jakarta	73,500,000
Free medical check-ups and medication for Trader Members of Kebayoran Market Cooperative	Jakarta	19,000,000
Free medication for underprivileged in Pontianak	Pontianak	263,943,053
Social Service Assistance for Cleft Lip and Palate Surgeries in Luwu Timur District, South Sulawesi, by FKG Universitas Indonesia	South Sulawesi	25,000,000

Health Facility and Infrastructure Assistance Program

Health facility assistance comprised grants and or supporting facility construction provided to competent institutions, covering:

- 37 Ambulances
- 3 Rumah Sehat Amira

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Social and Community Development



This sector covers the distribution of the BRI Peduli program's support for public facilities. The development of public facilities is designed for sectors that have direct impact and involve the public interest. Budget realization that has been provided for Indonesia Membangun amounted to Rp31.40 billion, which covered:

BRI Peduli for Community Markets

As the Bank with the largest target market in the micro sector, BRI is concerned about the role of traditional markets in driving the economy. To drive traditional market function optimization, BRI Peduli cooperates with local government to conduct market revitalization programs, including the following activities:

Types of Activity	Location	Total Values
Development of Entrance Gate at Kota Raya Bima Market	Raba Bima	148,877,000
Renovation of Sanitation Facilities at Kota Bandung Market	Bandung	50,000,000
Terrace Tent Assistance at Alun-Alun Kota Puruk Cahu Market	Puruk Cahu	149,000,000
Development of Fishermen's Business Terrace	Tegal	1,472,000,000
Renovation of Facilities and Infrastructure at Km 5 Palembang Market	Palembang	93,422,000

Construction of Clean Water and General Sanitation Facilities

Water is one of the most important elements to support life on earth. To assist the community to obtain clean water needs, through Indonesia Membangun, BRI Peduli conducted development and/or provided grants for supporting facilities of the community, such as:

Type of Activities	Location	Total Values
Water Reservoir Construction Assistance	Selong	28,990,000
Clean Water Pipeline Construction Assistance	Sukabumi	50,000,000
Water Tanker Assistance	Lamongan	314,000,000
Water Reservoir Grant Assistance	Kediri	60,000,000
Clean Water Pipeline Construction Assistance in Territorial Invasion Program 2015	Nganjuk	166,000,000
Clean Water Installation Assistance	Gunungkidul	198,221,133

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Responsibility toward Social and Community Development



The Community Development Program in the social assistance sector for poverty eradication is known as the Indonesia Sejahtera Program. Budget realization disbursed in this sector in 2015 was Rp23.54 billion. The implementation was realized in the following several Work Programs:

Activities	Total	Total Values
BRI Peduli My House Terrace Program	176	6,572,804,949
Free Basic Needs (Sembako) Sharing Program	45,326 Packages	9,065,138,752
Development of Temporary Kiosks for Klewer Market Fire Victims	400 Units	3,456,810,000
Public Welfare Improvement Assistance on the Border through Planting and Utilizing the Moringa (Kelor) Tree	1 Package	905,700,000



CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Social and
Community Development

INDONESIA PEDULI

This program is BRI's form of awareness of Natural Disaster victims. In 2015, BRI Peduli disbursed Rp3.19 billion to disaster victims in several areas, as listed below:

Contributions	Location	Total Values
Drought Emergency Response	Yogyakarta, Jakarta, Semarang, Kebumen, Rembang, Banjarnegara, Sragen, etc	337,554,000
Flood Emergency Response	Kutoarjo, Langsa, Kuala Simpang, Lhoksumawe, Bandung, Martapura, Dompu, Jakarta, Sanggau, Indramayu, etc	526,661,644
Landslides	Banjarnegara, Soreang	186,740,250
BRI Peduli for Smog Victims	Pekanbaru, Banjarmasin, Padang, Jambi, Palembang, Medan	1,228,675,500



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Responsibility toward Social and Community Development



To fulfill spiritual needs in Indonesian society, specifically in terms of worship, BRI has contributed to the construction or renovation of worship facilities, including support to several religious activities. The realization in this sector was amounted to Rp17.39 billion, disbursed for the following programs:

- a. Series of Ramadhan Activities
 - Collectively breaking the fast with 3,500 Orphans
 - BRI Ngebuzz Bareng
- b. Development of Religious Buildings
- c. Religious Facility Grants



CORPORATE SOCIAL RESPONSIBILITY ◀

Partnership Program



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BRI's Mentoring Partners have the opportunity to acquire training and entrepreneurship competency according to their type of business, add knowledge and participate in exhibitions for product marketing opportunity

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In 2015, the Partnership Program especially Partnership Program Loans experienced a policy change. The loans threshold increased from Rp50 million to Rp75 million for individual debtors, and further was an adjustment to business requirements, i.e. maximum business annual income of Rp2.5 billion and maximum business assets of Rp500 million. This adjustment was performed to accommodate small and micro business Partnership Loan target markets that can become embryos for entrepreneurship.

BRI conducts Partnership Program fund disbursement through two schemes:

- Soft loans
- Mentoring development grants

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Partnership Program

The objective of soft loan distribution is to assist the growth and development of community economic potential in the surrounding areas of the BRI Operating Units, hence to create the communities' economic skills to improve the standard of living through the practiced productive business. Following the soft loans disbursement, the mentoring partners can be granted mentoring development grants, which aimed to assist on entrepreneurship competency improvement, through education, training, or product marketing, such as exhibitions.

To ensure the Partnership Program fund disbursement provides good and optimum impact for the community as well as the Company's business, BRI applies the following general policies in realizing Partnership Program fund allocation:

- The prioritized prospective partners of commodity criteria that will be granted, among others are commodities that utilize surrounding potential, commodities of choice in the regions, and commodities that are able to absorb manpower or are labor intensive.
- The Partnership loans disbursement is conducted selectively, considering the prospective partners conditions, such as character, entrepreneurial spirit, social and cultural conditions.
- The selection of prospective partners is conducted transparently and objectively, to cover small businesses as well as individuals, including groups and cooperatives that have the potential to be built into prospective commercial customers.
- Conducted to assist community economic improvement and in compliance with the State-Owned Enterprises Ministry Regulations.

By adhering to all internal policies, generally the types of businesses that will be supported are small-scales and newly developed, with limited knowledge in marketing and skills to improve business development.

To that end, BRI disburses Partnership Program assistance through two schemes, to develop the Mentoring Partners' business and eventually to become small and medium enterprises, and further to become large enterprises with better economic prospects, which will enable them to become BRI loyal customers.

The scope of Mentoring Partners' business sectors aimed as the target of Partnership Program disbursement is consisted of several areas, such as agriculture, fisheries, farming, trade, industry and services. The general requirements to become BRI prospective partners are as follows:

- Mentoring Partners' Assets do not exceed Rp500 million, not including land and buildings
- Maximum annual business turnover of Rp2.5 billion
- Non-bankable

CORPORATE SOCIAL RESPONSIBILITY ◀

Partnership Program

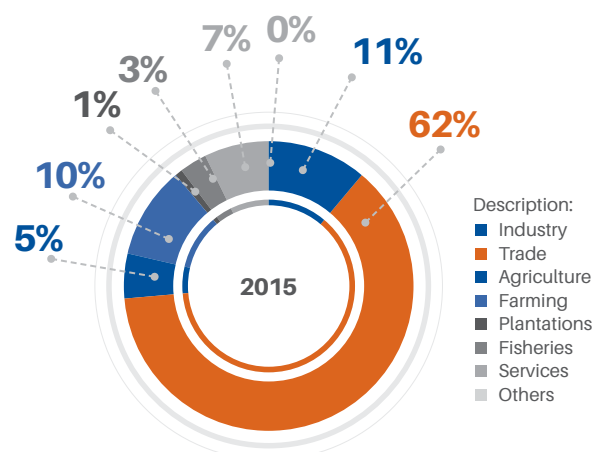
DISBURSEMENT REALIZATION

In 2015, the partnership fund realization for small economic empowerment was Rp46.39 billion to individuals and the BRI Mentoring Partners' business group. The development fund disbursement through SOE synergy cooperation was amounted to Rp 8.07 billion. The total development funds disbursed to mentoring partners in 2015 amounted to Rp33.6 million. The increased in 2015 allocation was due to better management and marketing, such as cooperation through SOE synergy method hence to achieve the objective of the Partnership Loan in improving the community economic empowerment.

Partnership Program funds realization for the last two years:

Business Sectors	2014 Realization	%	2015 Realization	%
	(Rp Billion)		(Rp Billion)	
Industry	1.95	6.78%	5.15	11,11%
Trade	17.97	62.66%	28.90	62,29%
Agriculture	2.40	8.36%	2.40	5,18%
Farming	2.01	7.02%	4.79	10,32%
Plantations	0.96	3.33%	0.41	0,89%
Fisheries	0.83	2.88%	1.54	3,31%
Services	2.57	8.97%	3.20	6,90%
Others	0.00	0.00%	0.00	0,00%
Sub total	28.67	100%	46.39	100%
SOE Synergy	-		8.07	
Development Fund	0,172		0.03	
Total	28.84		54.50	

Partnership Program Fund Distribution Composition per Sector in 2015 is as follows:



*) Distribution of Plantation Sector including SOE Synergy with PT RNI (Persero)

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Partnership Program

Development of Partnership Program Fund Distribution

Activity	Realization Year		
	2013	2014	2015
Partnership Loans	130,060	28,670	54,467
Partnership Development	1,256	172	34
Total	131,316	28,843	54,501

Total Mentoring Partners *			
2013	2014	2015	
3,723	668	1,347	

*Total Mentoring Partners in place

PARTNERSHIP LOANS DISBURSEMENT METHOD

Partnership loans disbursement to prospective partners was structured as bank loans. The prospective partners introduction is done in several aspects, comprising product of choices introduction, creative processes to add product value, availability as well as the ability to employ local people.

The Mentoring Partners that has received Partnership Loans to implement and develop their businesses also received mentoring program funds. The mentoring assistance is provided in the form of entrepreneurship coaching and mentoring from BRI or an appointed third party, free of charge. Following the completion of this assistance, the mentoring partners are expected to independently commencing business development and able to access bank financing through commercial schemes.

Partnership Loans is disbursed through a Cluster Development/Approach Pattern. A cluster is a group of mentoring partners with similar types of businesses, which are based in a certain business area.

The approach or development of business clusters in the Partnership Loans disbursement provides many benefits, including the efficiency and effectiveness of the development program, assistance in program time efficiency, administration and supervision, product marketing efficiency, production process efficiency, and so forth. Considering the benefits, BRI is increasingly concentrated in the disbursement of Partnership Loans through this cluster development scheme or approach.

PEMBINAAN KEMITRAAN

To support and ensure business growth of mentoring partners, BRI also provides partnership mentoring funds assistance for education, training, internships, marketing, promotions, and other programs that will increase the mentoring partners' productivity or business development.

With this support, mentoring partners have the opportunity to access training and entrepreneurship competency development based on their businesses, increase knowledge, and participate in exhibitions to expand product marketing.

Mentoring Partners Exhibitions

No	Exhibition	Dates	Location
1	Nusantara Batik Exhibition	June 24-28, 2015	Jakarta Convention Center
2	Finance Ministry - Dharma Wanita Association Ramadhan Bazaar	July 1-3, 2015	Dhanapala Building, Finance Ministry, Republic of Indonesia
3	BRI Ramadhan Bazaar	July 6-10, 2015	Sentra BRI Building Sudirman

CORPORATE SOCIAL RESPONSIBILITY ◀

Partnership Program

**Haji Mulyadi's Successful Partnership with BRI**

H. Mulyadi's alabio duck business was founded in 1989, began with his experience in helping out his parents when he was 15 years old. He started his own business with only 20 alabio ducks and one cage in Hambuku Hulu village, Alabio Amuntai.

As time went on, his alabio duck business developed. The business produces eggs for consumption, hatching, and farming. Because of his hard work, H. Mulyadi's alabio ducks are well-known in the local community and among people from other regions for their good quality and durability, especially eggs for consumption. The production per day is 1,100 eggs on average, and each week H. Mulyadi sends about 2,000 eggs on average outside his local region.

To develop his farming business, in 2014 H. Mulyadi acquired Partnership Loans from BRI amounted to Rp50 million. He used the credit to renovate the existing cage and added two more cages.

H. Mulyadi's farming business has not always run well, as he sometimes suffers losses due to diseases, or disturbances between seasons that can hamper the ducks' ability to produce eggs, or even cause demise. Efforts to prevent diseases include using traditional medicine or accessing treatment from the closest Farming Office. With his perseverance, relentless learning, and frequent consultations with the Farming Office, the business has survived.

Duck farming results in a sufficient living for H. Mulyadi's family. The eggs can be sold for Rp2,300 each. Hence, on average, his hatching ducks produce eggs worth Rp2,530,000 per day. This is why H. Mulyadi and his staff work hard to produce the best products.

H. Mulyadi's alabio duck business has grown and produces quality products. The business has also improved H. Mulyadi and his workers' economic situations. The duck business has created job opportunities for local people, and has absorbed six workers so far. It is possible that duck farming could create more jobs for people in the area.

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Responsibility toward Customers



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The creation of loyalty through customers' trust and satisfaction are BRI's objectives in providing banking services. This is based on the fact that customers are one of the stakeholders with an important role in ensuring BRI's business sustainability. To that end, BRI continuously manages and increases its service quality for customers, including loans and savings customers, as well as other banking services.

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BRI's customers are part of a broad community as stakeholders of the Company. To that end, BRI is committed to implement the company's responsibility to its customers, as part of fostering a harmonious relationship and to increase the company's value for stakeholders. This commitment is strengthened with several regulations and stipulations that cover the customers' responsibilities, which are:

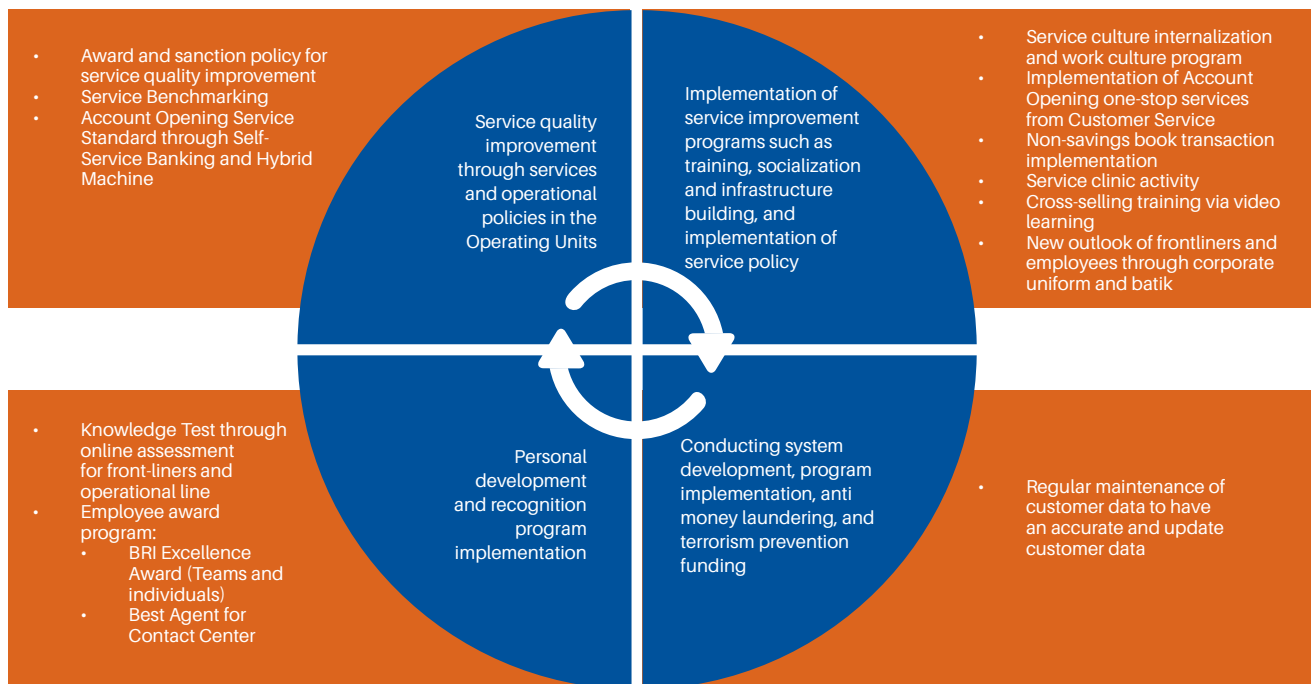
- Bank Indonesia Circular Letter No. 16/16/DKSP dated 30 September 2014 regarding the Implementation Procedure of Customers Protection on Payment System Services.
- Financial Services Authority Circular Letter No. 2/SEOJK.07/2014 regarding Services and Settlement of Customers' Complaints towards Business Services Communities.
- BRI Board of Directors Decree No. S.15-DIR/LYN/06/2015 regarding the Revision of Policies and Procedures on the Settlement of Customers' Complaints of PT Bank Rakyat Indonesia (Persero) Tbk.

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Customers

CUSTOMER SERVICE POLICY

In an effort to provide quality services and deliver responsibility to customers, BRI stipulates a service policy as described in the below diagram:



BRI realizes that customers' trust is a major form of capital for the bank to grow. To that end, BRI implemented a customer data confidentiality policy as a priority. This commitment is aligned with Bank Indonesia Regulation No. 7/6/PBI/2005 regarding the Bank Product Information Transparency and the Use of Customers' Personal Data; and Bank Indonesia Regulation No. 16/1/PBI/2014 regarding Payment System Services for Customers' Protection. In addition, the Company Policy No. B.425-LYN/KPO/05/2015 dated 5 May 2015 regarding the Bank's Confidential Technical Guidelines, Blocking, Foreclosure, as well as highlighting BRI customers' data protection.

BRI SERVICES CULTURE - CAKRAM

The service policy for BRI customers is also outlined in service guidelines called BRI Services Culture or CAKRAM, which consists of:



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- ▶ OPERATIONAL SUPPORT REVIEW

- ▶ CORPORATE GOVERNANCE REPORT
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Responsibility toward Customers

Cepat

- ▶ Serving customers promptly in accordance with Service Level Agreement with due observance to prudential principle
- ▶ Responding to customer complaints immediately in accordance with Service Level Agreement with a win-win solution

AKurat

- ▶ Recording customer transactions accurately
- ▶ Providing customers with information supported by an integrated system

Ramah

- ▶ Making family values as BRI characteristic in providing services to customers through Personal Touch
- ▶ Providing positive impression to the customers through attitude, courteous way of speaking and attractive appearance
- ▶ Communicating with familiarity and professional

Aman

- ▶ Provide a sense of security to customers with a reliable support system and utilize the professional and high integrity Human Resources
- ▶ Maintain confidentiality of customer data
- ▶ Conduct customer financial records regularly and properly
- ▶ Always maintain the safety and security of all things entrusted by customers

nyaMan

- ▶ Providing facilities and infrastructure that are clean, tidy and well maintained as well as pleasant environment
- ▶ Providing infrastructure that continues to function according to the customers' needs

CUSTOMER COMPLAINT-HANDLING SERVICE

BRI accepts customer complaints within 90 (ninety) calendar days from the date of the transaction of the customers' complaints. A Service Level Agreement to resolve customer complaints is stipulated as a maximum of 20 (twenty) working days after a complaint is received by BRI. Each complaint will be recorded and analyzed as the evaluation of this service.

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Customers

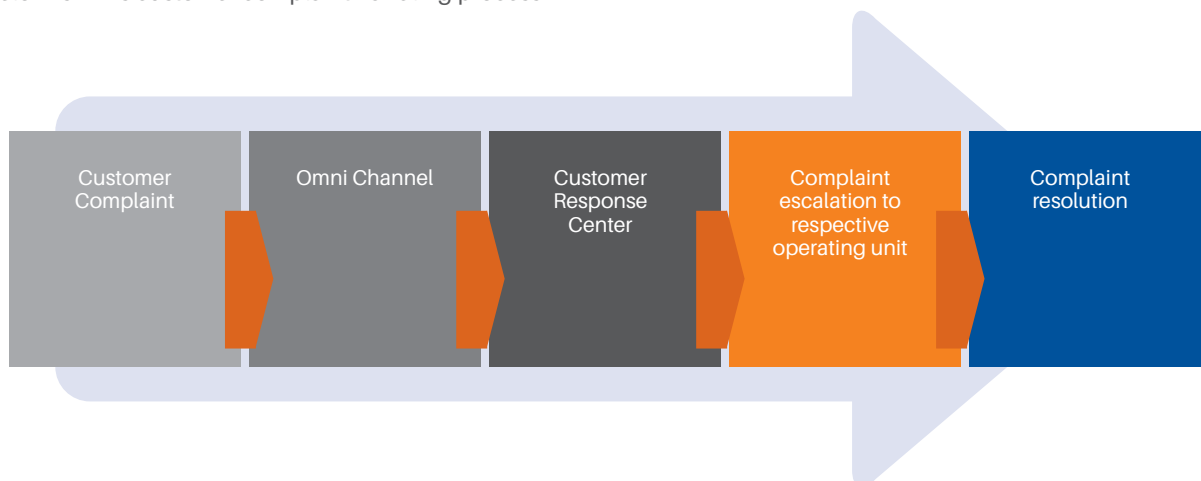
The Customer Complaint Service has several customer complaints settlement functions, which include:

- Customer complaint acceptance
- Customer complaint settlement and handling
- Customer complaint monitoring
- Customer complaint settlement reporting

To improve service and trust in customer complaints, BRI implements a product information access and services improvement program, in the form of the BRI Omni Channel. The BRI Omni Channel is a structure where BRI customers can obtain complete information relating to BRI services and products, and forward their complaints through the available channels, which are:

1. Face-to-face Customer Service at all BRI Operating Units
2. Telephones: 14017, 1500017, and 021-57987400 / Premium calls through 021-5758899 and 08001017017
3. Webchat: website www.bri.co.id
4. Email: kartu_kredit@bri.co.id and contact_center@bri.co.id
5. Internet banking at <https://ib.bri.co.id>
6. Twitter at @kontak_bri
7. Facebook at BANK BRI Official
8. Whatsapp and SMS: 08121214017

Below is BRI's customer complaint handling process



COMPLAINT SETTLEMENT

BRI strives to improve banking services for the community. Nevertheless, all complaints and input received are responded to seriously and the best solution is sought for customers. For BRI, customer complaints and input are crucial information for the Bank's business improvement. Below is complaint data, follow-up, and customer complaint settlements until 2015.

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Responsibility toward Customers

Period	Complaints Received	Complaints Followed up	Complaints Solved
2012	168,672	168,672	165,192
2013	142,309	142,309	130,979
2014	391,911	391,911	348,319
First quarter of 2015	164,223	164,223	144,229
Second quarter of 2015	152,455	152,455	137,396
Third quarter of 2015	149,820	149,820	139,792
Fourth quarter 2015	160,349	160,349	147,416

* Complaints that are being processed will be followed up in the next period

Meanwhile, 2015 complaint type data is as follows:

Complaint Types	Total Complaints	Complaints Solved
Finance	626,847	613,914
Information availability	680,499	676,355
Customer Privacy	-	-
Non-Finance	996,569	947,553
Service Quality	436	430
Others	59	59
Total	2,304,410	2,238,311

CUSTOMER SATISFACTION SURVEY

To acknowledge service quality development for its consumers, BRI conducts periodic customers surveys. The results are used as a reference to improve BRI's service quality, hence customers' satisfaction in terms of ideal banking service quality is expected to improve their loyalty to BRI. Surveys always target respondents that represent all segments, with different educational backgrounds, age, and livelihoods.

BRI conducts two survey methods, which are:

- Internal Surveys
conducted by BRI operating units across Indonesia. These surveys are conducted minimum twice a year
- External Surveys
conducted by an independent party once every three months. In this survey, the surveyor uses comparison variables, which are services carried out by competitors in the banking industry. External surveys are also clustered based on outreach, whether on a national scale or based in small and big cities, as well as in regions: on Java and outside Java.

In 2015, BRI used a survey from MRI to recognize customers' satisfaction rates. Based on the MRI survey, the result comparison between 2015 and 2014 is as stated below.

CORPORATE SOCIAL RESPONSIBILITY ◀

Responsibility toward Customers

MRI RANKING

No	Institution	Awards	Rank	Score	
				2014	2015
1.	MRI	CS Best Performance	Rank 8	74.58%	66.19%
2.	MRI	Security Best Performance	Rank 8	94.37%	93.99%
3.	MRI	Teller Best Performance	Rank 8	86.13%	84.78%
4.	MRI	Telephone Best Performance	Rank 8	74.32%	68.35%
5.	MRI	Room Comfort Best Performance	Rank 1	100%	100%
6.	MRI	Banking Hall Infrastructure Best Performance	Rank 1	99.82%	100%
7.	MRI	Toilet Best Performance	Rank 1	100%	100%
8.	MRI	ATM Best Performance	Rank 5	100%	98.96%
9.	MRI	Call Centre Best Performance	Rank 4	-	94.25%
10.	MRI	Phone Banking Best Performance	Rank 5	-	84.48%
11.	MRI	SMS Banking (SMS/Java/STK) Best Performance	Rank 4	89.03%	88.2%
12.	MRI	Mobile Internet Best Performance	Rank 4	83.33%	79.75%
13.	MRI	Internet Banking Best Performance	Rank 3	81.02%	86.38%
14.	MRI	E-channel Best Performance	Rank 4	84.58%	85.05%

SERVICE LEVEL CERTIFICATION

As the spearhead of customer complaint-handling services, the BRI Contact Center keeps improving its performance through various reviews and national and international standard certifications. Currently, BRI Contact Centre Services have been certified with the ISO 9001:2008 standard from Verification New Zealand Limited. The certification was extended from 30 November 2015 and will expire on 15 September 2018.

Moreover, in 2015, the BRI Contact Centre received an award from the Contact Center World 2015 in the Project Management, Help Desk, Work Force Officer, and Green Contact Center categories.



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I.	General	Remarks	Page
1	The Annual Report shall be written in good and correct Indonesian, and is recommended to be presented in English		✓
2	The Annual Report shall be printed with good quality using readable type and size of fonts		✓
3	The Annual Report shall present clear identity of the company	Company name and the annual report financial year shall be presented on: 1. Front Cover; 2. Side Cover; 3. Back Cover; and 4. Every page	✓
4	The Annual Report shall be posted in the company's website	Including previous and the latest annual reports	✓

II	Key Financial Highlights	Remarks	Page
1	Income statement in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years	Information contains the following: 1. Income; 2. Profit (loss): a. Attributable to equity holders of the parent entity; and b. Attributable to non controlling interest; 3. Total comprehensive profit (loss): a. Attributable to equity holders of the parent entity; and b. Attributable to non controlling interest; 4. Earning (loss) per share. Note: If the company does not have subsidiaries, the profit (loss) and other comprehensive income is presented in total.	22, 23 195 - 211
2	Financial position in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years	Information contains the following: 1. Total investment on associates; 2. Total assets' 3. Total liabilities; and 4. Total equity.	22, 23 195 - 211

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II	Key Financial Highlights	Remarks	Page
3	Financial ratio in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years	Information covers 5 (five) financial ratios, which are generally applied and relevant to the company's industry	23, 211
4	Share price information in tables and charts	- The table forms contain the following information: - Number of outstanding share; - Market capitalization; - The highest, lowest, and closing share price; and - Trading volume. - The chart forms contain at least closing prices and share volume. For each quarter in 2 (two) the latest financial years	24, 25
5	Information regarding outstanding bonds, sukuk or conversion bonds, in 2 (two) latest financial years	Information contains: - Number of outstanding bonds/sukuk/ conversion bonds; - Interest rate; - Maturity date; and - Bonds/sukuk rating.	26

III	Board of Commissioners and Board of Directors' Report	Remarks	Page
1	Board of Commissioners' Report	Contains the following: - Assessment on the performance of the Board of Directors in managing the company and its valuation basis; - View on the prospects of the company's business as established by the Board of Directors and its valuation basis; - Assessment on the performance of Committees under the Board of Commissioners; - Changes of the Board of Commissioners' composition (if any) and its reason.	44-55
2	Board of Directors' Report	Contains the following: - The company's performance analysis, which covering among others strategic policy, comparison between results and targets, and challenges faced by the company; - Business prospects analysis; - Corporate governance implementation; - Assessment on the performance of Committees under the Board of Directors; and - Changes of the Board of Directors' composition (if any) and its reason.	58-69

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III	Board of Commissioners and Board of Directors' Report	Remarks	Page
3	Board of Commissioners and Board of Directors' Signatures	Contains the following: 1. Signatures are given on separate page; 2. Statement of full responsibility on the accuracy of the Annual Report contents by Board of Commissioners and Board of Directors; 3. Signed by all members of Board of Commissioners and Board of Directors by stating names and positions; and 4. Written explanation in separate letter from the person(s) concerned in the event that member(s) of Board of Commissioners or Board of Directors fail to sign the annual report; or: written explanation in separate letter from other member(s) in the event that no written explanation from the person(s) concerned.	72, 73

IV	Company Profile	Remarks	Page
1	Name and complete address of the company	Information contains among others name and address, post code, telephone number, fax, email and website	76
2	Brief history of the company	Contain among others: date/year of establishment, name, and change of company name (if any) Note: To disclose information if there are no changes in the company name	76-79
3	Core business	Description include: 1. The line of business as stated in the latest Articles of Association; 2. Business activity; and 3. Products and/or services.	80-83
4	Organization structure	In the form of diagram, contains name and title of at least until one level below the board of directors	84-85
5	Vision, Mission and Corporate Culture	Includes: 1. Vision; 2. Mission; and 3. Statement that vision and mission has been approved by the Board of Directors/Board of Commissioners 4. Statement of the corporate culture	86-89
6	Profiles of the Board of Commissioners' members	Includes: 1. Name; 2. Position (include position in the company or other institutions); 3. Age; 4. Domicile; 5. Education (Study Field and Education Institution); 6. Work experience (Position, Institution, and Position Period); and 7. Resume of appointment as member of the Board of Commissioners in the Company.	90-94

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IV	Company Profile	Remarks	Page
7	Profiles of the Board of Directors' members	Includes: 1. Name; 2. Position (include position in the company or other institutions); 3. Age; 4. Domicile; 5. Education (Study Field and Education Institution); 6. Work experience (Position, Institution, and Position Period); and 7. Resume of appointment as member of the Board of Directors in the Company.	95-100
8	Total Employees (2 years comparative) description of the competency development (such as: education and training aspects)	Includes: 1. Number of employee for each organization level; 2. Number of employee for each education level; 3. Number of based on employment status; 4. Description and employees competency development data that has been done by reflecting the equality of opportunity to all employees; and 5. Cost of employees competency development	106-107
9	Shareholders Composition	Includes: 1. Details of the largest 20 shareholders and its ownership percentage; 2. Details of shareholders and its ownership percentage, covers: a. Shareholders with 5% of more ownerships; b. Commissioners and Directors who own shares; c. Group of shareholders with ownerships of less than 5%	108-109
10	Subsidiaries and/or associates	Includes: 1. Name of subsidiaries and/or associates; 2. Ownerships percentage; 3. Description of business activity of subsidiaries and/or associates; and 4. Information of subsidiaries and associations' operational status (has operated or has not operated yet)	110
11	Corporate Group Structure	Corporate group structure in diagram that illustrates subsidiaries, associates, joint ventures, and special purpose vehicle (SPV)	110

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IV	Company Profile	Remarks	Page
12	Shares Listing Chronology	Includes: 1. Share listing chronology; 2. Corporate action that are affecting total shares; 3. Changes in total shares from initial listing up to the end of financial year; and 4. Name of stock exchange where the share is listed.	111
13	Other securities listing chronology	Includes: 1. Other securities listing chronology; 2. Corporate action that are affecting total other securities; 3. Changes in total other securities from initial listing up to the end of financial year; 4. Name of stock exchange where the other securities is listed; and 5. Securities rating.	112-113
14	Name and address of capital market agencies and/or professionals	Includes: 1. Name and address of Share Registrar; 2. Name and address of Public Accountant; and 3. Name and address of rating agency.	115
15	Awards and/or certification received at both national and international levels during the latest financial year (if any)	Includes: 1. Name of awards and/or certificates; 2. Year of granted; 3. Organizers that grants the awards and/or certificates; and 4. Validity (for certificates).	32-41
16	Name and addresses of subsidiaries and or branch offices or representative offices (if any)	Includes: 1. Name and addresses of subsidiaries; and 2. Name and addresses of branch offices/representatives. Note: To disclose if the company does not have subsidiaries/branches/representatives	117-121
17	Information on the Company Website	Includes at least: 1. Shareholders information up to individual ownerships; 2. Corporate group structure (if any); 3. Financial performance analysis; 4. Annual financial statements (last 5 years); and 5. Profiles of the Board of Commissioners and Board of Directors.	✓ ✓ ✓ ✓ ✓

FSA REFERENCE - ARA CRITERIA 2015 ◀

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V	Management Discussion and Analysis on the Company Performance	Remarks	Page
1	Operation review per business segment	Includes analysis on: 1. Elaboration on each business segment. 2. Performance of each business segment, among others: a. Production; b. Increase/Decrease of production capacity; c. Sales/income; and d. Profitability.	130-178
2	Description on the Company's financial performance	The financial performance analysis that includes a comparison between the financial performance of the current year and that of the previous year (in the form of narration and tables) and the background of increasing/decreasing, among others include: 1. Current assets, non current assets, and total assets; 2. Current liabilities, non current liabilities, and total liabilities; 3. Equity; 4. Sales/income, expenses and profit (loss), other comprehensive income, and total profit (loss) and other comprehensive income; and 5. Cash flows.	195-210
3	Discussion and analysis on solvability and level of the company receivables collectability, by presenting relevant ratio calculation in line with the company's type of industry	Explanation on: 1. Solvability, both short term and long term; and 2. Level of receivables collectability.	211
4	Discussion on capital structure, and capital structure policy	Explanation on: 1. Capital structure; and 2. Capital structure policies and basis of policy establishment.	214
5	Discussion on material commitments of capital investments in the last financial year	Explanation on: 1. Objectives of the commitments; 2. Sources of funds expected to meet the commitments; 3. Denomination currencies; and 4. The company's plan on the measures to mitigate related foreign currencies risk. Note: To disclose if the company does not have commitments on capital goods investment in the last financial year.	215
6	Discussion on capital investment realized at the latest financial year	Explanation on: 1. Type of capital investments; 2. The objectives of capital investments; 3. Value of capital investments realized at the latest financial year. Note: To disclose if there are no realization on capital investment.	215

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V	Management Discussion and Analysis on the Company Performance	Remarks	Page
7	Information on the comparison between initial target at the beginning of financial year and the realization and target or projection for the next year concerning income, profit, capital structure, and others considered significant target for the company.	Includes: 1. Comparison of initial target at the beginning of financial year with results (realization); and 2. Future targets or projections	216
8	Information and material facts following the date of accounting report (Subsequent events)	Description of significant events following the date of accounting report including its impact on business risk and performance in the future	217
9	Business Prospects	Description on business prospects related to the general industry and economy including quantitative supporting data from the liable resources	217
10	Marketing Aspects	Description on marketing aspects of the company's products and/or services, among others marketing strategy and market shares	218
11	Description on dividend policy and total cash dividend per share and total dividend per year that are published or disbursed during last 2 (two) financial years	Covers the following: 1. Dividend payout policy; 2. Total dividend disbursement; 3. Total cash dividend per share; 4. Payout ratio; and 5. Announcement date and cash dividend payout for each year. Note: To disclose if there are no dividend disbursement and its reasons.	27, 222
12	Program of shares ownership by employees and/or management by the company (ESOP/MSOP)	Covers the following: 1. Total ESOP/MSOP shares and its realization; 2. Tenor; 3. Requirements for entitled employees and/or management; and 4. Exercise prices. Note: To disclose if does not have the program.	224
13	Realization of initial public offering proceeds (in the event of the company is obligated to submit the report)	Covers the following: 1. Total proceeds; 2. Proceeds utilization plan; 3. Proceeds utilization details; 4. Proceeds balance; and 5. The date of GMS resolution on the change of proceeds utilization (if any).	226

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V	Management Discussion and Analysis on the Company Performance	Remarks	Page
14	Material transaction information with conflict of interest and/or transaction with related parties	Covers the following: 1. Name of transacting parties and the nature of related parties; 2. Description of the transaction fairness; 3. Transaction background; 4. Transaction realization at the last financial year; 5. Company policy related with transaction review mechanism; and 6. Compliance to relevant regulations and provisions. Note: To disclose if there are no transactions.	226
15	Description on the changes in laws and regulations that are impacted the company	Descriptions include among others: changes in laws and regulations and its impact to the company Note: To disclose if there are no changes in the laws and regulations that have significant impacts	227-230
16	Description on the changes in accounting policy implemented by the company at the last financial year	Descriptions include among others: changes in accounting policy, reasons and impacts toward financial statements Note: To disclose if there are no changes in accounting policies	231-233
17	Business Continuity Information	Disclosures on: 1. Significant issues on the company business continuity at the last financial year; 2. Management assessment on point 1; and 3. Assumption implemented by the management in conducting the assessment. Note: if there are no issues that potentially have significant influences to the company's business continuity at the last financial year, to disclose the basis of management assumption in ensuring that there are no issues that potentially have significant influences to the company's business continuity at the last financial year.	234-235

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VI	Good Corporate Governance	Remarks	Page
1	Description on the Board of Commissioners	Covers the following: 1. Board of Commissioners responsibilities; 2. Training programs for competency enhancement or orientation programs for new commissioner; and 3. Board Charter disclosures (Board of Commissioners work guidelines and procedures)	393-414
2	Information on Independent Commissioner	Covers the following: 1. Assignment criteria of Independent Commissioners; and 2. Independency statement of each Independent Commissioner.	407-408
3	Description on the Board of Directors	Covers the following: 1. Duties and responsibilities of each member of the Board of Directors; 2. Training programs for competency enhancement or orientation programs for new director; and 3. Board Charter disclosures (Board of Directors work guidelines and procedures)	415-428
4	Assessment of the Board of Commissioners and / or Board of Directors	Covers the following: 1. Assessment procedures on the performance of the Board of Commissioners and Board of Directors; 2. Assessment criteria on the performance of the Board of Commissioners and Board of Directors; 3. Assessors.	434-436
5	Description of the remuneration policy for the Board of Commissioners and Board of Directors	Covers the following: 1. Disclosure on remuneration determination procedure of the Board of Commissioners; 2. Disclosure on remuneration determination procedure of the Board of Directors; 3. Remuneration structure with type and total short term amounts, post-employment, and/ or other long term for each member of the Board of Commissioners; 4. Remuneration structure with type and total short term amounts, post-employment, and/ or other long term for each member of the Board of Directors; 5. Disclosure on indicators to determine the Board of Directors' remuneration.	429-433
6	Meeting frequency and attendance of the Board of Commissioners meeting, the Board of Directors meeting, and joint meeting of the Boards	Information includes: 1. Meeting dates; 2. Meeting participants; and 3. Meeting agenda. for each meeting of the Board of Commissioners, Board of Directors, and joint meeting.	439-451
7	Information on ultimate and controlling shareholders, both direct or indirect up to the individual ownerships	In schemes and charts, except SOEs that are under government ownerships	108-109

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8	Disclosure on affiliates relations between member of the Board of Directors, Board of Commissioners, and Ultimate and/or controlling Shareholders	Covers the following: 1. Affiliates relations between members of the Board of Directors with other fellow members; 2. Affiliates relations between members of the Board of Directors with members of the Board of Commissioners; 3. Affiliates relations between members of the Board of Directors with ultimate and/or controlling Shareholders; 4. Affiliates relations between members of the Board of Commissioners with other fellow members; 5. Affiliates relations between members of the Board of Commissioners with ultimate and/or controlling Shareholders. Note: To disclose if there are no affiliates relations	414
9	Audit Committee	Includes the following: 1. Name and position of audit committee members; 2. Education qualifications and work experience of audit committee members; 3. Independency of audit committee members; 4. Duties and responsibilities; 5. Brief report of audit committee activity; and 6. Meeting frequency and attendance of audit committee.	452 453 454 454-457 457-459 458-459
10	Nomination and/or Remuneration Committee/Functions	Includes the following: 1. Name, position, and brief profiles of member of nomination and/or remuneration committee; 2. Independency of member of nomination and/or remuneration committee; 3. Duties and responsibilities; 4. Description of activity implementation of nomination and/or remuneration committee; and 5. Meeting frequency and attendance of nomination and/or remuneration committee.	459-461 462 462 466 467 463 467
11	Other committees under the Board of Commissioners formed by the company	Includes the following: 1. Name, position, and brief profiles of member of other committees; 2. Independency of member of other committees; 3. Duties and responsibilities; 4. Description of activity implementation of other committees; and 5. Meeting frequency and attendance of other committees.	367,468-483 468-483 468-483 468-483 468-483

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12	Description of duties and functions of Corporate Secretary	Includes the following: 1. Name and brief profiles of corporate secretary; 2. Description of corporate secretary duties; and 3. Training programs for competency enhancement of corporate secretary.	499-502
13	Description on General Meeting of Shareholders (GMS) of previous year	Includes the following: 1. Previous year GMS resolutions; 2. Fiscal year GMS resolutions; and 3. Background information on any unrealized GMS resolutions.	376-392
14	Description on internal audit unit	Includes the following: 1. Name of internal audit unit head; 2. Total employees (internal auditors) in internal audit unit; 3. Certification on internal audit profession; 4. Internal audit unit composition in the company's structure; 5. Brief report on internal audit unit activity implementation; and 6. The parties responsible to appoint/terminate the internal audit unit head.	503-511
15	Public Accountant (Eksternal Auditor)	Includes the following: 1. Name and year of public accountant that audits the annual financial statements in the last 5 years; 2. Name and year of Public Accountant Firm that audits the annual financial statements in the last 5 years; 3. The amount of fee for each service provided by public accountant at the last financial year; and 4. Other services provided by the accountant apart from the audit service of annual financial statements at the last financial year. Note: to disclose if there are no other services rendered	512-514
16	Description on risk management of the company	Includes the following: 1. Explanation on risk management system implemented by the company; 2. Explanation on risk management system effectiveness evaluation; 3. Explanation on risks faced by the company; and 4. Risk mitigation.	238-331 502

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VI	Good Corporate Governance	Remarks	Page
17	Description on internal control system	Includes the following: 1. Brief explanation on internal control system, among others on financial and operational control; 2. Explanation on internal control system alignment with international standard framework (COSO - internal control framework); and 3. Explanation on internal control system effectiveness evaluation.	515-519 517-518 518
18	Description on corporate social responsibility related to environmental	Includes the following: 1. Management policy; 2. Activities; related to the environmental program that are linked to the company operations activity, such as material usage and environmentally friendly and recycled energy, the company waste management system, and so forth 3. Environmental certifications	564-567
19	Description on corporate social responsibility related to occupational, health and safety	Includes the following: 1. Management policy; 2. Activities; related to occupational, health, and safety practices, such as gender equality and work opportunity, work safety and facility, employees turnover level, work incident level, and so forth.	568-569
20	Description on corporate social responsibility related to social and community development	Includes the following: 1. Management policy; 2. Activities; related to social and community development, such as recruitment of local manpower, community empowerment near the company's location, improvement of social facility and infrastructure, other donations, and so forth.	570-578
21	Description on corporate social responsibility related to responsibility to consumers	Includes the following: 1. Management policy; 2. Activities; related to product responsibility, such as consumers health and safety, product informations, facility, total and handling of consumers claims, and so forth.	584-589

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22	Significant litigation currently faced by the company, subsidiaries, and members of the Board of Commissioners and Board of Directors that served the position at the annual report period	Includes the following: 1. The principal litigation/claims; 2. Settlement status of litigation/claims; 3. Impact to the company's condition; and 4. Administration sanctions charged to the company, members of the Board of Commissioners and Board of Directors, by relevant authorities (capital market, banking and others) at the last fiscal year (or a statement of no administration sanctions being charged) Note: To disclose in the event of no litigation	520-521
23	Information Access and company data	Description on access information and company data to the public, such as through website (in Indonesian and English languages), mass media, mailing lists, bulletins, analyst meetings, and others	524-535
24	Discussion on code of conduct	Includes the following: 1. Code of conduct contents; 2. Disclosure of code of conduct application in all level of organization; 3. Code of conduct dissemination; 4. Discipline effort and sanctions on code of conduct violations; and 5. Corporate culture statements	536-538
25	Disclosure on whistleblowing system	Includes the following mechanism of whistleblowing system: 1. Violations report submission; 2. Whistleblowers protection; 3. Claims handling; 4. Claims managers; and 5. Total claims registered and processed at the last fiscal year including its follow up measures.	538-540
26	Diversity of the Board of Commissioners and Board of Directors Composition	Description of company policy regarding diversity of the Board of Commissioners and Board of Directors Composition in the field of education (Study), work experience, age, and gender Note: to disclose the reasons and considerations, if there is no policy applied	393,415

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VII	Financial Information	Remarks	Page
1	Board of Directors and/or Board of Commissioners' Statements regarding the Responsibility for the Financial Statements	Conformity with related regulations regarding the Financial Statements Responsibility	619
2	Independent auditor opinion on financial statements		621-622
3	Independent Auditor Description in the Opinion	Description contains the following: 1. Name & signatures; 2. Audit Report date; and 3. License of Public Accountant Firm and license of Public Accountant	622
4	Comprehensive financial statements	Comprehensively covers the financial statements elements: 1. Statements of financial position; 2. Statements of comprehensive income and other comprehensive income; 3. Statements of changes in equity; 4. Statements of cash flows; 5. Notes to financial statements; 6. Comparative information on previous periods; and 7. Statements of financial position at the beginning of previous periods upon the application of retrospective accounting policy by the entity or representation of financial statements postings, or reclassifications of postings in the financial statements (if relevant).	623-842
5	Profitability level comparison	Comparison of current profit (loss) with previous years	627-629
6	Statements of Cash Flows	Conformity to the following provisions: 1. Grouping into three category of activities of operations, investment, and financing; 2. Direct method application in the statements of cash flows from operations activity; 3. Separation of presentation between cash in and or cash out during current year in the operation, investment and financing activities; 4. Disclosure of non cash transaction shall be stated in the notes to financial statements.	632-634
7	Summary of Accounting Policies	Including at least: 1. Compliance statement to SAK; 2. Basis of measurement and formulation of financial statements; 3. Recognition of income and expense; 4. Employee benefits; and 5. Financial instrument.	644-674

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8	Disclosure of related parties transactions	The disclosures includes: 1. Name of related parties, and the nature and relationship with related parties; 2. Transaction values and its percentage to total income and expense; and 3. Total balance and its percentage to total assets or liabilities.	652
9	Disclosure related to taxes	The disclosures shall includes: 1. Fiscal reconciliation and current tax expense calculation; 2. Explanation of relationship between tax expenses (income) and accounting profit; 3. Statement that Taxable Income as a result of reconciliation is use as the basis in completing the Annual corporate income tax return; 4. The details of deferred tax assets and liabilities recognized in the financial position statements for every presentation period, and total deferred tax expenses (income) recognized in the income statements if the total are not visible from the total deferred tax assets or liabilities recognized in the financial position statements; and 5. Disclosure of availability or un-availability of tax disputes.	668-669
10	Disclosure related to fixed assets	The disclosures shall includes: 1. Used depreciation method; 2. Description on accounting policies selected between revaluation model and cost model; 3. Significant methods and assumptions used in estimation of fixed assets fair value (for revaluation model) or disclosure of fixed assets fair value (for cost model); and 4. Reconciliation of gross total recorded and accumulation of fixed assets depreciation at the beginning and end of period by presenting: addition, deduction and reclassification.	660-661
11	Disclosure related to operations segments	The disclosures shall includes: 1. General information covering used factors to identify reported segments; 2. Information on segment's reported profit loss, assets, and liabilities; 3. Reconciliation of segment's total revenues, segment's reported profit loss, segment's assets, segment's liabilities, and segment's other material elements to related total in entity; and 4. Disclosure of entity level, which covers information on products and/or services, geographic areas and main customers.	669

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12	Disclosure related to Financial Instruments	The disclosures shall includes: 1. Accounting requirements, conditions and policies for every financial instuments group; 2. Financial instrument classification; 3. Fair value of every financial instrument group; 4. Risk management objectives and policies; 5. Explanation on risks related to financial instrument: market risk, credit risk and liquidity risk; and 6. Risk analysis related to financial instrument in quantitative way.	670
13	Financial statements publication	The disclosures includes: 1. Date of financial statements authorized for publication; and 2. Parties responsible to authorize the financial statements.	832

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II	ANNUAL REPORT COVERAGE	II	
The Annual Report at least covering the following criteria:			
1	General Information	II.1	
	General Information in the Annual Report at least to include:	II.1	
a.	Management: covering composition of members of the Board of Commissioners, Directors, and executives including its position and resume	II.1.a	44-71, 90-100
b.	Ownership Structure; such as owner's name and percentage of shares ownership	II.1.b	108-109
c.	Bank's business development and business group;	II.1.c	
	1) significant financial data highlights, at least covering net interest income, operating profits, profit before tax, net profit, net profit per share, earning assets, third party funds, borrowings, cost of funds, capital, fully paid and issued shares; and	II.1.c.1)	22, 23, 195-214
	2) financial ratios that must be presented, at least covering the financial ratios as stipulated in Bank Indonesia regulations concerning Bank's transparency and publication reports	II.1.c.2)	211-214
d.	strategy and management policy in Bank business development	II.1.d	20, 21, 58-69
e.	management reports that covering the information of Bank's management by the company's organs in conjunction with good corporate governance, and at least covering:	II.1.e	
	1) organization structure;	II.1.e.1).	84-85
	2) main activities;	II.1.e.2)	76-83
	3) information technology	II.1.e.3)	346-351
	4) products and services offered, including credit extension to the debtors Micro, Small and Medium Enterprises (MSME)	II.1.e.4)	82-83
	5) interest rate of funds collection and provisions;	II.1.e.5)	223-224
	6) development of economy and target market;	II.1.e.6)	124-125, 221
	7) networking and business partners both inside and / or outside the country;	II.1.e.7)	118-119
	8) total, types, and office location;	II.1.e.8)	116-119
	9) Board of Directors ownerships, Commissioners, and shareholders in the Bank's group;	II.1.e.9)	108-109
	10) significant events in the Bank and Bank's group in the relevant year;	II.1.e.10)	226
	11) significant events estimated to occur in the future;	II.1.e.11)	N/A
	12) human resources, including total, education structures, trainings, and human resources development.	II.1.e.12)	106-107, 332-345
2	Annual Financial Report	II.2	
	Annual Financial Report at least to cover:	II.2	
a.	Bank's Financial Report audited by Public Accountant, covering:	II.2.a	
	1) Financial Position (Balance Sheet) Report;	II.2.a.1)	623-626
	2) Comprehensive Profit Loss Report;	II.2.a.2)	627-629
	3) Equity Changes Report;	II.2.a.3)	630-631
	4) Commitment and Contingency;	II.2.a.4)	632-634
	5) notes on financial reports, including information on commitment and contingency;	II.2.a.5)	635-832

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b.	For Bank which owned Subsidiary, apart from the Financial Report of Bank only, as stated in the point a, the Annual Financial Report also covers the Consolidated Financial Report audited by the Public Accountant, which constituted the consolidated Financial Report of the Bank and Subsidiary, which at least consist of:	II.2.b	
1)	Financial Position (Balance Sheet) Report;	II.2.b.1)	623-626
2)	Comprehensive Profit Loss Report;	II.2.b.2)	627-629
3)	Equity Changes Report;	II.2.b.3)	630-631
4)	Cash Flows Report;	II.2.b.4)	632-634
c.	For Bank which constituted as part of business group, in addition to the reports as stated in the point a and b, Bank shall submit the Annual Financial Report that consist of:	II.2.c	
1)	Holding Company Financial Report audited by the Public Accountant, which is a consolidated from all companies in the business group in accordance with the prevailing accounting standards, which at least covering:	II.2.c.1)	
a)	Financial Position (Balance Sheet) Report;	II.2.c.1).a)	
b)	Comprehensive Profit Loss Report;	II.2.c.1).b)	
c)	Equity Changes Report;	II.2.c.1).c)	833-841
d)	Commitment and Contingency;	II.2.c.1).d)	
2)	Holding Company in financial sector Financial Report audited by the Public Accountant, which is a consolidated from all companies in the business group in accordance with the prevailing accounting standards, which at least covering:	II.2.c.2)	
a)	Financial Position (Balance Sheet) Report;	II.2.c.2).a)	
b)	Comprehensive Profit Loss Report;	II.2.c.2).b)	
c)	Equity Changes Report;	II.2.c.2).c)	
d)	Commitment and Contingency;	II.2.c.2).d)	
	In the event that business group does not have the Holding Company in Financial Sector, the financial report presented is the Holding Company Financial Report audited by the Public Accountant.	II.2.c.2)	
3	Public Accountant Opinions	II.3	
	Public Accountant opinions among others including the opinion on the Annual Financial Report as stated in the point 2.	II.3	621-622
4	Disclosure of Capital and Risk Exposure Disclosure and Risk Management implementation of the Bank	II.4	
a.	Capital disclosure and risk exposure disclosure and risk management implementation intended to improve transparency to public by stipulating the minimum disclosure requirement, thereby the public can assess the Bank risk profile and capital adequacy.	II.4.a	214, 238-331
b.	Bank shall posses written policies which approved by the Board of Directors regarding the disclosures as stipulated in this point. The policies among others are related to the disclosure contents that being reported and internal control in the disclosure process.	II.4.b	238-331
c.	Disclosure is conducted by referring to the disclosure Guidelines as stated in the attachment, which constituted as inseparable parts from this Circular Letter of Bank Indonesia	II.4.c	238-331

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Information disclosures as stated in point a, consist of			II.4.c
a.	Capital disclosures	II.4.c.a	214, 238-331
The disclosures at least to cover:			
1)	Qualitative disclosures, which among others including the information on:	II.4.c.a.1)	
a)	Capital structure which included explanation on capital instruments published by the Bank, among others: characteristics, instruments time period, purchase option features, step-up features, returns level, and ratings (if any);	II.4.c.a.1).a)	214
b)	Capital adequacy which consist of explanation on the approach used by the Bank in valuing the capital adequacy to support the existing activities, both at present time or in the future.	II.4.c.a.1).b)	214
2)	Quantitative disclosures regarding Bank's capital structure as stated in the Table 1.a and Table 1.b.	II.4.c.a.2)	
b.	Risk Exposure Disclosure and Risk Management Implementation	II.4.c.b	
The disclosures at least to cover:			II.4.c.b.1)
1)	The disclosure on Bank's Risk Management implementation in general, which covering information on:	II.4.c.b.1)	
a)	Active supervision of the Board of Commissioners and Directors;	II.4.c.b.1).a)	238-331
b)	Adequacy of policies, procedures, and limit stipulations	II.4.c.b.1).b)	
c)	Adequacy of identification process, measurements, monitoring, and risk control, as well as Risk Management Information System;	II.4.c.b.1).c)	
d)	Comprehensive internal control system.	II.4.c.b.1).d)	
2)	Disclosure on risk exposure and Bank Risk Management specific implementation, which consist of:	II.4.c.b.2)	
a)	Credit Risk, which covering:	II.4.c.b.2).a)	
(1)	General disclosures, which consist of:	II.4.c.b.2).a). (1)	
(a)	Qualitative disclosures, which consist of among others:	II.4.c.b.2).a). (1).(a)	
i.	Information on risk management implementation for credit risk, including:	II.4.c.b.2).a). (1).(a).i	
i.1	credit risk management organization;	II.4.c.b.2).a). (1).(a).i.1	245-275
i.2	credit risk management strategy for activities with significant credit risk exposures;	II.4.c.b.2).a). (1).(a).i.2	
i.3	credit concentration risk management policy;	II.4.c.b.2).a). (1).(a).i.3	
i.4	credit risk control and measurement mechanism.	II.4.c.b.2).a). (1).(a).i.4	
ii	receivables definition which was matured and receivables with impairment; and	II.4.c.b.2).a). (1).(a).ii	247

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	iii	explanation of approach used to set the allowance for the impairment losses (CKPN) individually and collectively, as well as statistic methods used in the CKPN calculation.	II.4.c.b.2).a). (1).(a).iii 262
	(b)	Quantitative disclosures as stated on Tabel 2.1.a up to Tabel 2.6.b, which covering:	II.4.c.b.2).a). (1).(b)
	i.	The Disclosure of Net Receivables Based on Regions as stated on Table 2.1.a and Table 2.1.b;	II.4.c.b.2).a). (1).(b).i 248-251
	ii	The Disclosure of Net Receivables Based on Contract Term Remainder as stated on Table 2.2.a and Table 2.2.b;	II.4.c.b.2).a). (1).(b).ii 252-253
	iii	The Disclosure of Net Receivables Based on Economic Sector as stated on Table 2.3.a and Table 2.3.b;	II.4.c.b.2).a). (1).(b).iii 254-261
	iv	The Disclosure of Receivables and Provisions Based on Region as stated on Table 2.4.a and Table 2.4.b;	II.4.c.b.2).a). (1).(b).iv 263-264
	v	The Disclosure of Receivables and Provisions Based on Economic Sector as stated on Table 2.5.a and Table 2.5.b;	II.4.c.b.2).a). (1).(b).v 265-268
(2)	Credit Risk Disclosure with the Standardized Approach, which consist of:		II.4.c.b.2).a). (2)
	(a)	Qualitative disclosures, which covering:	II.4.c.b.2).a). (2).(a)
	i.	Information on policy to utilize ratings in the calculation on Risk Weighted Assets (RWA) for credit risk;	II.4.c.b.2).a). (2).(a).i 296-307
	ii	portfolio category that utilize ratings;	II.4.c.b.2).a). (2).(a).ii 288-295
	iii	hired ratings institutions; and	II.4.c.b.2).a). (2).(a).iii 77,288-295
	iv	counterparty credit risk disclosure, including mitigation instruments that usually accepted/presented by the Bank.	II.4.c.b.2).a). (2).(a).iv 270-273
	(b)	Quantitative disclosures as stated on Table 3.1.a up to Table 3.2.c.2, which consist of:	II.4.c.b.2).a). (2).(b)
	i	The Disclosure of Net Receivables Based on Portfolio Category and Ratings Scale as stated on Table 3.1.a and Table 3.1.b; and	II.4.c.b.2).a). (2).(b).i 288-295
	ii	The Disclosure of Counterparty Credit Risk as stated on Table 3.2.a, Table 3.2.b.1, Table 3.2.b.2, Table 3.2.c.1 and Table 3.2.c.2	II.4.c.b.2).a). (2).(b).ii 270-273
(3)	Credit Risk Mitigation Disclosure with Standardized Approach, which consist of:		II.4.c.b.2).a). (3) 274

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(a)	Qualitative disclosures, which covered:	II.4.c.b.2).a). (3).(a)	274
i	Information on Bank policy for main collateral types;	II.4.c.b.2).a). (3).(a).i	
ii	policies, procedures, and process to assess and manage the collateral;	II.4.c.b.2).a). (3).(a).ii	
iii	the main parties that provide guarantees and creditworthiness from the said parties;	II.4.c.b.2).a). (3).(a).iii	
iv	information on concentration level derived from the credit risk mitigation techniques.	II.4.c.b.2).a). (3).(a).iv	
(b)	quantitative disclosures as sated on Table 4.1.a up to Table 4.2.b, which covered:	II.4.c.b.2).a). (3).(b)	276-283
i	The Disclosure of Net Receivables Based on Risk Weight after Calculating Credit Risk Mitigation Impact as stated on the Table 4.1.a and Table 4.1.b; and	II.4.c.b.2).a). (3).(b).i	
ii	The Disclosure of Net Receivables and Credit Risk Mitigation Techniques as stated on Table 4.2.a and Table 4.2.b.	II.4.c.b.2).a). (3).(b).ii	284-287
(4)	Assets Securitisation Disclosure, which consist of:	II.4.c.b.2).a). (4)	304
(a)	Qualitative disclosure, which among others consist of:	II.4.c.b.2).a). (4).(a)	304
i	risk management general disclosure, which covered matters such as Bank's objectives in assets securitization activities, in which the assets securitization activities can replace credit risk from Bank to other parties on activities that become the underlying of assets securitization activities, functions managed by the Bank in assets securitization activities, and explanation on Bank's involvement in every function;	II.4.c.b.2).a). (4).(a).i	
ii	accounting policy summary for assets securitization activities, which consist of transactions treated as sales or financing, gain recognition from securitization activities, and assumption used to value the availability of continuous involvement from securitization activities, including the changes from the previous periods and impact from the concerned changes; and	II.4.c.b.2).a). (4).(a).ii	
iii	ratings institution name used for the assets securitization activities, and assets securitization exposures which was rated by the concerned ratings institution.	II.4.c.b.2).a). (4).(a).iii	
(b)	Quantitative disclosure as stated on Table 5.1.a up to Table 5.2.b, which covered:	II.4.c.b.2).a). (4).(b)	
i	Securitization Transactions Disclosure as stated on Table 5.1.a and Table 5.1.b; and	II.4.c.b.2).a). (4).(b).i	304-305

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	ii	Summary of Securitization Transaction Activities whereby the Bank Acts as Initial Creditors as stated on Table 5.2.a and Table 5.2.b.	II.4.c.b.2).a). (4). (b).ii 304-305
(5)		Quantitative disclosure of RWA Calculation of Credit Risk Standardized Approach as stated on Table 6.1.1 up to Table 6.2.7.	II.4.c.b.2).a). (5) 296-303
b)		Market Risk, which covered:	II.4.c.b.2).b)
(1)		Market risk calculation with Standard Method, which among others consist of:	II.4.c.b.2).b). (1)
(a)		Qualitative disclosures, which among others consist of:	II.4.c.b.2).b). (1).(a)
	i	Information on risk management implementation:	II.4.c.b.2).b). (1).(a).i
	i.1	market risk management organization;	II.4.c.b.2).b). (1).(a).i.1
	i.2	trading book and banking book portfolios management as well as valuation methodology;	II.4.c.b.2).b). (1).(a).i.2
	i.3	market risk measurement mechanism for risk monitoring periodically and capital adequacy calculation, both in banking book or trading book.	II.4.c.b.2).b). (1).(a).i.3 308-310
	ii	coverage of (trading and banking book) which was calculated in the Capital Adequacy Ratio (CAR); and	II.4.c.b.2).b). (1).(a).ii
	iii	measures and plans in anticipating market risk on foreign exchange transactions both the to the exchange or interest rates fluctuation, including explanation on funds provision and commitment without protections or hedging, as well as liabilities with fluctuated interest rates or are not previously determined.	II.4.c.b.2).b). (1).(a).iii
(b)		Quantitative exposures which at least consist of market risk disclosures using standardized method as stated on Table 7.1.	II.4.c.b.2).b). (1).(b)
(2)		market risk calculation with Internal Model, which consist of:	II.4.c.b.2).b). (2)
(a)		Qualitative disclosures, which among others consist of:	II.4.c.b.2).b). (2).(a)
	i	risk management implementation information, including:	II.4.c.b.2).b). (2).(a).i 308-311
	i.1	market risk management organization;	II.4.c.b.2).b). (2).(a).i.1
	i.2	trading book portfolio management as well as valuation methodology; and	II.4.c.b.2).b). (2).(a).i.2

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	i.3	market risk measurement mechanism to monitor risk periodically and calculating capital adequacy on trading book.	II.4.c.b.2).b). (2).(a).i.3	308-311
	ii	portfolio which covered in Internal Model and valuation policy used to calculate position in trading book;	II.4.c.b.2).b). (2).(a).ii	
	iii	for every portfolio covered by Internal Model to disclose the used model characteristics, stress testing description used on portfolio and approach description used to do back testing/validation towards the accuracy and consistency of Internal Model and model development process;	II.4.c.b.2).b). (2).(a).iii	
	iv	Model portfolio that used the Internal Model approved by Bank Indonesia; and	II.4.c.b.2).b). (2).(a).iv	
	v	total fraud frequency between Value at Risk (VaR) and actual losses during reporting period.	II.4.c.b.2).b). (2).(a).v	
	(b)	Quantitative disclosures, which at least consist of market risk disclosure by using internal model (Value at Risk/ VaR) as stated on Table 7.2.a and Table 7.2.b.	II.4.c.b.2).b). (2).(b)	311-317
c)	Operational Risk, which covered:		II.4.c.b.2).c)	
(1)	Qualitative disclosures, which among others consist of information on risk management implementation for operational risk, including:		II.4.c.b.2).c). (1)	
(a)	operational risk management organization;		II.4.c.b.2).c). (1).(a)	
(b)	mechanism used by the Bank to identify and measure operational risk; and		II.4.c.b.2).c). (1).(b)	
(c)	mechanism to mitigate operational risk.		II.4.c.b.2).c). (1).(c)	
(2)	Quantitative disclosures on operational risk, as stated on Table 8.1.a and Table 8.1.b.		II.4.c.b.2).c). (2)	318-327
d)	Liquidity Risk, which covered:		II.4.c.b.2).d)	
(1)	Qualitative disclosures, which among others consist of information on risk management implementation for liquidity risk, including:		II.4.c.b.2).d). (1)	
(a)	liquidity risk management organization;		II.4.c.b.2).d). (1).(a)	
(b)	early indicators on liquidity issues; and		II.4.c.b.2).d). (1).(b)	
(c)	mechanism of liquidity risk measurement and control.		II.4.c.b.2).d). (1).(c)	

BANK INDONESIA REGULATIONS REFERENCE ◀

Bank Indonesia Regulations Reference

Circular Letter of Bank Indonesia No : 14/35/DPNP, 10 December 2012 Annual Reports of Commercial Banks and Certain Annual Reports Presented to Bank Indonesia

Outline SEBI : 14/35/ DPNP Detail Description			Annual Report 2015 (Page)
(2)	Quantitative disclosures on liquidity risk, which at least consist of:	II.4.c.b.2).d). (2)	328
(a)	The disclosure of Rupiah Maturity Profile as stated on Table 9.1.a and Table 9.1.b; and	II.4.c.b.2).d). (2).(a)	
(b)	The disclosure of Foreign Exchange Maturity Profile as stated on Table 9.2.a and Table 9.2.b.	II.4.c.b.2).d). (2).(b)	
e)	Legal Risk, which contained qualitative disclosures on risk management implementation for legal risk that among others consist of:	II.4.c.b.2).e)	
(1)	legal risk management organization; and	II.4.c.b.2).e). (1)	329
(2)	legal risk control mechanism	II.4.c.b.2).e). (2)	
f)	Strategic Risk, which disclosed qualitative information on risk management implementation for strategic risk that among others consist of:	II.4.c.b.2).f)	
(1)	strategic risk management organization;	II.4.c.b.2).f). (1)	
(2)	policy that enabled the Bank to identify and respond on business environment changes, both externally and internally; and	II.4.c.b.2).f). (2)	330
(3)	mechanism to measure achieved progress from the set business plan.	II.4.c.b.2).f). (3)	
g)	Compliance Risk, which disclosed qualitative information on risk management implementation for compliance risk that among others consist of:	II.4.c.b.2).g)	
(1)	compliance risk management organization;	II.4.c.b.2).g). (1)	
(2)	risk management strategy and risk management implementation effectiveness for compliance risk, especially in order to ensure the formulation of policy and procedure has been in accordance with the prevailing standards in general, provisions, and/or prevailing laws; and	II.4.c.b.2).g). (2)	330
(3)	compliance risk monitoring and control mechanism.	II.4.c.b.2).g). (3)	
h)	Reputation Risk, which disclosed qualitative information on risk management implementation for reputation risk that among others consist of:	II.4.c.b.2).h)	
(1)	reputation risk management organization, including risk management implementation for reputation risk by related units (Corporate Secretary, Public Relations, and relevant business units);	II.4.c.b.2).h). (1)	
(2)	policy and mechanism in order to improve service quality to the customers and other stakeholders to control reputation risk; and	II.4.c.b.2).h). (2)	330
(3)	management of reputation risk during crisis.	II.4.c.b.2).h). (3)	

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- ▶ COMPANY PROFILE
- ▶ MANAGEMENT DISCUSSION AND ANALYSIS
- ▶ OPERATIONAL SUPPORT REVIEW

- ▶ CORPORATE GOVERNANCE REPORT
- ▶ CORPORATE SOCIAL RESPONSIBILITY
- ▶ FSA REFERENCE-ARA CRITERIA 2015
- ▶ **BANK INDONESIA REGULATIONS REFERENCE**
- ▶ CONSOLIDATED FINANCIAL STATEMENTS 2015

Bank Indonesia Regulations Reference

Circular Letter of Bank Indonesia No : 14/35/DPNP, 10 December 2012 Annual Reports of Commercial Banks and Certain Annual Reports Presented to Bank Indonesia

Outline SEBI : 14/35/ DPNP Detail Description		Annual Report 2015 (Page)
5	Transparency Aspect in accordance with Financial Report Quarterly Publication	II.5
Annual Financial Report as stated on point 2.a and point 2.b shall be completed with all disclosure aspects as required for the quarterly publication of financial report.		
The disclosure at least consist of:		
a.	spot and derivative transactions;	II.5.a
b.	total and quality of earning assets and other information, among others for:	II.5.b
1)	provision of funds to related parties;	II.5.b.1)
2)	provision of funds to the debtors of Micro, Small and Medium Enterprises (MSME);	II.5.b.2)
3)	credit with special mention (among others restructuring credit and property credit); and	II.5.b.3)
4)	total allowance for impairment losses;	II.5.b.4)
c.	Bank financial ratio, among others:	II.5.c
1)	percentage of violations and over limit of Credit Extension Maximum Limit (BMPK); and	II.5.c.1)
2)	ratio of Foreign Currency Net Open Position (NOP); and	II.5.c.2)
d.	calculation of Capital Adequacy Ratio (CAR).	II.5.d
6	Disclosure aspect related to the Bank Business Group shall include information related to the activity in business group, which consist of:	II.6
a.	Bank business group structure, which at least consist of:	II.6.a
1)	Bank business group structure, which is presented from the Bank, subsidiaries, affiliated companies, holding companies in financial fields, and/or holding company up to the ultimate shareholders;	II.6.a.1) 110
2)	structure related to the management in the Bank's business group; and	II.6.a.2) 110
3)	the shareholders that acted as shareholders acting in concert. The meaning of shareholders acting in concert is the individual or corporate/legal institution shareholders that have joint objectives namely controlling the Bank, based on or not-based on any agreement.	II.6.a.3) 108-109
b.	transactions between Bank with related parties in the Bank business group, by taking into account the following matters:	II.6.b
1)	transaction information with related parties presented both by Bank and by every company or legal institution in the Bank business group that engaged in financial field;	II.6.b.1)
2)	related parties is the party as stipulated in the prevailing Financial Accounting Standard Statements (FASf);	II.6.b.2)
3)	transaction types with related parties, among others are:	II.6.b.3)
a)	cross shareholdings;	II.6.b.3).a)
b)	transaction from a business group that acted for the interest of other business group;	II.6.b.3).b)
		226

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Outline SEBI : 14/35/ DPNP Detail Description			Annual Report 2015 (Page)
c)	management of current liquidity in business group;	II.6.b.3).c)	
d)	provision of funds that was given or accepted by other company in a business group;	II.6.b.3).d)	
e)	exposure to the majority shareholders among others in loans, commitments and contingencies; and	II.6.b.3).e)	
f)	purchase, sales and/or rental of assets with other company in a business group, including the repurchase agreement.	II.6.b.3).f)	N/A
c.	provision of funds, commitments or other facilities that can be appropriated from every company or legal institution in a business group with the Bank to the debtors that received the funds provision from the Bank.	II.6.c	
7	Disclosure Aspects in accordance with Financial Accounting Standard of other disclosure aspects as obligated in the prevailing Financial Accounting Standard, in the event of exclusion from point 1 up to point 6 above.	II.7	
8	Other Information	II.8	
The coverage in other information are as follows:			
a.	guaranteed Bank's assets;	II.8.a	N/A
b.	other significant transactions in significant numbers;	II.8.b	226
c.	subsequent event after 31 March 2015	II.8.c	217

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- ▶ **CONSOLIDATED FINANCIAL STATEMENTS 2015**



CONSOLIDATED FINANCIAL STATEMENTS 2015



618 Consolidated Financial Statements

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CONSOLIDATED FINANCIAL STATEMENTS 2015 ◀



PT Bank Rakyat Indonesia (Persero) Tbk and its Subsidiaries

Consolidated financial statements
as of December 31, 2015
and for the year then ended
with independent auditors' report



PT BANK RAKYAT INDONESIA (PERSERO)

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44 - 46 Tromol Pos 1094/1000 Jakarta 10210
Telepon: 021 2510244, 2510254, 2510264, 2510269, 2510279
Faksimili: 021 2500077 Kawat: KANPUSBRI
Telex: 65293, 65456, 65459, 65461

BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015
AND FOR THE YEAR THEN ENDED
PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARIES

We, the undersigned:

1. Name : Asmawi Syam
Office Address : Jl. Jenderal Sudirman No.44-46 Jakarta 10210
Residential Address : Jl. Cilandak Dalam Raya No. 4E Cilandak South Jakarta
Telephone : 021 -5751756
Title : President Director
2. Name : Haru Koesmahargyo
Office Address : Jl. Jenderal Sudirman No. 44-46 Jakarta 10210
Residential Address : Jl. Cempaka Lestari 4 Blok G/5 Lebak Bulus South Jakarta
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 any 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 23, 2016

For and on behalf of the Board of Directors



Asmawi Syam
President Director

Haru Koesmahargyo
Director

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

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Purwantono, Sungkoro & Surja

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This report is originally issued in the Indonesian language.

Independent Auditors' Report

Report No. RPC-250/PSS/2016

**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, 2015, 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 consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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. RPC-250/PSS/2016 (continued)

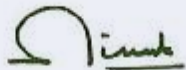
Opinion

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, 2015, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit of the accompanying consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2015 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, 2015, 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 purposes 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 taken as a whole.

Purwantono, Sungkoro & Surja



Sinarta

Public Accountant Registration No. AP.0701

January 29, 2016

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
ASSETS				
Cash	2a,2c,3	28,771,635	22,469,167	19,171,778
Current Accounts With Bank Indonesia	2a,2c,2f,4	61,717,798	51,184,429	40,718,495
Current Accounts With Other Banks	2a,2c,2d,2e, 2f,5,43	8,736,092	10,580,440	9,435,197
Allowance for impairment losses		-	-	(77)
		8,736,092	10,580,440	9,435,120
Placements With Bank Indonesia and Other Banks	2a,2c,2d,2e, 2g,6,43	49,834,664	62,035,442	36,306,883
Securities	2a,2c,2d,2e, 2h,7,43	124,891,293	84,168,460	42,674,437
Allowance for impairment losses		(17,746)	-	(772)
		124,873,547	84,168,460	42,673,665
Export Bills	2c,2d,2e,2i,8, 43	7,280,883	10,527,985	8,926,072
Government Recapitalization Bonds	2c,2d,2h,9, 43	3,815,958	4,303,596	4,511,419
Securities Purchased Under Agreement to Resell	2c, 2d, 2t,10, 43	845,125	39,003,595	14,440,063
Derivatives Receivable	2c,2e,2ah,11	-	536	4,981
Loans	2a,2c,2d,2e, 2j,12,43	564,480,538	495,097,288	434,316,466
Allowance for impairment losses		(17,162,183)	(15,886,145)	(15,171,736)
		547,318,355	479,211,143	419,144,730
Sharia Receivables and Financing Allowance for impairment losses	2d,2e,2k,13, 43	16,614,006	15,599,553	14,028,390
		(352,252)	(276,650)	(246,360)
		16,261,754	15,322,903	13,782,030

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
ASSETS (continued)				
Acceptances Receivable	2c,2d,2e, 2f,14,43	5,163,471	6,525,688	3,679,684
Investment in Associated Entities	2c,2d,2e, 2m,15,43	269,130	251,573	222,851
Premises and Equipment	2n,2o,16			
Cost		14,687,468	11,583,301	8,817,641
Accumulated depreciation		(6,648,188)	(5,665,831)	(4,845,029)
Net book value		8,039,280	5,917,470	3,972,612
Deferred Tax Assets - net	2ai,37c,49	1,983,774	1,688,872	2,106,212
Other Assets - net	2c,2e,2o, 2p,2q,17	13,514,846	8,792,891	7,004,038
TOTAL ASSETS		878,426,312	801,984,190	626,100,633

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
LIABILITIES AND EQUITY				
LIABILITIES				
Liabilities Due Immediately	2c,2r,18	5,138,562	7,043,772	5,065,527
Deposits From Customers	2c,2d,2s,43			
Demand Deposits	19	113,429,343	89,430,267	78,666,064
<i>Wadiah</i> Demand Deposits		937,745	621,913	670,887
Saving Deposits	20	268,058,865	232,722,519	210,234,683
<i>Wadiah</i> Saving Deposits		3,715,929	3,298,659	2,480,554
<i>Mudharabah</i> Saving Deposits		696,198	373,816	281,388
Time Deposits	21	267,884,404	283,457,544	201,585,766
<i>Mudharabah</i> Time Deposits		14,272,895	12,417,128	10,362,040
Total Deposits From Customers		668,995,379	622,321,846	504,281,382
Deposits From Other Banks and Financial Institutions	2c,2d,2s, 22,43	11,165,073	8,655,392	3,691,220
Securities Sold Under Agreement to Repurchase	2c,2d,2t,7, 23,43	11,377,958	15,456,701	-
Derivatives Payable	2c,2ah,7,11	445,753	717,523	1,565,102
Acceptances Payable	2c,2d,2l, 14,43	5,163,471	6,525,688	3,679,684
Taxes Payable	2ai,37a	1,497,262	59,805	1,266,018
Marketable Securities Issued	2c,2u,24	10,521,103	8,257,990	6,023,133
Fund Borrowings	2c,2d,2v,25,43	35,480,358	24,986,862	9,084,913
Estimated Losses on Commitments and Contingencies	2d, 2e,2al,26, 43	1,242	398	223
Liabilities for Employee Benefits	2d,2ac,27, 41,43, 49	8,063,738	6,687,532	6,529,755
Other Liabilities	2c,2x,2y,28, 44b	7,392,766	3,487,265	3,242,346
Subordinated Loans	2c,2w,29	56,468	77,582	2,097,024
TOTAL LIABILITIES		765,299,133	704,278,356	546,526,327

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
LIABILITIES AND EQUITY				
(continued)				
EQUITY				
Capital stock - par value Rp250 (full Rupiah) per share				
Authorized - 60,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 59,999,999,999 Series B shares)				
Issued and fully paid capital - 24,669,162,000 shares (consisting of 1 Series A Dwiwarna share and 24,669,161,999 Series B shares)	1,30a	6,167,291	6,167,291	6,167,291
Additional paid-in capital	30b	2,773,858	2,773,858	2,773,858
Differences arising from the translation of foreign currency financial statements	2ag,30c	49,069	56,468	82,083
Unrealized loss on available for sale securities and Government Recapitalization Bonds - net of deferred tax	2h	(1,145,471)	(198,888)	(727,644)
Gain on remeasurement defined benefit plans - net of deferred tax	2ac, 49	541,468	124,147	375,345
Treasury Stock	1d	(2,286,375)	-	-
Retained earnings	30d			
Appropriated	49	18,115,741	15,449,160	11,005,528
Unappropriated		88,617,280	73,158,614	59,735,380
Total Retained Earnings		106,733,021	88,607,774	70,740,908
Total Equity Attributable to Equity Holders of the Parent Entity		112,832,861	97,530,650	79,411,841
Non-controlling interest	2b,49	294,318	175,184	162,465
TOTAL EQUITY		113,127,179	97,705,834	79,574,306
TOTAL LIABILITIES AND EQUITY		878,426,312	801,984,190	626,100,633

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

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
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

		Year Ended December 31,	
	Notes	2015	2014 ^{*)}
INCOME AND EXPENSES FROM OPERATIONS			
Interest, Investment and Sharia Income			
Interest and investment	2z,31	83,007,745	73,065,777
Sharia income	2k,2ab,31	2,426,292	2,056,436
Total Interest, Investment and Sharia Income		85,434,037	75,122,213
Interest, Other Financing and Sharia Expense			
Interest and other financing expense	2z,32	(26,141,100)	(22,684,979)
Sharia expense	2ab,32	(1,013,170)	(994,824)
Total Interest, Other Financing and Sharia Expense		(27,154,270)	(23,679,803)
Interest Income - net		58,279,767	51,442,410
Other Operating Income			
Other fees and commissions	2aa	7,355,973	6,072,460
Recovery of assets written-off		2,341,945	2,100,676
Gain on foreign exchange - net	2af,2ah	467,167	237,304
Gain on sale of securities and Government Recapitalization Bonds - net	2h,7,9	86,485	121,575
Unrealized gain on changes in fair value of securities - net	2h,7	-	6,400
Others		2,157,471	760,725
Total Other Operating Income		12,409,041	9,299,140
Provision for impairment losses on financial assets - net	2e,33	(8,891,305)	(5,721,905)
Provision for allowance for estimated losses on commitments and contingencies - net	2al,26b	(844)	(175)
(Provision for) reversal of allowance for impairment losses on non-financial assets - net	2o	(8,056)	2,721

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

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, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

		Year Ended December 31,	
	Notes	2015	2014 ^{*)}
Other Operating Expenses			
Salaries and employee benefits	2d,2ac,34, 41,43,49	(16,599,158)	(14,166,422)
General and administrative	2n,35	(10,380,547)	(9,184,155)
Premium paid to Government Guarantee Program	45	(1,296,475)	(1,030,657)
Unrealized loss on changes in fair value of securities - net	2h,7	(10,945)	-
Others		(2,988,571)	(2,334,041)
Total Other Operating Expenses		(31,275,696)	(26,715,275)
OPERATING INCOME		30,512,907	28,306,916
NON OPERATING INCOME - NET	36	1,981,111	2,497,196
INCOME BEFORE TAX EXPENSE		32,494,018	30,804,112
TAX EXPENSE	2ai,37b, 37c,49	(7,083,230)	(6,577,511)
INCOME FOR THE YEAR		25,410,788	24,226,601
Other comprehensive income:			
Item not to be reclassified to profit or loss			
Remeasurement on defined benefit plans		555,776	(334,977)
Income tax for item not to be reclassified to profit or loss		(138,944)	83,742
Items to be reclassified to profit or loss			
Exchange rate differences on translation of foreign currency financial statements		(7,399)	(25,615)
Unrealized (loss) gain on available for sale securities and Government Recapitalization Bonds - net		(1,264,123)	709,619
Income tax related to items to be reclassified to profit or loss		316,032	(177,850)
Other Comprehensive (Loss) Income For the Year - After Tax		(538,658)	254,919
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		24,872,130	24,481,520

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

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, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year Ended December 31,	
		2015	2014 ^{*)}
INCOME FOR THE YEAR			
ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		25,397,742	24,214,911
Non-controlling interest		13,046	11,690
TOTAL		25,410,788	24,226,601
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		24,861,081	24,466,854
Non-controlling interest		11,049	14,666
TOTAL		24,872,130	24,481,520
BASIC EARNINGS PER SHARE			
ATTRIBUTABLE TO EQUITY			
HOLDERS OF THE PARENT ENTITY			
(full Rupiah)	2ae,48	1,030.43	981.59

*) As restated (Note 49)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) TBK AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Gain (Loss) on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Retained Earnings	Total Equity Attributable to the Parent Entity	Non-controlling Interest	Total Equity
							Appropriated	Unappropriated		
Balance as of December 31, 2013		6,167,291	2,773,888	82,083	(727,644)	-	11,006,528	59,862,556	163,751	79,327,422
Impact of adjustment on the implementation on SFAS No. 24 (Revised 2013)	49	-	-	-	-	375,345	-	(127,175)	(1,286)	246,894
Balance as of January 1, 2014 after restatement	49	6,167,291	2,773,888	82,083	(727,644)	375,345	11,006,528	59,735,380	162,465	79,574,306
Income for the year		-	-	-	-	-	-	24,214,911	11,690	24,226,601
Other comprehensive income	29a, 2h	-	-	(25,615)	528,756	(251,198)	-	-	2,976	254,919
Total comprehensive income for the year		-	-	(25,615)	528,756	(251,198)	-	24,214,911	14,666	24,461,520
Distribution of income	30d	-	-	-	-	-	-	(6,348,045)	(2,217)	(6,350,262)
Dividends		-	-	-	-	-	4,443,632	(4,443,632)	270	270
Addition to general and specific reserves		-	-	-	-	-	-	-	-	-
Balance as of December 31, 2014		6,167,291	2,773,888	56,468	(198,888)	124,147	15,449,160	79,158,614	175,184	97,705,834

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Gain (Loss) on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Treasury Stocks	Retained Earnings Appropriated	Unappropriated	Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
Balance as of December 31, 2014 (after restatement)		6,167,291	2,773,858	56,468	(198,888)	124,147	-	15,449,160	73,158,614	97,530,650	175,184	97,705,834
Income for the year		-	-	-	-	-	-	-	25,397,742	25,397,742	13,046	25,410,788
Other comprehensive income	2ag.2h	-	-	(7,399)	(946,583)	417,321	-	-	-	(536,661)	(1,997)	(538,658)
Total comprehensive income for the year		-	-	(7,399)	(946,583)	417,321	-	-	25,397,742	24,861,081	11,049	24,872,130
Distribution of income	30d	-	-	-	-	-	-	-	(7,272,495)	(7,272,495)	(1,189)	(7,273,684)
Dividends		-	-	-	-	-	-	-	(2,666,581)	-	-	-
Addition to general and specific reserves		-	-	-	-	-	-	2,666,581	(2,666,581)	-	-	-
Changes in non-controlling interest from acquisition of BJS	1f	-	-	-	-	-	-	-	-	-	121,594	121,594
Effect of changes in non-controlling interest of BRI/Agro	1f	-	-	-	-	-	-	-	-	-	(12,320)	(12,320)
Treasury Stock	1d	-	-	-	-	-	(2,286,375)	-	-	(2,286,375)	-	(2,286,375)
Balance as of December 31, 2015		6,167,291	2,773,858	49,069	(1,145,671)	541,468	(2,286,375)	18,115,741	88,617,280	112,832,864	294,318	113,127,179

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

		Year Ended December 31,	
	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Income received			
Interest and investment income		82,595,882	73,056,125
Sharia income		2,426,292	2,056,436
Expenses paid			
Interest expense		(26,101,932)	(22,191,220)
Sharia expenses		(1,013,170)	(994,824)
Recoveries of assets written-off		2,353,612	2,112,320
Other operating income		9,533,063	6,281,355
Other operating expenses		(25,782,430)	(23,967,573)
Non-operating income - net		1,959,483	2,483,137
Payment of income tax and tax bill		(7,000,011)	(7,605,809)
Cash flows before changes in operating assets and liabilities		38,970,789	31,229,947
Changes in operating assets and liabilities:			
(Increase) decrease in operating assets:			
Placements with Bank Indonesia and other banks		(100,000)	2,796
Securities and Government Recapitalization Bonds at fair value through profit or loss		(800,992)	882,059
Export bills		3,247,102	(1,601,913)
Securities purchased under agreement to resell		38,158,470	(24,563,532)
Loans		(77,198,420)	(66,400,256)
Sharia receivables and financing		(1,156,677)	(1,616,217)
Other assets		(2,388,153)	(1,127,506)
Increase (decrease) in operating liabilities:			
Liabilities due immediately		(1,899,903)	1,928,408
Deposits:			
Demand deposits		23,999,076	10,764,203
<i>Wadiah</i> demand deposits		315,832	(48,974)
Saving deposits		35,336,346	22,487,836
<i>Wadiah</i> saving deposits		417,270	818,105
<i>Mudharabah</i> saving deposits		322,382	92,428
Time deposits		(15,573,140)	81,871,778
<i>Mudharabah</i> time deposits		1,855,767	2,055,088
Deposits from other banks and financial institutions		2,509,681	4,964,172
Securities sold under agreement to repurchase		(4,434,003)	15,456,092
Other liabilities		3,963,481	(1,371,878)
Net Cash Provided by Operating Activities		45,544,908	75,822,636

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

		Year Ended December 31,	
	Notes	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of premises and equipment	36	21,628	14,059
Receipt of dividends	15	394	21
Acquisition of premises and equipment	16	(3,285,398)	(3,064,718)
Increase in available for sale and held to maturity securities and Government Recapitalization Bonds		(53,441,154)	(21,598,976)
Net Cash Used in Investing Activities		(56,704,530)	(24,649,614)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from fund borrowing		9,930,290	15,767,824
Purchase of Treasury Stock		(2,286,375)	-
Dividends paid		(7,273,684)	(6,350,262)
Payments of subordinated loans		(21,114)	(2,019,442)
Proceeds from marketable securities issued		1,455,207	2,106,529
Net Cash Provided by Financing Activities		1,804,324	9,504,649
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(9,355,298)	60,677,671
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES		12,800	2,775
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		172,731,255	112,050,809
CASH AND CASH EQUIVALENTS AT END OF YEAR		163,388,757	172,731,255
Cash and cash equivalents at end of year consist of:			
Cash	2a		
	3	28,771,635	22,469,167
Current accounts with Bank Indonesia	4	61,717,798	51,184,429
Current accounts with other banks	5	8,736,092	10,580,440
Placements with Bank Indonesia and other banks - maturing within three months or less since the acquisition date	6	49,734,664	62,035,442
Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia - maturing within three months or less since the acquisition date		14,428,568	26,461,777
Total Cash and Cash Equivalents		163,388,757	172,731,255

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2015 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 and started its commercial operations on December 18, 1968 based on Law No. 21 year 1968. On April 29, 1992, based on the 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 in the status of BRI to become a limited liability corporation was documented by notarial deed No. 133 dated July 31, 1992 of notary Muhani Salim, S.H. and was approved by the Ministry 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" that was 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 was 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 the Company's status and compliance with the Capital Market Laws which were approved by the Ministry 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 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") starting January 1, 2013, No. IX.J.I on "The Main Provisions of the Articles of Association of a Company that Conduct Public Offering of Shares and Public Company", which was approved by the Ministry of Laws 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 last amendment was documented in Deed No. 1 dated April 1, 2015, on the adjustment of the Articles of Association with the applicable OJK regulation, made by Notary Fathiah Helmi, S.H., and was accepted and recorded in the Legal Administration System in accordance with the Decree of the Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0054353 dated April 8, 2015. According to Article 3 of the Articles of Association of BRI, BRI's scope of business is to conduct business in the banking sector, in accordance with the prevailing law and regulations, by implementing the principles of Limited Liability Company.

BRI is owned by the Indonesian government as the majority shareholder.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

b. Recapitalization Program

In realization of the recapitalization program for commercial banks, set forth in Government Regulation No. 52 year 1999 regarding the Increase in Investments in Shares by the Republic of Indonesia in State-Owned Banks, BRI received all the recapitalization with a nominal amount of Rp29,149,000 in the form of Government Recapitalization Bonds issued in 2 (two) tranches 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 as represented by the Government through the Ministry of Finance and BRI, the Government determined that the recapitalization requirement amount of BRI to achieve a minimum Capital Adequacy Ratio of 4% was Rp29,063,531. Therefore, BRI has returned the excess of recapitalization amounted to Rp85,469 in the form of Government Recapitalization Bonds to the Republic of Indonesia on November 5, 2001.

On September 30, 2003, the Ministry of Finance issued Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 regarding the final amount and the implementation of the Government's rights as a result of the additional investment of the Republic of Indonesia in the capital of BRI under the recapitalization program for commercial banks. Based on this Decision Letter, the Ministry of Finance affirmed that the final recapitalization requirement of BRI amounted to Rp29,063,531.

c. Initial Public Offering of Shares and Stock Split

In relation to BRI's Initial Public Offering (IPO) of shares, based on the registration statement dated October 31, 2003, the Government, acting through the Ministry 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, together with over-subscription option shares and over-allotment option shares.

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 such registration statement became effective based on the Chairman of Bapepam-LK letter No. S-2646/PM/2003 dated October 31, 2003.

BRI's IPO of shares consists of 3,811,765,000 shares with a nominal value of Rp500 (full Rupiah) per share and with a selling price of Rp875 (full Rupiah) per share. Subsequently, 381,176,000 shares under the over-subscription option and 571,764,000 shares under the over-allotment option at a price of Rp875 (full Rupiah) per share were exercised on November 10, 2003 and December 3, 2003, respectively. After BRI's IPO and the exercise of the over-subscription option and the over-allotment option by underwriters, the Republic of Indonesia owns 59.50% of shares of BRI. On November 10, 2003, the above mentioned offered shares were initially traded at the Jakarta and Surabaya Stock Exchanges (currently the Indonesia Stock Exchange) and all shares of BRI have been simultaneously listed (Note 30b).

Based on the notarial deed No. 38, dated November 24, 2010, notary Fathiah Helmi, S.H., stock split was performed of Rp500 (full Rupiah) per share to Rp250 (full Rupiah) per share. The deed was received and recorded in the Legal Administration database System of the Ministry of Laws and Human Rights of the Republic of Indonesia in its letter No. AHU.AH.01.10-33481 dated

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
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(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

c. Initial Public Offering of Shares and Stock Split (continued)

December 29, 2010. Stock split was performed in 2011 and BRI schedule that the end of trading shares with a previous nominal value or Rp500 (full Rupiah) per share in Regular and Negotiation Market is on January 10, 2011 and the date of commencement of legitimate trade with the new nominal value or Rp250 (full Rupiah) per share is on January 11, 2011.

d. Treasury Stock

BRI through its letter No. R.224-DIR/DIS/09/2015 dated September 25, 2015 submitted a request for approval of BRI's stock repurchase to OJK as many as Rp5,000,000, and has been approved by OJK through its letter No. S-101/PB.31/2015 dated October 6, 2015. Furthermore, BRI submitted information disclosure to the Indonesia Stock Exchange in connection with the share repurchase plan for shares that had been issued and listed on the Stock Exchange 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 December 31, 2015 and January 12, 2016, BRI purchased 210,118,600 shares (Note 30a) and 221,718,000 shares (nominal value of Rp250 per share) with acquisition cost of Rp2,286,375 and Rp2,418,947, respectively.

e. Structure and Management

BRI's head office is located at BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of December 31, 2015 and 2014, BRI has the following networks of working unit (unaudited):

	December 31, 2015	December 31, 2014
Regional Offices	19	19
Head Inspection Office	1	1
Regional Inspection Offices	19	18
Domestic Branch Offices	462	457
Special Branch Office	1	1
Overseas Branch/Representative Offices	4	3
Sub-branch Offices	603	584
Cash Offices	983	971
BRI Unit	5,360	5,293
Teras	3,178	3,067
Floating Teras	1	-

As of December 31, 2015 BRI has 2 (two) overseas branch offices located in the Cayman Islands and Singapore, 2 (two) representative offices located in New York and Hong Kong, and 4 (four) subsidiaries, namely PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd., Hong Kong and PT Asuransi Jiwa Bringin Jiwa Sejahtera, while as of December 31, 2014 BRI has 1 (one) overseas branch office located in the Cayman Islands, 2 (two) representative offices located in New York and Hong Kong, and 3 (three) subsidiaries, namely PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk and BRI Remittance Co. Ltd., Hong Kong.

Based on the accounting policies of BRI, the coverage of BRI's key management are boards of commissioners, directors, audit committee, remuneration committee, the head of divisions, head of internal audit and inspectors, head of regionals, head of special branch and head of branch. The number of BRI's employees as of December 31, 2015 and 2014 amounted to 54,859 and 48,814 employees (unaudited), respectively.

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2015 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Structure and Management (continued)

The composition of the Board of Commissioners of BRI as of December 31, 2015 appointed based on the minutes of BRI's Extraordinary Shareholders' General Meeting held on August 12, 2015, as stated under the Notarial Deed No. 12 of Notary Fathiah Helmi, S. H., while the composition of the Board of Commissioners of BRI as of December 31, 2014 appointed based on the minutes of BRI's Extraordinary Shareholders' General Meeting held on July 10, 2014, as stated under the Notarial Deed No. 10 of Notary Fathiah Helmi, S.H., are as follows:

		December 31, 2015	December 31, 2014
President/Independent Commissioner	:	Mustafa Abubakar	Bunasor Sanim
Vice President Commissioner	:	Gatot Trihargo	Mustafa Abubakar*)
Independent Commissioner	:	Adhyaksa Dault	Adhyaksa Dault
Independent Commissioner	:	Ahmad Fuad	Ahmad Fuad
Independent Commissioner	:	Fuad Rahmany	Hermanto Siregar
Independent Commissioner	:	A. Sonny Keraf	Heru Lelono
Commissioner	:	Vincentius Sonny Loho	Vincentius Sonny Loho
Commissioner	:	Jeffrey J. Wurangian	Dwijanti Tjahjaningsih

*) Concurrently as Vice President Commissioner and Independent Commissioner

The composition of the Board of Directors of BRI as of December 31, 2015 appointed based on the minutes of BRI's Extraordinary Shareholders' General Meeting held on August 12, 2015, as stated under the Notarial Deed No. 12 of Notary Fathiah Helmi, S. H., and the composition of the Board of Directors of BRI as of December 31, 2014 appointed based on the minutes of BRI's Annual Shareholders' General Meeting held on March 28, 2012, as stated under the Notarial Deed No. 57 of Notary Fathiah Helmi, S.H., are as follows:

		December 31, 2015	December 31, 2014
President Director	:	Asmawi Syam	Sofyan Basir
Vice President Director	:	Sunarso	-
Director	:	Agus Toni Soetirto	Sarwono Sudarto
Director	:	Randi Anto	Achmad Baiquni
Director	:	Gatot Mardiwasisto	Sulaiman Arif Arianto
Director	:	Mohammad Irfan	Randi Anto
Director	:	Zulhelfi Abidin	Agus Toni Soetirto
Director	:	Susy Liestiwaty	Lenny Sugihat
Director	:	Donsuwan Simatupang	Djarot Kusumayakti
Director	:	Haru Koesmahargyo	Asmawi Syam
Director	:	Kuswiyoto	Gatot Mardiwasisto
Director	:	-	Suprajarto

The composition of BRI's Audit Committee as of December 31, 2015 appointed based on BRI's Directors' Decision Letter No. Kep. 281-DIR/KPS/06/2015 dated June 15, 2015 and Commissioners' Decision Letter No. B.43-KOM/04/2015 dated April 7, 2015, and as of December 31, 2014 appointed based on BRI's Directors' Decision Letter No. Kep. 549-DIR/KPS/10/2014 dated October 7, 2014 and Commissioners' Decision Letter No. B. 110-KOM/08/2014 dated August 20, 2014 are as follows:

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1. GENERAL (continued)

e. Structure and Management (continued)

	December 31, 2015	December 31, 2014
Chairman	Fuad Rahmany	Bunasor Sanim
Member	Adhyaksa Dault	Adhyaksa Dault
Member	A. Sonny Keraf	Hermanto Siregar
Member	-	H. C. Royke Singgih
Member	-	Dedi Budiman Hakim
Member	Syahrir Nasution	Syahrir Nasution

As of December 31, 2015 and 2014, the Corporate Secretary of BRI are Hari Siaga Amijarso and Budi Satria, respectively, based on Directors' Decision Letter No. Kep. 887-DIR/KPS/12/2015 dated December 21, 2015 and Directors' Decision Letter No. Kep. 250-DIR/KPS/05/2014 dated May 8, 2014, respectively.

As of December 31, 2015 and 2014, the Internal Audit Task Force Head are Saptono Siwi and Ali Mudin, respectively, based on BRI's Director Decision Letter No. Kep. 626-DIR/KPS/10/2015 dated October 22, 2015 and BRI's Director Decision Letter No. Kpts.18/Dir.01.03/VII/2011 dated July 5, 2011, respectively.

f. Subsidiaries

PT Bank BRISyariah

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 Shareholders' Extraordinary General Meeting, as stated under the notarial deed No. 3 dated September 5, 2007 of notary Imas Fatimah, S.H., the shareholders approved the above acquisition of BJA and subsequently obtained the approval of Bank Indonesia, according to 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., whereby BRI acquired 99.99875% of the issued shares of BJA and 0.00125% 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 bank into a commercial bank that conducts business activities based on Sharia principles. Within 60 (sixty) days from the decision 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 date, BSB was obliged to settle all its loan receivables and debtor or customer liabilities from the previous conventional banking activities.

On December 19, 2008, BRI has entered into a spin-off agreement to transfer the assets and liabilities of BRI's Sharia Business Unit ("UUS BRI") to BSB, based on notarial deed No. 27, dated December 19, 2008 on "The Spin-Off Agreement of BRI's Sharia Business Unit into PT Bank Syariah BRI" of notary Fathiah Helmi, S.H., with effective date on January 1, 2009. As a result of the spin-off as of the effective date:

1. All assets and liabilities of UUS BRI in possession of BRI by operation of law were transferred and become the rights, liabilities or expenditures to be operated under BSB's responsibility as the receiving entity.
2. All of the UUS BRI's operations, business and office activities by operation of law were transferred to and/or operated under BSB's benefit, loss and responsibility.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRISyariah (continued)

3. All of the UUS BRI's rights, claims, authorities and liabilities based on any agreements, actions or existing which were made, performed, or which occurred on or before the effective date of the spin-off 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 by operation of law, have been transferred to and or operated under BSB's benefit, loss and responsibility.

Based on BSB's Shareholders' Statements of Agreement as stated in notarial deed No. 18 of notary Fathiah Helmi, S.H., dated April 14, 2009, the name of PT Bank Syariah BRI was changed to PT Bank BRISyariah ("BRIS") as approved by the Governor of Bank Indonesia's Decision Letter No. 11/63/KEP.GBI/DpG/2009 dated December 15, 2009.

BRIS' Articles of Association has been amended several times. The latest amendment was documented in PT Bank BRISyariah's Shareholders' Statements of Agreement as stated in notarial deed No. 1 of notary Fathiah Helmi, S.H., dated August 4, 2015, notary in Jakarta, regarding the addition of the issued and fully paid capital. The amendment was accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0954202 dated August 4, 2015.

According to Article 3 of BRIS' latest Articles of Association, the scope of BRIS' business is to conduct banking business based on Sharia principles.

Total assets of BRIS as of December 31, 2015 and 2014, is amounted to Rp24,245,788 and Rp20,341,033 or 2.76% and 2.54%, respectively, of the consolidated total assets. Total sharia income for the year ended December 31, 2015 and 2014, is amounted to Rp2,426,292 and Rp2,056,602, or 2.84% and 2.74%, respectively, of the consolidated interest income.

BRISyariah has 2,997 and 2,749 employees (unaudited) as of December 31, 2015 and 2014, respectively.

BRISyariah's head office is located at Jl. Abdul Muis No. 2-4, Central Jakarta, and has 52 domestic branch offices and 208 sub-branch offices.

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

On August 19, 2010, BRI entered into Sale and Purchase of Shares Agreement (PPJB) with the Agricultural Estate Pension Fund (Dapenbun), as the owner of 95.96% shares of BRI Agro, to acquire the shares of BRI Agro with total nominal value of Rp330,296 for 3,030,239,023 number of shares at a price of Rp109 (full Rupiah) per share. After the acquisition, the shareholdings of BRI Agro's investors comprise of 76% by BRI, 14% by Dapenbun and 10% by the public.

The shareholders approved the acquisition of BRI Agro based on BRI's Shareholders' Extraordinary General Meeting according to notarial deed No. 37 dated November 24, 2010 of notary Fathiah Helmi, S.H. Bank Indonesia also granted approval of the acquisition in its Letter No. 13/19/GBI/DPIP/Rahasias dated February 16, 2011. The acquisition was completed on March 3, 2011 based on the notarial deed No. 14 of notary Fathiah Helmi, S.H., whereby BRI owned 88.65% of the total issued and fully paid shares of BRI Agro, 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 Series I Warrants which are exercisable up to May 25, 2011.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

In compliance with Bapepam-LK's Regulation No. IX.H.1, Attachment to Decision of Chairman of Bapepam-LK No. Kep-259/BL/2008 dated June 30, 2008 regarding "Public Company Takeovers", BRI, as the new controlling shareholder of BRI Agro, is required to conduct mandatory Tender Offer for the remaining BRI Agro's shares which are owned by the public. The Tender Offer statement became effective May 4, 2011 based on Chairman of Bapepam-LK's letter No. S-4985/BL/2011 and was announced on two daily newspapers, *Bisnis Indonesia* and *Investor Daily*, both on May 5, 2011. The Tender Offer period commenced on May 5, 2011 and concluded on May 24, 2011. On the closing date of the Tender Offer period, BRI acquired 113,326,500 additional shares (3.15% of the total shares of BRI Agro). The price used for the Tender Offer is at Rp182 (full Rupiah) per share.

On July 1, 2011, BRI enacted the sale of 256,375,502 shares to Dapenbun as a result of Dapenbun's exercise of its buy option at a price of Rp109 (full Rupiah) per share. Based on Bapepam-LK's Regulation No. IX.H.1, the re-transfer period of the Tender Offer is within a maximum period of 2 (two) years, however, in the case of BRI Agro, BRI shall meet the minimum public shareholding of 10% no later than May 24, 2013. This is in compliance with the letter received from the Indonesia Stock Exchange No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011. As of December 31, 2011, total shares of BRI Agro which has been transferred back to the public comprised of 500,000 shares, reducing BRI's ownership to 79.78% while maintaining Dapenbun's ownership at 14%. During 2012 and 2013 there were no sale of shares occurred, whereas subsequently in 2014 there is a sale of 130,000 shares, thus, as of December 31, 2014, the required percentage of public ownership based on the Indonesia Stock Exchange Letter No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011 of 10% by May 24, 2013 could not be met by BRI due to BRI Agro's inactive share prices in the stock market.

Based on the notarial deed of Statement Decision Meeting No. 30 dated May 16, 2012 of notary Rusnaldy, S.H., PT Bank Agroniaga Tbk changed its name to PT Bank Rakyat Indonesia Agroniaga Tbk ("BRI Agro") and has been approved by Bank Indonesia on 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 par value of Rp100 (full amount) per share. On June 26, 2013, the Board of Commissioners of OJK through its letter No. S-186/D.04/2013, approved the Statement of Registration for a Limited Public Offering IV, thus increasing the number of its issued capital stock by 3,832,685,599 shares.

As a results of PUT IV, BRI Agro's Articles of Association was amended as stated in notarial deed of Decision Meeting Statement No. 107 dated July 30, 2013, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase of issued and fully paid capital, increasing BRI's ownership to 80.43%, Dapenbun to 14.02% and public to 5.55%. This amendment was approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0074249.AH.01.09.Year 2013 dated August 1, 2013.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

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 par value of Rp100 (full amount) 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 Statement of Registration for a Limited Public Offering V has become effective, thus increasing the number of its issued capital stock by 4,028,934,521 shares.

As a results 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 of issued and fully paid capital, increasing BRI's ownership to 87.23%, Dapenbun to 9.10% and public to 3.67%. This amendment was accepted and recorded by the Ministry of Laws 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.

Total assets of BRI Agro as of December 31, 2015 and 2014 is amounted to Rp8,361,735 and Rp6,388,305 or 0.95% and 0.80%, respectively, of the consolidated total assets. Total interest income for the year ended December 31, 2015 and 2014 is amounted to Rp786,710 and Rp598,344 or 0.92% and 0.80%, respectively, of the consolidated interest income.

In accordance with Article 3 of its Articles of Association, BRI Agro's scope of business is to conduct commercial banking activities.

BRI Agro, based on Letter of Bank Indonesia No. 22/1037/UUps/Ps6D dated December 26, 1989, obtained its license as a commercial bank.

BRI Agro has 398 and 366 employees (unaudited) as of December 31, 2015 and 2014, respectively.

BRI Agro's head office is located at Agro Plaza, Jl. H.R. Rasuna Said Blok X2 No. 1, Jakarta, and has 16 branch offices and 17 sub-branch offices.

BRI Remittance Co. Limited Hong Kong (BRI Remittance)

On December 16, 2011, BRI entered into the Instrument of Transfer and the Bought and Sold Notes to acquire 100% of BRIngin Remittance Co. Ltd. (BRC) Hong Kong shares (equivalent to 1,600,000 shares) at a purchase price of HKD1,911,270. This acquisition was legalized by the Inland Revenue Department (IRD) Hong Kong 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. Ltd Hong Kong.

Total assets of BRI Remittance as of December 31, 2015 and 2014 is amounted to Rp5,832 or 0.0007% and Rp4,946 or 0.0006%, respectively, of the consolidated total assets.

BRI Remittance's scope of business is to conduct commercial remittance activities.

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1. GENERAL (continued)

f. Subsidiaries (continued)

BRI Remittance Co. Limited Hong Kong (BRI Remittance) (lanjutan)

BRI Remittance has 4 employees (unaudited) as of December 31, 2015 and 2014, respectively.

BRI Remittance's head office is located at Lippo Centre, Tower II, 89 Queensway, Admiralty, Hong Kong.

PT Asuransi Jiwa Bringin Jiwa Sejahtera

On October 6, 2015, BRI has signed the Sale and Purchase of Shares Agreement with the shareholders of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BJS") to acquire 91.001% shares of BJS at a purchase price amounting to Rp1,627 billion. Based on BRI's Extraordinary Shareholders' General Meeting in accordance with the Deed No. 14 dated December 14, 2015 of notary Fathiah Helmi, S.H., the shareholders have approved the acquisition of the BJS 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 Deed No. 41 of notary Fathiah Helmi, S.H. on the Acquisition of Shares in PT Asuransi Jiwa Bringin Jiwa Sejahtera, whereby BRI has 91.001% of the total issued shares of BJS and 8.999% of it submitted to the BRI Workers Welfare Foundation.

BJS' Articles of Association has been amended several times. The latest amendment was documented in Notarial Deed No. 15 dated July 13, 2015, of notary Yulizar Azhar S.H., M Hum., notary in South Jakarta, regarding the acquisition of shares, amendment to the Articles of Association and changes in the Company's Management. The amendment was accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU.01.03-0956295 dated August 12, 2015.

According to Article 3 of BJS' latest Articles of Association, the scope of BJS' business is to conduct business in the life insurance sector.

Total assets of BJS as of December 31, 2015, is amounted to Rp5,038,764 or 0.57%, of the consolidated total assets.

BJS has 388 employees (unaudited) as of December 31, 2015.

BJS' head office is located at Graha Irama Building 15th floor Jl. H.R Rasuna Said Blok X-1 Kav 1 and 2, Jakarta, and has 6 regional offices with a total of as many as 41 conventional sales offices and 11 sharia unit sales offices.

BJS has a 99.73% shares in PT BPR Bringin Dana Sejahtera ("BDS") which engaged in the Rural Bank sectors and started its operational activities in 1973.

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2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

Statement of Compliance

The consolidated financial statements as of and for the years ended December 31, 2015 and 2014 were 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 SFAS No. 1 (Revised 2013), "Presentation of Financial Statements" effective since January 1, 2015.

BRIS (Subsidiary), which is engaged in banking activities based on Sharia principles, presents its financial statements according to SFAS No. 101 on "Sharia Financial Statements Presentation", SFAS No. 102 (Revised 2013) on "Accounting for *Murabahah*", SFAS No. 104 on "Accounting for *Istishna*", SFAS No. 105 on "Accounting for *Mudharabah*", SFAS No. 106 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 on "Accounting for *Sukuk*" and the Indonesia Sharia Banking Accounting Guidelines (PAPSI) issued by Bank Indonesia and Indonesian Institute of Accountants (IAI).

The consolidated financial statements have been prepared 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 with cash flows classified into operating, investing and financing activities. For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia and other banks, Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia 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 include the financial statements of BRI and its Subsidiaries whose majority shares are owned or controlled by BRI.

Effective January 1, 2015, BRI implemented SFAS No. 65, "Consolidated Financial Statements". The implementation of this standard has no significant impact to the financial reporting and disclosures in the consolidated financial statement.

Where control over a subsidiary began or ceased during the year, the results of operations of a Subsidiary are included in the consolidated financial statements only from the date that control was acquired or up to the date that control has ceased.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

Control is acquired when BRI is exposed, or has rights to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over a 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 returns of a subsidiary).
- b) Exposure, or rights to variable returns from its involvement with a subsidiary.
- c) The ability to use its power over the subsidiary to affect BRI's returns.

All significant balances and transactions, including unrealized gains/losses are eliminated to reflect the consolidated financial position and results of operations of BRI and Subsidiaries as a single entity.

The consolidated financial statements are prepared using uniform accounting policies for transactions and events in similar circumstances. If the Subsidiaries' financial statements use accounting policies which are different from those adopted in the consolidated financial statements, appropriate adjustments are made to the Subsidiaries' financial statements.

The non-controlling interest represents 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

Effective on January 1, 2015, BRI implemented SFAS No. 50 (Revised 2014), "Financial Instruments: Presentation". The implementation of the SFAS has no significant impact to the financial reporting and disclosures in the consolidated financial statement.

Effective on January 1, 2015, BRI implemented SFAS No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement". The implementation of the SFAS has no significant impact to the financial reporting and disclosures in the consolidated financial statement.

Effective on January 1, 2015, BRI implemented SFAS No. 60 (Revised 2014), "Financial Instruments: Disclosures". The implementation of the SFAS has no significant impact to the financial reporting and disclosures in the consolidated financial statement.

Effective on January 1, 2015, BRI implemented SFAS No. 68, "Fair Value Measurement". The implementation of the SFAS defines fair value, establish in a statement, a framework to measure fair value and requires disclosures on fair value measurement.

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, Government Recapitalization Bonds, securities purchased under agreement to resell, derivatives receivable, loans, acceptances receivable, investment in entities at cost method and other assets.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

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.

(i) Classification

BRI classifies its financial assets in the following categories at initial recognition:

- Financial assets held at fair value through profit or loss, which have 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; and
- 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. those designated as such upon initial recognition and those 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 at fair value through profit or loss consist of financial assets or liabilities held for trading which BRI acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a financial instrument portfolio that is managed together for short-term profit or position taking.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that BRI intends to sell immediately or in the short term, which are classified as held for trading and those that BRI upon initial recognition designates as at fair value through profit or loss;
- those that BRI upon initial recognition designates as available for sale investments; or
- those for which BRI may not recover substantially all of its initial investment, other than because of loans and receivables deterioration, which classified as available for sale.

Held to maturity investments consist of quoted non-derivatives financial assets with fixed or determinable payments and fixed maturity that BRI has the positive intention and ability to hold to maturity. Investments intended to be held for an undetermined period are not included in this classification.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification (continued)

The available for sale category consists of non-derivatives financial assets that are designated as available for sale or are not classified in one of the other categories of financial assets.

After initial recognition, available for sale investments are measured at fair value with gains or losses being 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 restatement for available for sale investments are 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 liability.

(ii) Initial recognition

- a. Purchase or sale of financial assets that requires delivery of assets within a time frame established by regulation or convention 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 an additional charge that would not occur if the 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 on initial recognition of a liability. The transaction costs are amortized over the terms of the instrument based on the effective interest rate method and recorded as part of interest income for transaction costs related to the asset or as part of interest expense for transaction costs related to financial liabilities.

BRI, upon initial recognition, may designate certain financial assets at fair value through profit or loss (fair value option). The fair value option is only applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
- the financial assets are part of a portfolio of financial instruments, the risk of which 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition (continued)

The fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate swap, but for which the hedge accounting conditions are not fulfilled. Otherwise, the loans would be accounted for 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. Furthermore, the fair value option is applied to structured investments that include embedded derivatives.

(iii) Subsequent measurement

Available for sale financial assets and financial assets and liabilities 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 from the financial assets have expired; or
- BRI has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material 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 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 nor transferred 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 realistic prospect of collection in the near future or the normal relationship between BRI and the debtors has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses.

b. Financial liabilities are derecognized when they end, i.e. when the obligation under the liability is discharged, cancelled or expired.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition (continued)

Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original 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 interest expense on available for sale assets and financial assets and 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 liabilities held at fair value through profit or loss are included in the consolidated statement of profit or loss and other comprehensive income.

Gains and losses arising from changes in the fair value of available for sale financial assets are recognized directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized or impaired.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity should be reclassified to consolidated statement of profit or loss and other comprehensive income.

(vi) Reclassification of financial assets

BRI is not allowed to reclassify any financial instrument out of the 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 the entity has, during the current financial year or during the 2 (two) preceding financial years, sold or reclassified a significant amount of held to maturity investments before maturity (more than an insignificant amount in relation to the total amount of held to maturity investments) other than sales or reclassifications that:

- a. are so close to maturity or the financial asset's repurchase date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- b. occur after BRI has collected substantially all of the original principal of the financial assets through scheduled payments or prepayments; or
- c. are attributable to an isolated event that is beyond BRI's control, is non-recurring and could not have been reasonably anticipated by BRI.

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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 when and only when, BRI has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

(viii) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(ix) Fair value measurement

Fair value is the price that would be received 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 presumption that the transaction to sell an asset or paid 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 economic best interest.

A fair value measurement of non-financial assets considers a 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 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 fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

- Level 1: quoted (unadjusted) market prices 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 asset and liability, which is directly or indirectly observable.
- Level 3: unobservable inputs for the asset and liability.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, BRI determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the fair value disclosures purposes, BRI has determined 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 39).

(x) Sukuk Financial Asset

At the initial recognition, the entity determines the classification of investments in *sukuk* as measured at cost or fair value.

After the initial recognition, investment in *ijarah sukuk* and *Mudharabah sukuk* is measured as follows:

a. Measured at cost

- The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual terms in determining the specific date of principal payments and or the results.
- *Sukuk* acquisition cost includes transaction cost.
- The difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the period of the *sukuk*.
- Impairment loss is recognized if the recoverable amount is less than the carrying amount and is presented as an impairment loss in the statement of profit or loss and other comprehensive income.

b. Measured at fair value

- The fair value is determined with reference to the following order:
 - Quoted price in active market.
 - Price from the current transaction, if there is no available quoted price in the active market.
 - Fair value of similar instrument, if there is no available quoted price in the active market and no price from the current transaction.
- *Sukuk* acquisition cost does not include transaction cost.
- The difference between fair value and carrying value is presented in the consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

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;
- 2) it is a member of the same group as BRI and Subsidiaries;
- 3) it is a joint venture of a third party in which BRI and Subsidiaries have ventured in;
- 4) it is a member of key management personnel in BRI and Subsidiaries;
- 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 term and conditions as those transactions with third parties. All transaction done by BRI have complied with Bapepam-LK 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 43 of the consolidated financial statements. Furthermore, material transactions and balances between BRI and Subsidiaries and the Government of the Republic of Indonesia (RI) and other entities related to the Government of the Republic of Indonesia are also disclosed in Note 43.

e. Allowance for impairment losses on financial assets

On each consolidated statement of financial position reporting date, BRI assesses whether there is an objective evidence that financial assets not carried at fair value through profit or loss are impaired.

Financial assets are impaired when an objective evidence demonstrate that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the financial asset that can be estimated reliably.

The criteria used by the entity to determine the existence of an objective evidence of impairment loss include:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the creditor, for economic or legal reasons relating to the debtor's financial difficulty, grants the debtor a concession that the creditor would not otherwise consider;
- d) it becomes probable that the debtor will enter into bankruptcy or other financial reorganization;

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

The criteria used by the entity to determine the existence of an objective evidence of impairment loss include (continued):

- e) the disappearance of an active market for that 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 correlate with defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and identification of loss is determined by management for each identified portfolio. In general, the periods used vary between 3 months and 12 months; in exceptional cases, longer periods are warranted.

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, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment.

BRI determines the loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. Loans which individually have significant value and an objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, BRI performs individual assessment for: (a) Corporate and middle loans with collectibility classification of substandard, doubtful and loss; or (b) Restructured corporate and middle loans.

BRI determines loans to be evaluated for impairment through collective evaluation 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) Corporate and middle loans with collectibility classification of current and special mention which have never been restructured; or (b) Retail and consumer loans.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

Calculation of allowance for impairment losses on financial assets assessed collectively grouped based on similar credit risk characteristics and taking into account the loan segmentation based on historical loss experience and the possibility of failure (probability of default). Loans that have historical loss data and information that is categorized as a 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 risk factors associated relevant based on a survey conducted periodically to external and internal parties of BRI.

BRI uses the migration analysis method, which is a statistical model analysis method to collectively assess allowance for impairment losses on loans. Under this method, BRI uses 3 (three) years moving average historical data to compute the Probability of Default (PD) and Loss of Given Default (LGD).

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 made 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 present value of estimated future cash flows discounted at the financial assets original effective interest rate. If loans or held to maturity securities and Government Recapitalization Bonds have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical guideline, BRI may measure impairment on the basis of an instrument's fair value 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 less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Losses are recognized in the consolidated statement of profit or loss and other comprehensive income and reflected in an allowance for impairment losses account against financial assets carried at amortized cost.

Interest income on the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized must be recovered and the recovery is stated in the consolidated statement of profit or loss and other comprehensive income.

For financial assets classified as available for sale, BRI assesses on each consolidated statement of financial position reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity instruments, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available for sale

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statement of profit or loss and other comprehensive income. The cumulative loss that has been removed from equity and recognized in the 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 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 available for sale equity instruments should not be recovered through a reversal of a previously recognized impairment loss in the current year consolidated statement of profit or loss and other comprehensive income.

If in a subsequent period, the fair value of debt instrument classified as available for sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of profit or loss and other comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in the consolidated statement of profit or loss and other comprehensive income.

If the terms of the loans, receivables or held to maturity securities are renegotiated or otherwise modified because of financial difficulties of the debtor or issuer, impairment is measured using the original effective interest rate before the modification of terms.

If in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that occurred after the recognition of the impairment losses (i.e. upgrade debtor's or issuer's collectibility), the impairment loss that was previously recognized has to be reversed, by adjusting the allowance account. The reversal amount of financial assets is recognized in the current year 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. Recoveries of written-off loans from previous years are recorded as operating income other than interest income.

In connection with compliance to Bank Indonesia (OJK), BRI implemented Bank Indonesia Regulation No. 14/15/PBI/2012 dated October 24, 2012 on "Assessment of Commercial Bank Asset Quality" and OJK Regulation (POJK) No. 11/POJK.03/2015 dated August 21, 2015 on "Prudential Principle Provisions for Commercial Banks to Stimulate the National Economy" which applicable until August 24, 2017.

BRI's subsidiary which is engaged in Sharia Banking (BRIS) applies the Financial Services Authority Regulation (POJK) No. 16/POJK.03/2014 dated November 18, 2014 on "Asset Quality Assessment for Sharia Commercial Banks and Business Unit" effective since January 1, 2015 and POJK No. 12/POJK.03/2015 dated August 21, 2015 on "Prudential Principle Provisions for Sharia Banks and Sharia Business Units to Stimulate the National Economy" which applicable until August 24, 2017. The assessment prior to January 1, 2015 using the PBI No.13/13/PBI/2011 dated March 24, 2011 on "Asset Quality Assessment for Sharia Commercial Banks and Sharia Business Unit".

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

The minimum allowance to be provided in accordance with Bank Indonesia (OJK) Regulation is 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 criterias for assessment of the value of collateral that can be deducted in the calculation of allowance for impairment losses are based on 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 placement in deposit facility of Bank Indonesia such as Deposit Facility, Term Deposit and Sharia Deposit Facility whereas placements with other banks represent placements of funds in the form of inter-bank call money and time deposits.

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 Certificates of Bank Indonesia, Deposits Certificates of Bank Indonesia, Bank Indonesia Sharia Certificates, Government bonds, promissory notes, subordinated bonds, mutual fund units, medium-term notes, U.S Treasury Bonds, Singapore Government Securities, Negotiable Certificate of Deposits, credit linked notes and bonds traded in the stock exchange.

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 currency purchased 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 under BRI's recapitalization and Government Recapitalization Bonds purchased from the secondary market.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Securities and Government Recapitalization Bonds (continued)

Securities and Government Recapitalization Bonds are initially measured 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 value of securities and Government Recapitalization Bonds is stated based on the classification as follows:

- 1) Held to maturity securities and Government Recapitalization Bonds are carried at amortized cost using the effective interest rate method. BRI does not classify securities or Government Recapitalization Bonds as held to maturity financial assets if BRI has, during the current financial year or during the 2 (two) preceding financial years, 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 which is applicable in the relevant periods.
- 2) Securities and Government Recapitalization Bonds classified as fair value through profit or loss are stated at fair value. Gains and losses 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 are recognized in the consolidated statement of profit or loss and other comprehensive income.

i. Export bills

Export bills represent negotiated export bills that have been discounted and guaranteed by other banks. Export bills are stated at acquisition cost after deducting the discount and allowance for impairment losses. Export bills are classified as loans and receivables.

j. Loans

Loans represent the lending of money or equivalent receivables under contracts or borrowing and lending commitments with debtors, whereby the debtors are required to repay their debts with interest after a specified period of time.

Loans are initially measured at fair value plus transaction costs that are directly attributable and additional costs to obtain financial assets and after initial recognition, are measured at amortized cost based on the effective interest rate method less allowance for impairment losses.

Loans are classified as loans and receivables.

Loans extended under syndication agreements are recognized at the nominal amount to the extent of the risks, borne by BRI.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Loans (continued)

Restructured loans are stated at the lower of carrying value on the date of restructuring or value of the future cash receipts after the restructuring. Losses resulting from the difference between the carrying value on the date of restructuring the present value of future cash receipts after the restructuring is recognized in the consolidated statement of profit or loss and other comprehensive income. After the restructuring, all future cash receipts specified by the new terms are recorded as a return of principal loans and interest income in accordance with the terms of the restructuring.

Loans are written off when there is no realistic prospect of collections in the future and all collateral have been realized or foreclosed. When loans are deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent payment of loans written off are credited to the allowance of impairment losses in the consolidated statement of financial position.

k. Sharia receivables and financing

Financing/receivables based on Sharia principles is receivables from providing funds or other similar form of receivables arising from transactions carried out based on sale or purchase arrangements and profit sharing between BRIS and other parties for a certain period of time. Such receivables consist of receivables arising from *murabahah* transactions, *istishna* transactions and *Qardh* transactions, for financing consist of *Mudharabah* 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 customer sold with a principle price plus a certain margin that is mutually informed and agreed. Repayment on this financing is made in installments within a specified period.

Murabahah receivables are initially measured at fair value plus direct attributable transaction costs and is an additional cost to obtain the respected financial assets and after the initial recognition are measured at amortized cost using the effective margin method less any allowance for impairment losses value.

Mudharabah financing is a joint financing made between BRIS as the owner of the funds (*shahibul maal*) and the customer as a business executor (*mudharib*) during a certain period. The profit sharing from the project or the 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 financing quality.

Musyarakah is a partnership contract among fund's owners (*musyarakah* partners) to contribute funds and conduct a business on a joint basis through partnership with the profit sharing based on a predetermined ratio, while the losses are borne proportionally based on 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 financing quality.

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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 also acting 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 to sell them at agreed price. *Istishna* receivables are stated at outstanding billings to final buyer less allowance for impairment losses. Deferred *istishna* margin is stated as contra account of *istishna* receivables.

Qardh is the provision of funds or equivalent claims based on agreement between the borrower and the lender that requires the borrower to repay the debts after a certain period of time. *Qardh* are stated at outstanding balance less allowance for impairment losses based on the management's review on the financing quality.

l. Acceptances receivable and payable

Acceptances receivable and payable represent letters of credit (L/C) transactions that have been accepted by the accepting bank.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are stated 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.

m. Investment in associated entities

Effective on January 1, 2015, BRI implemented SFAS No. 15 "Investments in Associates and Joint Ventures". The implementation of the SFAS has no significant impact to the financial reporting and disclosures in the consolidated financial statements.

BRI's investments in its associated companies are measured using the equity method. An associated entity is an entity in which BRI has significant influence or share ownership of more than 20% of the voting rights. The initial recognition of investments in associates are recognized at cost and the carrying amount is added or subtracted to recognize the BRI's portion of profit or loss of subsidiaries after the acquisition date. BRI's portion of profit or loss of subsidiaries are recognized in profit or loss of BRI. Receipt of distributions from subsidiaries reduce the carrying amount of the investment.

The consolidated statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associated entities. Where there has been a change recognized directly in the equity of the associated entities, BRI recognizes its share of any such changes and discloses this, when applicable, in the consolidated 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 application of the equity method, BRI determines whether it is necessary to recognize an additional impairment loss on BRI's investment in its associated entities. BRI determines at each reporting date whether there is any objective evidence that the investment in the associated entities is impaired. If this is the case, BRI calculates the amount of impairment as the difference between the recoverable amount of the investment in associated entities and its carrying value, and recognizes the amount in the consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

m. Investment in associated entities (continued)

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) and deducted by allowance for impairment losses.

n. Premises and equipment

All premises and equipment are initially recognized at cost, which comprises its purchase price and any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, premises and equipment are carried at cost less any subsequent accumulated depreciation and impairment losses.

Premises and equipment acquired in exchange for a non-monetary asset or for 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 neither the assets received nor the assets given up can be measured reliably.

Depreciation of an asset starts when it is available for use and is computed 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

The carrying amounts of premises and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of premises and equipment 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 of the asset is directly included in the profit or loss for the year when the item is derecognized.

The asset residual values, useful lives and depreciation method are evaluated at each year end and adjusted prospectively if necessary.

Land are stated at cost and not depreciated.

If the cost of land includes the costs of site dismantlement, removal and restoration, and the benefits from the site dismantlement, removal and restoration is limited, that portion of the land asset is depreciated over the period of benefits obtained by incurring those costs. In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits to be derived from it.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

n. Premises and equipment (continued)

Repairs and maintenance is charged to the profit or loss as incurred. The cost of major renovation and restoration is capitalized to the carrying amount of the related premises and equipment when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset and is depreciated over the remaining useful life of the related asset.

Constructions in-progress are stated at cost, including capitalized borrowing costs and other charges incurred in connection with the financing of the said asset constructions. The accumulated costs will be reclassified to the appropriate "Premises and Equipment" account when the construction is completed and available for intended use. Assets under construction are not depreciated as these are not yet available for use.

The legal cost of land rights 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 cost of the land under the "Premises and Equipment". The extension or the legal renewal costs of land rights were recognized as intangible assets and were amortized over the shorter of the rights' legal life and land's economic life.

o. Impairment of Non-Financial Assets

Effective on January 1, 2015, BRI implemented SFAS No. 48 (Revised 2014), "Impairment of Assets". The implementation of the SFAS has no significant impact to the financial reporting and disclosures in the consolidated financial statements.

BRI assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an 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) is required, BRI makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of 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 current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, refer to SFAS No. 68, "Fair Value Measurements" (Note 2c).

Impairment losses of continuing operations, if any, are recognized in the consolidated statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

p. Foreclosed collaterals

Foreclosed collaterals acquired in settlement of loans (included as part of "Other Assets") are recognized at net realizable values or loan outstanding amount, 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 to allowance for possible losses on loans in the current year. The difference between the value of the collateral and the proceeds from sale thereof is recognized as a gain or loss at the time of sale of the collateral.

Management evaluates the value of foreclosed collaterals periodically. Allowance for losses foreclosed collaterals formed by impairment of foreclosed collaterals.

Reconditioning costs arising after foreclosure capitalized in the accounts of the foreclosed collaterals.

q. Prepaid expenses

Prepaid expenses are amortized over their useful lives using the straight line method.

r. 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. This account is classified as other financial liabilities and measured at amortized cost.

s. Deposits from customers and other banks and financial institutions

Demand deposits represent funds deposited by customers whereby the withdrawal can be done at any time by using a check, or through transfer with a bank draft or other forms of payment order. These demand deposits are stated at the amount due to the account holder.

Wadiah demand deposits represent third party funds which are available for withdrawal 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.

Saving deposits represent customers' funds which entitle the depositors to withdraw under certain agreed conditions. Deposits are stated at the amount due to the account holders.

Wadiah saving deposits represent funds deposited by customers in BRIS, whereby the deposits can be withdrawn any time and does not require BRIS to give interest unless in the form of bonus in a voluntary way. *Wadiah* saving deposits are stated at the amount due to the account holders.

Mudharabah saving deposits represent funds from third parties which earn bonus based on a predetermined and pre-agreed profit-sharing return ratio (nisbah) from income derived by BRIS from the use of such funds. *Mudharabah* saving deposits is stated at the customers' saving balance.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

s. Deposits from customers and other banks and financial institutions (continued)

Time deposits represent funds deposited by customers that can be withdrawn only at a certain point of time as stated in the contract between the depositor and BRI and BRI Agro. Time deposits are stated at the nominal amount provided in the certificates of deposits or at the amount stated in the agreement.

Mudharabah time deposits represent third party funds that can be withdrawn only at a certain point in time based on the agreement between the *mudharabah* time deposit holder and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the deposit holder 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 through the issuance of promissory notes with a term of up to 90 (ninety) days and stated at the amount due to banks and financial institutions.

Deposits from customers and other banks and financial institutions are classified as other financial liabilities measured at amortized cost using effective interest rate method except deposits and temporary *syirkah* funds which are stated at the BRI and its subsidiaries' payable amount to customers. Incremental costs directly attributable to the acquisition of deposits from customers are deducted from the amount of deposits.

t. 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 price net of unamortized interest and net of allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned 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 method.

Securities purchased under agreement to resell are classified as loans and receivables.

Securities sold under agreement to repurchase

Securities sold under agreement to repurchase are presented as liabilities in the consolidated statement of financial position, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as expense over the period starting from when those securities are sold until they are repurchased using effective interest rate method.

Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

u. Marketable securities issued

Marketable securities issued by BRI consist of Bonds, Medium Term Notes (MTN) and Negotiable Certificate of Deposit (NCD).

The marketable securities issued are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

v. Borrowings

Borrowings represent funds received from other banks, Bank Indonesia or other parties with a repayment obligation based on borrowing agreements.

Borrowings are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

w. Subordinated loans

Subordinated loans are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

x. Provision

Provisions are recognized when BRI and Subsidiaries have a present obligation (legal or constructive) that, as a result of past events, the settlement of the liability is likely to result in an outflow of resources that contain economic benefits and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the best estimate of the present. If the outflow of resources to settle the obligation is most likely will not occur, the provision is reversed.

y. Provision for timely interest payment in BRI unit

On Time Interest Payment (Pembayaran Bunga Tepat Waktu (PBTW)) represents incentives given to Micro Loans (Kredit Umum Pedesaan (Kupedes)) debtors who settled their loans according to the mutually agreed installment schedules. The amount of PBTW is 25% of the interest received from either Kupedes working capital loans or Kupedes investment loans. PBTW is recorded as a deduction from interest income on loans. BRI provided Allowance for On Time Interest Payment (CPBTW) for the PBTW and present it in "Other liabilities".

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

z. 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 rate that precisely discounts the estimated future cash payments or receipts through the expected life of the financial instrument (or, wherever appropriate, a shorter period) to obtain the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, BRI and BRI Agro estimates future cash flows considering all contractual terms of the financial instruments except future credit losses.

This calculation includes all commissions, provision 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 the value of a financial asset or group of similar financial assets has decreased as a result of impairment losses, the interest income subsequently obtained is recognized based on the interest rate used to discount future cash flows in calculating impairment losses.

aa. Fees and commissions

Fees and commissions directly related to lending activities, or fees and commissions income related to a specific period, are amortized over the term of the contract using the effective interest rate method and classified as part of interest income in the consolidated statement of profit or loss and other comprehensive income.

Fees and commissions that are not related to the credit activity or a period of time and/or associated with the service provided, are recognized as revenue at the time of the transaction and recorded under other operating income.

ab. Sharia income and expense

Sharia income consists of income from *murabahah*, *istishna*, *ijarah* 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.

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, BRI estimates the future cash flows considering all contractual terms of the financial instrument, except future credit losses. This calculation includes all commissions, provision fees and other forms accepted by the parties in the contract that are an inseparable part of the effective margin, transaction costs and all other premiums or discounts.

Mudharabah and *musyarakah* income are recognized when cash is received or in a period where the right of revenue sharing is due based on agreed portion (*nisbah*).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ac. Employee benefits

Effective on January 1, 2015, BRI implemented SFAS No. 24 (Revised 2013), "Employee Benefits", which removes the corridor mechanism and the contingent liabilities disclosures to simplify the clarifications and disclosures.

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 services have been rendered. Short-term employee benefits are measured using undiscounted amounts.

Defined contribution plan

Contribution payable to the pension fund equivalent to a certain percentage of salaries for qualified employees under the BRI's defined contribution plan. The contribution is accrued and recognized as expense when services have been rendered by 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 and grand leaves are accrued and recognized as expense when services have been rendered by qualified employees. The benefits are determined based on BRI's regulations and the minimum requirements of Labor Law No. 13/2003.

The post-employment benefits and other long-term employee benefits are actuarially determined using the *Projected Unit Credit Method*.

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 included in net interest on liabilities (assets).
- (iii) The changes in the impact of the asset ceiling, excluding amounts that included in net interest on liabilities (assets).

Remeasurement of net defined benefit liabilities (assets), which is recognized as other comprehensive income are not reclassified to profit or loss in subsequent periods.

For other long-term employee benefits over the current service cost, net interest on net defined benefit liabilities (assets), and the remeasurement of net defined benefit liability (asset) obligations are recognized immediately in the current period consolidated statement of profit or loss and other comprehensive income.

All past service costs are recognized as expense at the earlier date between the amendment or curtailment program occurs, and when the related restructuring or termination costs are recognized, therefore, unvested past service cost can no longer be deferred and recognized over the future vesting period.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ad. Stock options

In connection with the IPO, BRI has granted stock options to Directors and employees of certain positions and levels based on criteria established by BRI. Cost of stock compensation at the issuance date is calculated using the fair value of the stock options and is recognized as part of "Salaries and Employee Benefits Expense" based on cliff-vesting scheme using the straight-line method over the vesting period. The accumulation of stock compensation cost is recognized as "Stock Options" in the equity.

The fair values of the stock options granted are calculated using the Black-Scholes option pricing model.

ae. Earnings per share

Basic earnings per share is calculated by dividing income for the year attributable to equity holders of the Parent Entity (BRI) by the weighted average number of issued and fully paid shares during the related year.

af. Foreign currency transactions and balances

BRI and Subsidiaries maintains its accounting records in Indonesian Rupiah. Transactions in foreign currencies are recorded at the prevailing exchange rates at the time of the transactions. As of December 31, 2015 and 2014, 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 current year consolidated statement of profit or loss and other comprehensive income.

The exchange rates used in the translation of foreign currency amounts into Rupiah are as follows (full Rupiah):

	December 31, 2015	December 31, 2014
1 United States Dollar	13,785.00	12,385.00
1 Great Britain Pound Sterling	20,439.02	19,288.40
1 Japanese Yen	114.52	103.56
1 European Euro	15,056.67	15,053.35
1 Hong Kong Dollar	1,778.70	1,596.98
1 Saudi Arabian Riyal	3,672.48	3,299.59
1 Singapore Dollar	9,758.95	9,376.19
1 Malaysian Ringgit	3,210.67	3,542.12
1 Australian Dollar	10,083.73	10,148.27
1 Renminbi	2,122.85	1,995.62
1 Thailand Baht	381.97	376.56
1 Swiss Franc	13,919.33	12,515.80
1 Canadian Dollar	9,924.41	10,679.49
1 Bruneian Dollar	9,758.60	9,374.77
1 Danish Krone	2,017.77	2,021.96
1 South Korean Won	11.72	11.38
1 New Zealand Dollar	9,444.80	9,709.23
1 Papua New Guinean Kina	4,583.55	4,774.46
1 United Arab Emirates Dirham	3,753.06	3,371.90
1 Swedish Krona	1,641.11	1,604.61
1 Norwegian Krone	1,565.52	1,671.05
1 Indian Rupee	208.31	195.91

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ag. Translation of the financial statements of Overseas Branch and Representative Offices

BRI has 2 (two) branch offices in Cayman Islands and Singapore, and 2 (two) representative offices located in New York and Hong Kong which are considered as separate foreign entities.

For consolidated financial statements purposes, all accounts of the overseas branch and representative offices are translated into Rupiah with the following exchange rates:

- Assets and liabilities, commitments and contingencies - using Reuters spot rates at 4.00 p.m. WIB at statement of financial position reporting date.
- Revenues, expenses, gains and losses - using the average middle rate during the month. The end of year balances consist of the sum of the translated monthly balances of revenues, expenses and profit and losses during the year.
- Equity - Capital Stock and Additional Paid-in Capital using historical rates.
- Statement of cash flows - using the spot rate published by Reuters at 4.00 p.m. WIB on statement of financial position reporting date, except for the profit and loss accounts which are translated at the average middle rates and equity accounts which are translated at the historical rates.

The resulting difference arising from the translation process on the above financial statements is included in equity as "Differences Arising From The Translation of Foreign Currency Financial Statements".

ah. Derivatives Instrument

Derivatives financial instruments are valued and recognized in the consolidated statement of financial position at fair value less allowance for impairment losses. 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 is determined based on discounted cash flows and pricing models or quoted prices from brokers of other instruments with similar characteristics, which refers to SFAS 68: "Fair Value Measurement" (Note 2c).

ai. Taxation

Effective on January 1, 2015, BRI implemented SFAS No. 46 (Revised 2014), "Income Taxes". The implementation of the SFAS has no significant impact to the financial reporting and disclosures in the consolidated financial statement.

Current tax expense is provided based on the estimated taxable income for the current year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the fiscal bases of assets and liabilities at each reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of uncompensated tax losses to the extent that it is probable for temporary differences and carry forward of uncompensated tax losses to be utilized in deducting future taxable profit.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ai. Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced when it 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 at the tax rates that are expected to apply on the year when the asset is realized or the liability is settled based on tax laws that have been enacted or substantively enacted as at consolidated statement of financial position reporting date. The related tax effects of 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 net profit or loss for the year, except to the extent that they relate to items previously charged or credited to equity.

Amendments to tax obligations are recorded when an assessment is received or, if an appeal is submitted by business unit, when the result of the appeal is determined.

For each of the consolidated entity, the tax effects on temporary differences and tax loss carry forward, which can individually be either asset or liability, are shown at the applicable net amounts.

Assets and liabilities on deferred tax and current tax can be offset if there is a legal enforceable right to offset.

aj. Segment information

A segment is a distinguishable component of the business unit that is engaged either in providing certain products (business 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.

Segment revenue, expenses, income, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and transactions are eliminated as part of consolidation process.

BRI and Subsidiaries presents segments operation based on BRI's internal consolidation 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 (business segment) classified into micro, retail, corporate, others and subsidiaries, including geographical segment.

A geographical segment is engaged in providing products or services within a particular economic environment with risks and different returns compared to other operating segments in other economic environments. BRI's geographical segment covers Indonesia, Asia and United States of America.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Use of significant accounting judgments, estimates and assumptions

The preparation of the BRI and Subsidiaries consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, 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 outcomes that require a material adjustment to the carrying amounts of the asset and liability affected in future periods.

Judgments

The following judgments are made by management in the process of applying BRI and Subsidiaries' accounting policies that have the most significant effects on the amounts recognized in BRI and Subsidiaries' consolidated financial statements as follows:

Going concern

BRI's management has assessed the ability of BRI and Subsidiaries' ability to continue as going concerns and believes that BRI and Subsidiaries have the resources to continue their businesses in the future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt to the BRI's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on going concern basis.

Classification of financial assets and financial liabilities

BRI and Subsidiaries determine the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with BRI and Subsidiaries's accounting policies disclosed in Note 2c.

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the consolidated financial statements can be classified in fair value hierarchy levels, based on the lowest level of input that is significant on the overall fair value measurement:

- Level 1: quoted (unadjusted) market prices 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 classification

The securities under held to maturity classification requires significant judgment. In making this judgment, BRI and Subsidiaries evaluate their intention and ability to hold such investments to maturity. If BRI and Subsidiaries fail to keep these investments to maturity other than in certain specific circumstances, for example, selling an insignificant amount close to maturity, they will be required to reclassify the entire portfolio as available for sale securities. The available for sale securities would therefore be measured at fair value and not at amortized cost.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Use of significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Contingencies

The management of BRI and Subsidiaries are currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the legal counsel handling BRI and Subsidiaries defense in this matter and is based upon an analysis of potential results. 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 in the effectiveness of the strategies related to these proceedings.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as disclosed below. BRI and Subsidiaries based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of BRI and Subsidiaries. Such changes are reflected in the assumptions when they occur.

Allowance for impairment losses on loans and Sharia financing/receivables

The management of BRI and Subsidiaries review its loan portfolio and financing/receivables to assess impairment on an annual basis by updating allowance for impairment losses made during the period as necessary based on the continuing analysis and monitoring of individual accounts by loan officers.

In determining whether an impairment loss should be provided 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 is individually identified in the portfolio.

This evidence may include observable data indicating that there has been an adverse change in the payment status of group borrowers, or national or local economic conditions that correlate with breach on assets in group. BRI and Subsidiaries use estimates in the amount and timing of future cash flows when determining the level of allowance for losses required. Such estimates are based on assumptions of several factors and actual results may differ, resulting to future changes in the amount of allowance for losses.

Impairment of securities

BRI determines that securities are impaired based on the same criteria as financial assets carried at amortized cost.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Useful lives of premises and equipment

The management of BRI estimates the useful lives of premises and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of premises and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of premises and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the aforementioned factors. The amounts and timing of recorded expenses for any period are affected by changes of those factors and circumstances during recording. A reduction in the estimated useful lives of premises and equipment increases the recorded operating expenses.

Impairment of non-financial assets

BRI and Subsidiaries assess impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that considered important which may lead to impairment assessment are the following:

- a) significant underperformance relative towards expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the overall business strategy; and
- c) significant negative industry or economic trends.

The management of BRI and Subsidiaries recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher amount between fair value less costs of disposal and use of asset value (or cash-generating unit). Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

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 can be compensated against the losses. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with tax planning strategies.

BRI reviews its deferred tax assets at each of the consolidated statement of financial position reporting 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Present value of employee benefit

The cost of defined pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about 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, such estimates are subject to significant uncertainty.

al. Allowances for impairment losses on non-earning assets and commitments and contingencies

In accordance with Circular Letter of Bank Indonesia (BI) No. 13/658/DPNP/DPnP 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 (commitments and contingencies), but the management 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 value and fair value after deducting cost of disposal.

For commitments and contingencies with credit risk, BRI and BRI Agro's management determine the 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 under the guarantee has become probable).

am. Changes in accounting policies and disclosures

BRI and its subsidiaries have applied the accounting standards on January 1, 2015, which are considered relevant to the consolidated financial statements, namely:

- SFAS No. 1 (Revised 2013), "Presentation of Financial Statements", which was adopted from IAS 1, regarding the changes of group items presentation in other comprehensive income. Items that will be reclassified to profit or loss are presented separately from items that will not be reclassified to profit or loss.
- SFAS No. 4 (Revised 2013), "Separate Financial Statements", which was adopted from IAS 4, regarding the accounting requirements when the parent entity presents separate financial statements as additional information. Accounting treatment for the consolidated financial statements is determined in SFAS No. 65.
- SFAS No. 15 (Revised 2013), "Investments in Associates and Joint Ventures", which was adopted from IAS 28, regarding the implementation of equity method on investments in joint ventures in associates.
- SFAS No. 24 (Revised 2013), "Employee Benefits", which was adopted from IAS 19, which removes the corridor mechanism and the contingent liabilities disclosures to simplify the clarifications and disclosures.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

am. Changes in accounting policies and disclosures (continued)

BRI and its subsidiaries have applied the accounting standards on January 1, 2015, which are considered relevant to the consolidated financial statements, namely: (continued)

- SFAS No. 46 (Revised 2014), "Income Taxes", which was adopted from IAS 12. This SFAS provides additional regulation for deferred tax assets and liabilities arises from a non-depreciable assets measured using the revaluation model, and those arises from investment property that is measured using the fair value model.
- SFAS No. 48 (Revised 2014), "Impairment of Assets", which was adopted from IAS 36. This SFAS provides additional disclosure requirements for each individual asset or a cash-generating unit, for which impairment losses has been recognized or reversed during the period.
- SFAS No. 50 (Revised 2014), "Financial Instruments: Presentation", which was adopted from IAS 32. This SFAS provides criteria on legally enforceable right to set off the recognized amounts and settlement criteria on a net basis.
- SFAS No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement", which was adopted from IAS 39. This SFAS, among other, provides additional criteria of hedging instrument which can not be considered as expired or terminated, also stipulation to record financial instruments at the measurement date and after initial recognition.
- SFAS No. 60 (Revised 2014), "Financial Instruments: Disclosures", which was adopted from IFRS 7. This SFAS, among other, provides additional offset disclosures stipulation with quantitative and qualitative information, and transfers of financial instruments disclosures.
- SFAS No. 65, "Consolidated Financial Statements", which was adopted from IFRS 10. This SFAS replaces SFAS No. 4 (Revised 2009) regarding accounting treatment for consolidated financial statements, establishes principles for presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- SFAS No. 66, "Joint Arrangements", which was adopted from IFRS 11. This SFAS replaces SFAS No. 12 (Revised 2009) and IFAS No. 12. This SFAS removes the option of proportional consolidation method to record joint venture.
- SFAS No. 67, "Disclosure of Interests in Other Entities", which was adopted from IFRS 12. This SFAS includes all disclosures that were previously stipulated in SFAS No. 4 (Revised 2009), SFAS No. 12 (Revised 2009) and SFAS No. 15 (Revised 2009). This disclosures are related to an entity's interest in other entities.
- SFAS No. 68, "Fair Value Measurement", which was adopted from IFRS 13, provides guidance on how to determine fair value when it was required or permitted.

The impact to the consolidated financial statements on the adoption of the accounting standards mentioned above has been disclosed in the relevant notes to the consolidated financial statements.

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3. CASH

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Rupiah		28,186,685		22,036,125
Foreign currencies				
United States Dollar	17,232,365	237,548	19,046,358	235,889
Singapore Dollar	8,788,995	85,771	3,814,003	35,761
Saudi Arabian Riyal	21,532,275	79,078	13,074,358	43,140
Australian Dollar	4,745,013	47,847	3,408,768	34,593
Malaysian Ringgit	12,137,945	38,971	3,205,403	11,354
European Euro	2,208,753	33,256	2,002,633	30,146
Renminbi	12,894,640	27,373	7,963,732	15,892
Japanese Yen	107,975,654	12,365	100,414,900	10,399
United Arab Emirates Dirham	1,498,990	5,626	1,247,615	4,207
Great Britain Pound Sterling	187,719	3,837	181,384	3,499
Hong Kong Dollar	1,792,237	3,188	1,488,100	2,376
Bruneian Dollar	282,786	2,760	91,798	861
Swiss Franc	141,120	1,964	88,950	1,113
Thailand Baht	4,333,480	1,655	2,383,220	897
Papua New Guinean Kina	355,486	1,629	330,624	1,579
New Zealand Dollar	91,870	868	53,350	518
South Korean Won	51,743,811	607	32,140,000	366
Canadian Dollar	60,755	603	42,325	452
Indian Rupee	19,307	4		-
		584,950		433,042
Total		28,771,635		22,469,167

As of December 31, 2015 and 2014, balances denominated in Rupiah is inclusive of cash in the ATMs (Automated Teller Machines) amounted to Rp9,054,533 and Rp5,697,353, respectively.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Rupiah		51,781,843		41,964,577
United States Dollar	720,780,213	9,935,955	744,436,980	9,219,852
Total		61,717,798		51,184,429

As of December 31, 2015 and 2014, current accounts with Bank Indonesia based on Sharia banking principles amounted to Rp997,139 and Rp878,267, respectively.

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

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4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

As of December 31, 2015 and 2014, the GWM ratios of BRI (Parent Entity) (unaudited) are as follows:

	December 31, 2015	December 31, 2014
Primary GWM - Rupiah	9.31%	8.07%
Secondary GWM - Rupiah	14.10	13.85
Primary GWM - Foreign Currency	8.43	8.00

The calculation of the GWM ratios as of December 31, 2015 is based on Bank Indonesia regulation (PBI) No. 17/21/PBI/2015 dated November 26, 2015, regarding "Second Amendment to Bank Indonesia regulation No. 15/15/PBI/2013 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking". The calculation of the GWM ratios as of December 31, 2014 is based on Bank Indonesia regulation No. 15/15/PBI/2013 dated December 24, 2013, regarding "GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking".

As of December 31, 2015 and 2014, based on the above Bank Indonesia regulation, BRI is required to maintain minimum primary reserves in Rupiah of 7.5% and 8%, respectively, and in foreign currencies of 8%. And for secondary GWM in Rupiah of 4%, respectively.

BRI has complied with Bank Indonesia regulation regarding the minimum legal reserve requirement as of December 31, 2015 and 2014.

5. CURRENT ACCOUNTS WITH OTHER BANKS

a) By Currency:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		97,449		18,100
<u>Foreign currencies</u>				
United States Dollar	270,217,641	3,724,950	628,729,988	7,786,821
Renminbi	1,593,611,539	3,382,990	712,716,216	1,422,311
European Euro	33,479,134	504,084	32,165,851	484,204
Singapore Dollar	24,571,730	239,794	23,287,553	218,348
Australian Dollar	14,747,424	148,709	10,382,378	105,363
Great Britain Pound Sterling	5,429,297	110,970	2,572,756	49,624
Japanese Yen	903,091,742	103,413	1,376,997,860	142,602
United Arab Emirates Dirham	26,967,569	101,211	18,243,158	61,514
Hong Kong Dollar	55,503,846	98,725	15,901,669	25,395
Swiss Franc	3,255,641	45,316	4,262,251	53,345
Saudi Arabian Riyal	11,964,329	43,939	49,154,228	162,189
New Zealand Dollar	2,672,833	25,244	434,966	4,223
Norwegian Krone	13,768,507	21,555	13,076,760	21,852
Canadian Dollar	1,736,245	17,231	1,169,065	12,485
Swedish Krona	1,255,222	2,060	1,250,243	2,006
		8,570,191		10,552,282
		8,667,640		10,570,382

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

a) By Currency (continued):

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>		3,566		2,238
<u>Foreign currencies</u>				
United States Dollar	4,706,990	64,886	631,383	7,820
		68,452		10,058
Total		8,736,092		10,580,440

b) By Bank:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Pembangunan Daerah (BPD) Papua	41,737	3,380
PT Bank Central Asia Tbk	40,680	14,008
Others	15,032	712
	97,449	18,100
<u>Foreign currencies</u>		
Bank of China, Ltd.	2,538,323	1,312,657
JP Morgan Chase Bank, N.A.	1,657,543	3,726,622
PT Bank ICBC Indonesia	855,708	116,609
Bank of America	844,719	1,135,525
Standard Chartered Bank	803,954	2,041,104
The Hong Kong and Shanghai Banking Corporation, Ltd.	435,263	622,375
Commerzbank, A.G.	297,725	340,142
Citibank, N.A.	285,021	40,266
United Overseas Bank	215,268	-
Commonwealth Bank	95,524	70,559
The Bank of Tokyo-Mitsubishi UFJ	79,734	36,019
ING Belgium N.V. Brussels	78,237	46,485
Oversea-Chinese Banking Corporation, Ltd.	78,143	197,194
ANZ Banking Group, Ltd.	53,185	34,804
Others	251,844	831,921
	8,570,191	10,552,282
	8,667,640	10,570,382
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
PT Bank Mandiri (Persero) Tbk	2,078	1,795
PT Bank Negara Indonesia (Persero) Tbk	1,443	443
PT Bank BNI Syariah	45	-
	3,566	2,238

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b) By Bank (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43) (continued)</u>		
<u>Foreign currencies</u>		
PT Bank Negara Indonesia (Persero) Tbk	63,390	52
PT Bank Mandiri (Persero) Tbk	1,496	7,768
	64,886	7,820
	68,452	10,058
Total	8,736,092	10,580,440

c) By Collectibility:

Current accounts with other banks as of December 31, 2015 and 2014 were classified as "Current".

d) Average annual interest rates:

	2015	2014
Rupiah	0.24%	0.09%
United States Dollar	0.01	0.04

e) BRI assess allowance for impairment losses on current accounts with other banks on an individual basis using objective evidence.

Management believes that no allowance for impairment losses is necessary as of December 31, 2015 and 2014, because management believes that current accounts with other banks are fully collectible.

As of December 31, 2015 and 2014, there are no current accounts with other banks used as collateral.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a) By Currency and Type:

	December 31, 2015		December 31, 2014	
	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				
Deposit Facility		14,591,094		24,303,119
Sharia Deposit Facility		2,422,000		882,000
		17,013,094		25,185,119

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Third parties (continued)				
Rupiah (continued)				
Inter-bank call money				
The Bank of Tokyo-Mitsubishi UFJ Ltd.		1,250,000		-
PT Bank Aceh		400,000		200,000
PT Bank Pan Indonesia Tbk		390,000		200,000
The Hong Kong and Shanghai Banking Corporation Limited		200,000		-
PT BPD Jawa Barat dan Banten Tbk		200,000		150,000
PT Bank CIMB Niaga Tbk		190,000		-
PT BPD Kalimantan Timur		170,000		100,000
PT Bank OCBC NISP Tbk		150,000		500,000
PT Bank ANZ Indonesia		150,000		50,000
PT Bank BNP Paribas Indonesia		100,000		-
PT Bank Mega Tbk		100,000		200,000
PT Bank DKI		100,000		100,000
PT Bank UOB Indonesia		100,000		-
PT Bank Sinarmas Tbk		60,000		20,000
PT BPD Jambi		50,000		100,000
PT BPD Maluku		50,000		50,000
PT BPD Sulawesi Tengah		50,000		-
PT BPD Kalimantan Selatan		50,000		-
PT Bank Sinarmas Tbk		20,000		50,000
Citibank, N.A.		-		250,000
PT Bank Sumitomo Mitsui Indonesia		-		50,000
PT Bank CTBC Indonesia		-		50,000
JP Morgan Chase Bank, N.A.		-		50,000
PT BPD Jawa Tengah		-		50,000
PT Bank Maybank Syariah Indonesia		-		35,000
PT BPD Riau Kepri		-		25,000
PT BPD Sumatera Selatan dan Bangka Belitung		-		20,000
		3,780,000		2,250,000
Time Deposit				
PT BPD Riau Kepri		-		45,000
Other Placement				
(Banker's Acceptance)				
PT Bank BNP Paribas Indonesia		200,000		-
PT Bank ANZ Indonesia		140,000		-
PT Bank Sumitomo Mitsui Indonesia		100,000		-
		440,000		-
		21,233,094		27,480,119

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties (continued)</u>				
<u>United States Dollar</u>				
Bank Indonesia - Term Deposit	1,524,944,851	21,021,365	2,049,981,779	25,389,024
Inter-bank call money				
The Bank of New York Mellon	275,800,000	3,801,903	236,900,000	2,934,007
TD Bank, N.A.	75,452,619	1,040,114	21,012,591	260,241
Wells Fargo Bank, N.A.	56,900,000	784,367	379,900,000	4,705,062
Citibank, N.A.	36,450,000	502,463	76,380,000	945,966
PT Bank ANZ Indonesia	16,760,000	231,037		-
The Hong Kong & Shanghai Banking Corporation, Ltd.		-	195,476	2,421
PT Bank Capital Indonesia Tbk		-	2,000,000	24,770
		6,359,884		8,872,467
Time Deposits				
US Bank	1,724,986	23,779	169,839	2,103
TD Bank, N.A.	276,429	3,811	139,624	1,729
		27,590		3,832
		27,408,839		34,265,323
<u>Renminbi</u>				
Inter-bank call money				
PT Bank ICBC Indonesia	67,000,000	142,231		-
		48,784,164		61,745,442
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Inter-bank call money				
PT Bank Mandiri (Persero) Tbk		400,000		-
Lembaga Pembiayaan Ekspor Indonesia		400,000		160,000
PT Bank Negara Indonesia (Persero) Tbk		100,000		-
PT Bank Bukopin Tbk		50,000		100,000
PT Bank Tabungan Negara (Persero) Tbk		50,000		-
PT BTMU-BRI Finance		46,000		30,000
		1,046,000		290,000
Time Deposits				
PT Bank BNI Syariah		2,000		-
PT Bank Syariah Mandiri		1,500		-
PT Bank Tabungan Negara (Persero) Tbk		1,000		-
		4,500		-
		1,050,500		290,000
Total		49,834,664		62,035,442

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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, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	20,993,094	27,430,119
> 1 month - 3 months	140,000	50,000
> 3 months - 1 year	100,000	-
	<u>21,233,094</u>	<u>27,480,119</u>
<u>Foreign currencies</u>		
≤ 1 month	27,551,070	34,265,323
	<u>48,784,164</u>	<u>61,745,442</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	903,500	260,000
> 1 month - 3 months	147,000	30,000
	<u>1,050,500</u>	<u>290,000</u>
Total	<u>49,834,664</u>	<u>62,035,442</u>

c) By Collectibility:

All placements with Bank Indonesia and other banks were classified as "Current" as of December 31, 2015 and 2014.

d) The average annual interest rates:

	2015	2014
<u>Rupiah</u>		
Deposit Facility	5.53%	5.75%
Inter-bank call money	7.39	6.43
Time Deposit	5.93	7.25
Other Placement (Banker's Acceptance)	8.77	-
<u>Foreign currencies</u>		
Term Deposit	0.13%	0.10%
Inter-bank call money	0.06	0.22
Time Deposit	0.05	0.08

BRI assessed placements with Bank Indonesia and other banks individually for impairment based on whether an objective evidence of impairment exists.

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

On December 31, 2015 and 2014, there were no placements with Bank Indonesia and other banks are impaired nor restricted.

Management believes that no allowance for impairment losses is necessary as of December 31, 2015 and 2014, because management believes that placements with Bank Indonesia and other banks are fully collectible.

7. SECURITIES

a) By Purpose, Currency and Type:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Fair value through profit or loss</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Mutual funds		113,025		11,560
Bonds		12,682		-
Others		100,669		-
		<u>226,376</u>		<u>11,560</u>
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Government bonds		274,693		101,425
Medium-Term Notes		56,198		-
Mutual funds		9,118		-
Bonds		5,409		-
Others		64,585		-
		<u>410,003</u>		<u>101,425</u>
<u>United States Dollar</u>				
Government bonds	21,110,337	291,006	1,239,968	15,357
Mutual funds	141,458	1,949		-
		<u>292,955</u>		<u>15,357</u>
		<u>929,334</u>		<u>128,342</u>
<u>Available for sale</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Certificates of Bank Indonesia		6,455,944		4,336,192
Deposits Certificates of Bank Indonesia		5,516,495		13,244,399
Mutual funds		1,323,167		138,017
Bonds		648,015		199,520
Subordinated bonds		510,769		-
Others		72,495		-
		<u>14,526,885</u>		<u>17,918,128</u>

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Available for sale (continued)				
<u>Third parties (continued)</u>				
<u>United States Dollar</u>				
Certificates of Bank Indonesia	99,206,021	1,367,555		-
Bonds	63,715,053	878,312	63,187,404	782,576
U.S Treasury Bonds	18,830,395	259,577	29,123,698	360,697
		2,505,444		1,143,273
<u>Singapore Dollar</u>				
Singapore Government Securities	22,632,262	220,867		-
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Government bonds		24,238,226		13,986,844
Bonds		1,171,001		285,835
Medium-Term Notes		324,965		-
Mutual funds		250,386		77,940
Subordinated bonds		3,067		-
Others		75,919		-
		26,063,564		14,350,619
<u>United States Dollar</u>				
Government bonds	1,135,153,863	15,648,096	498,267,017	6,171,037
Bonds	108,057,309	1,489,570	25,763,666	319,083
Mutual funds		-	3,024,304	37,456
		17,137,666		6,527,576
<u>European Euro</u>				
Government bonds	16,446,133	247,624	4,167,017	62,728
		60,702,050		40,002,324
Held to maturity				
<u>Third parties</u>				
<u>Rupiah</u>				
Bonds		1,633,889		1,229,190
Bank Indonesia Sharia Certificates (SBIS)		1,350,000		1,605,645
Deposits Certificates of Bank Indonesia		1,088,575		9,852,330
Negotiable Certificate of Deposits		187,394		92,209
Medium-Term Notes		125,000		25,000
Subordinated bonds		60,000		40,000
Certificate of Bank Indonesia		-		5,557,658
		4,444,858		18,402,032
<u>United States Dollar</u>				
Credit Linked Notes	51,096,844	704,370	52,198,627	646,480
Certificate of Bank Indonesia	49,775,190	686,151		-
Promissory Notes	2,000,000	27,570	4,000,000	49,540
		1,418,091		696,020

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Held to maturity (continued)</u>				
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Government bonds		35,460,319		18,494,780
Bonds		2,979,508		859,560
Medium-Term Notes		164,443		139,202
Negotiable Certificate of Deposits		164,182		144,439
Subordinated bonds		84,906		-
		<u>38,853,358</u>		<u>19,637,981</u>
 <u>United States Dollar</u>				
Government bonds	1,286,721,436	17,737,455	410,378,845	5,082,542
Bonds	55,250,925	761,634	17,700,363	219,219
		<u>18,499,089</u>		<u>5,301,761</u>
 <u>European Euro</u>				
Government bonds	2,956,364	44,513		-
		<u>63,259,909</u>		<u>44,037,794</u>
Total		124,891,293		84,168,460
Less: Allowance for impairment losses		(17,746)		-
Net		<u>124,873,547</u>		<u>84,168,460</u>

b) By Collectibility:

As of December 31, 2015 and 2014, all securities are classified as "Current", except for securities in subsidiary, BJS, amounting to Rp31,263 which includes Government bonds, corporate bonds and shares which were deposited at PT Andalan Artha Advisindo Sekuritas (AAA) in Custody of PT Bank DBS Indonesia which have been sold without notice to BJS and currently still in legal process.

In this regard, BJS management as of December 31, 2015 has provided allowance for impairment losses amounting to Rp17,746.

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7. SECURITIES (continued)

c) By Remaining Period to Maturity:

The classifications of securities based on their remaining period to maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	14,963,594	21,199,452
> 1 month - 3 months	1,571,743	6,262,113
> 3 months - 1 year	1,720,870	8,211,629
> 1 year	941,912	658,526
	19,198,119	36,331,720
<u>Foreign currencies</u>		
≤ 1 month	2,726,311	1,143,273
> 3 months - 1 year	686,151	24,770
> 1 year	731,940	671,250
	4,144,402	1,839,293
	23,342,521	38,171,013
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	26,476,578	14,817,415
> 1 month - 3 months	2,669,743	864,179
> 3 months - 1 year	7,537,421	1,875,512
> 1 year	28,643,183	16,532,919
	65,326,925	34,090,025
<u>Foreign currencies</u>		
≤ 1 month	18,051,666	6,605,660
> 3 month - 1 year	-	290,172
> 1 year	18,170,181	5,011,590
	36,221,847	11,907,422
	101,548,772	45,997,447
Total	124,891,293	84,168,460
Less: Allowance for impairment losses	(17,746)	-
Net	124,873,547	84,168,460

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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:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014
Fair value through profit or loss				
Rupiah				
FR0062	6.38	April 15, 2042	14,200	15,200
FR0064	6.13	May 15, 2028	23,700	24,930
FR0065	6.63	May 15, 2033	23,625	25,097
FR0071	9.00	March 15, 2029	-	31,091
IFR0002	11.95	August 15, 2018	1,060	-
IFR0006	10.25	March 15, 2030	17,300	-
SR005	6.00	February 27, 2016	13,631	5,107
SR006	8.75	March 5, 2017	664	-
SR007	8.25	March 11, 2018	118,949	-
PBS005	6.75	April 15, 2043	5,987	-
PBS006	8.25	September 15, 2020	5,660	-
PBS008	7.00	June 15, 2016	49,917	-
			274,693	101,425
United States Dollar				
INDOIS18	4.00	November 22, 2018	28,746	-
INDOIS 25	4.33	May 28, 2025	262,260	-
RI0144	6.75	January 15, 2044	-	15,357
			291,006	15,357
			565,699	116,782
Available for sale				
Rupiah				
FR0027	9.50	June 15, 2015	-	549,598
FR0028	10.00	July 15, 2017	1,198,484	659,638
FR0030	10.75	May 15, 2016	1,007,414	1,040,120
FR0031	11.00	November 15, 2020	134,709	125,831
FR0034	12.80	June 15, 2021	384,615	-
FR0035	12.90	June 15, 2022	559,911	-
FR0036	11.50	September 15, 2019	3,783	-
FR0039	11.75	August 15, 2023	57,675	-
FR0040	11.00	September 15, 2025	455,084	435,870
FR0042	10.25	July 15, 2027	212,898	225,845
FR0043	10.25	July 15, 2022	203,281	-
FR0044	10.00	September 15, 2024	212,600	-
FR0045	9.75	May 15, 2037	10,457	11,200
FR0046	9.50	July 15, 2023	10,310	10,911
FR0047	10.00	February 15, 2028	180,277	191,406
FR0048	9.00	September 15, 2018	10,057	-
FR0050	10.50	July 15, 2038	28,023	29,818
FR0052	10.50	August 15, 2030	326,933	348,768
FR0053	8.25	July 15, 2021	1,654,130	450,917
FR0054	9.50	July 15, 2031	312,238	150,984
FR0055	7.38	September 15, 2016	397,359	344,002
FR0056	8.38	September 15, 2026	1,569,743	172,153
FR0057	9.50	May 15, 2041	51,355	54,584
FR0058	8.25	June 15, 2032	467,875	424,676
FR0059	7.00	May 15, 2027	418,925	437,612
FR0060	6.25	April 15, 2017	732,539	632,020
FR0061	7.00	May 15, 2022	546,105	506,191
FR0062	6.38	April 15, 2042	294,142	312,988
FR0063	5.63	May 15, 2023	576,344	507,305
FR0064	6.13	May 15, 2028	540,185	535,532
FR0065	6.63	May 15, 2033	545,372	443,788
FR0066	5.25	May 15, 2018	629,059	622,454
FR0068	8.38	March 15, 2034	792,413	265,962
FR0069	7.88	April 15, 2019	1,988,752	721,692

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014
Available for sale (continued)				
Rupiah (continued)				
FR0070	8.38	March 15, 2024	1,411,402	604,753
FR0071	9.00	March 15, 2029	614,504	461,588
FR0072	8.25	May 15, 2036	488,637	-
FR0073	8.75	May 15, 2031	397,692	-
ORI009	6.25	October 15, 2015	-	104,414
ORI010	8.50	October 15, 2016	930,747	158,267
ORI011	8.50	October 15, 2017	2,352,526	951,141
ORI012	9.00	October 15, 2018	311,111	-
SPN	various	various	1,218,560	1,494,816
			24,238,226	13,986,844
United States Dollar				
RI0015	7.25	April 20, 2015	-	497,876
RI0016	7.50	January 15, 2016	286,911	245,381
RI0017	6.88	March 9, 2017	1,157,720	992,494
RI0018	6.88	January 17, 2018	1,929,241	1,084,498
RI0035	8.50	October 12, 2035	175,630	52,072
RI0037	6.63	February 17, 2037	101,320	188,805
RI0038	7.75	January 17, 2038	145,528	97,908
RI0124	5.88	January 15, 2024	257,913	13,893
RI0125	4.13	January 15, 2025	934,991	-
RI0126	4.75	January 8, 2026	571,009	-
RI0142	5.25	January 17, 2042	212,242	87,895
RI0144	6.75	January 15, 2044	14,799	-
RI0145	5.13	January 15, 2045	562,709	-
RI0146	5.95	January 8, 2046	13,596	-
RI0320	5.88	March 13, 2020	1,557,619	546,592
RI0422	3.75	April 25, 2022	1,193,348	207,506
RI0423	3.38	April 15, 2023	647,913	348,347
RI0443	4.63	April 15, 2043	896,127	471,969
RI0521	4.88	May 5, 2021	1,868,137	302,134
RI1023	5.38	October 17, 2023	366,998	94,364
RI190304	11.63	March 4, 2019	2,429,173	767,853
U.S Treasury Bonds	5.38	February 15, 2031	259,577	360,697
USDFR0001	3.50	May 15, 2017	325,172	171,450
			15,907,673	6,531,734
European Euro				
RIEUR0721	2.88	July 8, 2021	148,493	62,728
RIEUR0725	3.38	July 30, 2025	99,131	-
			247,624	62,728
Singapore Dollar				
SIGB 100119	1.63	October 1, 2019	29,259	-
SIGB 060125	2.38	June 1, 2025	191,608	-
			220,867	-
			40,614,390	20,581,306
Held to maturity				
Rupiah				
FR0028	10.00	July 15, 2017	348,171	351,338
FR0030	10.75	May 15, 2016	243,314	252,000
FR0034	12.80	June 15, 2021	430,439	367,598
FR0035	12.90	June 15, 2022	57,264	-
FR0036	11.50	September 15, 2019	19,360	-
FR0038	11.60	August 15, 2018	18,667	-
FR0039	11.75	August 15, 2023	70,385	51,738
FR0040	11.00	September 15, 2025	75,392	56,765
FR0042	10.25	July 15, 2027	169,827	169,694
FR0043	10.25	July 15, 2022	688,969	524,732
FR0044	10.00	September 15, 2024	183,267	75,707

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014
Held to maturity (continued)				
<u>Rupiah (continued)</u>				
FR0045	9.75	May 15, 2037	234,754	224,329
FR0046	9.50	July 15, 2023	236,030	235,683
FR0047	10.00	February 15, 2028	397,461	380,563
FR0048	9.00	September 15, 2018	108,723	108,118
FR0050	10.50	July 15, 2038	68,566	68,552
FR0052	10.50	August 15, 2030	296,968	296,886
FR0053	8.25	July 15, 2021	1,161,690	590,824
FR0054	9.50	July 15, 2031	405,156	353,288
FR0055	7.38	September 15, 2016	1,455,833	837,452
FR0056	8.38	September 15, 2026	1,048,011	800,481
FR0058	8.25	June 15, 2032	547,064	548,448
FR0059	7.00	May 15, 2027	259,099	259,310
FR0060	6.25	April 15, 2017	601,749	600,274
FR0061	7.00	May 15, 2022	426,074	427,472
FR0062	6.38	April 15, 2042	66,554	66,568
FR0063	5.63	May 15, 2023	527,631	527,485
FR0064	6.13	May 15, 2028	147,273	147,240
FR0065	6.63	May 15, 2033	287,084	247,913
FR0066	5.25	May 15, 2018	276,593	273,759
FR0067	8.75	February 15, 2044	34,675	34,675
FR0068	8.38	March 15, 2034	713,645	432,358
FR0069	7.88	April 15, 2019	2,667,864	1,026,955
FR0070	8.38	March 15, 2024	1,288,114	1,026,284
FR0071	9.00	March 15, 2029	742,894	647,580
FR0072	8.25	May 15, 2036	56,728	-
FR0073	8.75	May 15, 2031	71,862	-
IFR0001	11.80	August 15, 2015	-	25,630
IFR0003	9.25	September 15, 2015	-	112,244
IFR0005	9.00	January 15, 2017	300,286	303,744
IFR0006	10.25	March 15, 2030	78,453	47,942
IFR0007	10.25	January 15, 2025	307,570	308,738
IFR0010	10.00	February 15, 2036	80,072	80,925
ORI009	6.25	October 15, 2015	-	45,240
ORI010	8.50	October 15, 2016	1,744,718	371,155
ORI011	8.50	October 15, 2017	792,512	5
PBS001	4.45	February 15, 2018	213,927	212,014
PBS002	5.45	January 15, 2022	244,625	243,736
PBS003	6.00	January 15, 2027	265,628	262,423
PBS004	6.10	February 15, 2037	123,146	109,229
PBS005	6.75	April 15, 2043	96,228	78,600
PBS006	8.25	September 15, 2020	2,581,571	515,977
PBS007	9.00	September 15, 2040	30,256	-
PBS008	7.00	June 15, 2016	2,965,407	-
PBS009	7.75	January 25, 2018	1,982,030	-
SR004	6.25	September 21, 2015	-	109,939
SR005	6.00	February 27, 2016	1,605,014	707,603
SR006	8.75	March 5, 2017	2,940,235	509,099
SR007	8.25	March 11, 2018	1,563,194	-
SPN	various	various	1,112,297	2,438,468
			35,460,319	18,494,780
<u>United States Dollar</u>				
RI0015	7.25	April 20, 2015	-	290,171
RI0016	7.50	January 15, 2016	373,421	212,688
RI0017	6.88	March 9, 2017	539,409	271,350
RI0018	6.88	January 17, 2018	979,824	286,895
RI0035	8.50	October 12, 2035	59,214	-
RI0037	6.63	February 17, 2037	198,880	171,473
RI0124	5.88	January 15, 2024	267,736	184,806
RI0125	4.13	January 15, 2025	121,775	-
RI0126	4.75	January 8, 2026	480,535	-
RI0144	6.75	January 15, 2044	15,939	-
RI0145	5.13	January 15, 2045	13,631	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014
Held to maturity (continued)				
<u>United States Dollar (continued)</u>				
RI0146	5.95	January 8, 2046	34,219	-
RI0320	5.88	March 13, 2020	508,767	160,735
RI0422	3.75	April 25, 2022	831,383	-
RI0423	3.38	April 15, 2023	102,765	-
RI0521	4.88	May 5, 2021	1,043,289	37,155
RI1023	5.38	October 17, 2023	235,277	-
RI190304	11.63	March 4, 2019	530,860	33,289
USDFR0001	3.50	May 15, 2017	470,080	195,540
INDOIS18	4.00	November 21, 2018	3,298,068	772,382
INDOIS19s	6.13	March 15, 2019	4,154,911	2,334,436
INDOIS22	3.30	November 21, 2022	1,619,728	82,082
INDOIS24	4.35	September 10, 2024	1,064,136	49,540
INDOIS25	4.33	May 28, 2025	793,608	-
			17,737,455	5,082,542
<u>European Euro</u>				
RIEUR0725	3.38	July 30, 2025	44,513	-
			53,242,287	23,577,322
Total			94,422,376	44,275,410

The market values of Government bonds classified as fair value through profit or loss and available for sale ranged from 71.00% to 125.68% and 76.00% to 139.00% of nominal amounts as of December 31, 2015 and 2014, respectively.

d.2. Bonds

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<u>Fair value through profit or loss</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Indosat Tbk						
<i>Sukuk Ijarah Berkelanjutan I</i>						
Phase I Series C 2014	10.50	December 12, 2021	idAAA(Sy)	-	701	-
<i>Sukuk Ijarah IV Series B 2009</i>	11.75	December 8, 2016	idAAA(Sy)	-	1,018	-
PT Bank Muamalat						
Indonesia Tbk						
<i>Subordinasi Mudharabah</i>						
<i>Berkelanjutan I Phase I</i>						
2012	8.26	June 29, 2022	idA(Sy)	-	823	-
<i>Subordinasi Mudharabah</i>						
<i>Berkelanjutan I Phase II</i>						
2013	7.62	March 28, 2023	idA(Sy)	-	6,104	-
PT Summarecon Agung Tbk						
<i>Ijarah Berkelanjutan I</i>						
Phase I 2013	10.85	December 11, 2018	idA+(Sy)	-	994	-
<i>Ijarah Berkelanjutan I</i>						
Phase II 2014	11.50	October 10, 2019	idA+(Sy)	-	3,042	-
					12,682	

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Fair value through profit or loss (continued)						
Related parties (Note 43)						
Rupiah						
PT Adhi Karya (Persero) Tbk						
<i>Mudharabah Berkelanjutan I</i>						
Phase I 2012	9.35	July 3, 2017	idA(Sy)	-	487	-
<i>Mudharabah Berkelanjutan I</i>						
Phase II 2013	8.10	March 15, 2018	idA(Sy)	-	1,588	-
PT Perusahaan Listrik Negara (Persero)						
<i>Sukuk Ijarah V Series B 2010</i>	10.40	July 8, 2022	idAAA(Sy)	-	1,004	-
<i>Ijarah Berkelanjutan I Phase I 2013</i>	8.00	July 5, 2020	idAAA(Sy)	-	2,330	-
					5,409	-
					18,091	-
Available for sale						
Third parties						
Rupiah						
PT Adira Dinamika Multi Finance Tbk						
Phase I Series C 2011	9.00	December 16, 2016	idAAA	idAAA	24,409	14,163
Phase II Series B 2013	10.50	October 24, 2016	-	idAAA	-	3,983
Phase IV Series B 2014	10.50	November 12, 2017	idAAA	idAAA	25,380	25,154
Phase II Series A 2015	8.75	September 5, 2016	idAAA	-	11,983	-
PT Astra Sedaya Finance						
Phase I Series C 2012	8.60	February 21, 2017	idAAA	-	4,955	-
Phase II Series B 2013	9.50	November 26, 2016	-	idAAA	-	6,991
Phase II Series C 2013	9.75	November 26, 2017	idAAA	-	9,988	-
Phase III Series B 2014	10.50	April 4, 2017	idAAA	-	15,148	-
Phase IV Series B 2014	10.50	October 29, 2017	idAAA	-	58,026	-
Phase V Series A 2015	8.50	July 12, 2016	idAAA	-	9,956	-
Phase V Series B 2015	9.25	July 2, 2018	idAAA	-	27,824	-
PT Bank CIMB Niaga Tbk						
Phase II Series C 2013	9.75	November 20, 2018	idAAA	-	9,868	-
PT Bank Maybank Indonesia Tbk						
Phase I Series B 2011	8.75	December 6, 2016	idAAA	-	25,865	-
PT Bank OCBC NISP Tbk						
Phase I Series C 2013	7.40	February 19, 2016	idAAA	idAAA	11,976	11,760
Phase II Series B 2015	9.40	February 10, 2017	idAAA	-	24,992	-
Phase II Series C 2015	9.80	February 10, 2018	idAAA	-	23,864	-
PT Bank Pan Indonesia Tbk						
Series IV 2010	9.00	November 9, 2015	-	idAA	-	11,967
Phase I 2012	8.15	December 20, 2017	idAA	idAA	33,568	33,439
PT Bank Tabungan Pensiunan Nasional Tbk						
Phase I Series B 2011	9.90	June 28, 2016	AA+****)	-	10,004	-
Phase II Series A 2012	7.75	August 3, 2015	-	AA****)	-	7,937
Phase II Series B 2012	8.25	August 3, 2017	AA+****)	-	24,600	-
Phase I Series B 2013	8.25	July 4, 2018	AA+****)	-	9,514	-
Phase III Series B 2013	8.25	March 5, 2018	AA+****)	-	4,791	-
PT Bank Permata Tbk						
Phase I Series A 2013	10.00	January 3, 2015	-	idAAA	-	25,001
PT Bank UOB Indonesia						
Year 2015 Series B	9.40	April 1, 2018	AAA****)	-	24,710	-
PT BCA Finance						
Phase II Series B 2013	7.50	June 14, 2016	idAAA	idAAA	19,844	9,775
Phase II Series C 2013	7.60	June 14, 2017	idAAA	-	4,846	-
Phase I Series C 2015	9.00	March 20, 2018	idAAA	-	48,975	-
PT BFI Finance Indonesia Tbk						
Phase II Series A 2015	9.88	March 29, 2016	idA+	-	19,002	-
PT BII Finance Center						
Series A 2013	7.75	June 19, 2016	AA+****)	AA+****)	29,787	9,692
PT Bumi Serpong Damai Tbk						
Phase II Year 2013	8.38	June 5, 2018	idAA-	-	2,839	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Available for sale (continued)						
<u>Third parties (continued)</u>						
<u>Rupiah (continued)</u>						
PT Federal International Finance						
Phase I Series C 2012	7.65	April 20, 2015	-	idAAA	-	4,984
Phase II Series A 2015	8.50	September 21, 2016	idAAA	-	30,000	-
PT Indofood Sukses Makmur Tbk						
Obligasi VI Year 2012	7.25	May 31, 2017	idAA+	-	2,897	-
PT Indosat Tbk						
Series B 2009	11.75	December 8, 2016	idAAA	-	1,022	-
Series B 2012	8.88	June 27, 2022	idAAA	-	26,800	-
Phase III Series D 2015	11.20	December 8, 2025	idAAA	-	19,649	-
PT Mandala Multifinance Tbk						
Phase I Series C 2015	11.50	May 8, 2018	idA	-	4,967	-
PT Summarecon Agung Tbk						
Phase I Year 2013	10.85	December 11, 2018	idA+	-	7,945	-
Phase II Year 2014	11.50	October 10, 2019	-	idA+	-	10,114
PT Toyota Astra Financial Services						
Year 2013 Series B	7.60	May 17, 2016	-	AAA***)	-	14,568
PT Wahana Ottomitra Multiartha Tbk						
Phase I Series B 2014	11.00	June 25, 2017	AA***)	-	3,028	-
Phase II Series A 2014	10.25	December 15, 2015	-	AA***)	-	9,992
Phase IV Series A 2015	9.35	January 2, 2017	AA***)	-	24,993	-
Phase IV Series B 2015	10.80	December 22, 2018	AA***)	-	10,000	-
					648,015	199,520
<u>United States Dollar</u>						
Alibaba	3.60	May 28, 2015	-	A+****)	-	61,730
Alibaba	3.60	November 28, 2024	A1**)	-	66,388	-
AT&T Global	5.80	February 15, 2019	Baa1**)	A-****)	4,179	4,005
AT&T Global	4.45	May 15, 2021	Baa1**)	A-****)	3,297	3,060
Apple Inc.	2.40	May 3, 2015	-	AA+****)	-	36,231
Bank of America	3.30	January 11, 2015	-	A****)	-	12,382
Bank of America	5.75	December 1, 2017	Baa1**)	A****)	1,769	1,710
Bank of America	5.63	July 1, 2020	Baa1**)	A****)	2,600	2,398
Bank of America	3.30	January 11, 2023	Baa1**)	A****)	4,003	3,646
The Bank of Tokyo-Mitsubishi UFJ	3.75	March 10, 2015	-	A****)	-	6,433
BB&T Corp.	1.45	October 3, 2016	-	A****)	-	4,672
BB&T Corp.	3.63	September 16, 2025	A2**)	-	3,486	-
Bed Bath & Beyond Inc.	3.75	January 17, 2015	-	A-****)	-	38,085
Bed Bath & Beyond Inc.	3.75	August 1, 2024	Baa1**)	-	40,921	-
BerkshireHathway	1.60	May 15, 2017	Aa2**)	AA****)	7,140	6,492
BHP Billiton Ltd.	3.25	November 21, 2021	A1**)	A+****)	3,103	3,131
Canadian Imperial Bank of Commerce	1.55	January 23, 2018	Aa3**)	A+****)	6,174	5,603
Chevron Corporation	3.19	June 24, 2015	-	AA****)	-	12,651
Cisco Systems, Inc.	4.95	February 15, 2019	A1**)	AA-****)	4,591	4,345
Citigroup Inc.	4.45	January 10, 2017	Baa1**)	A-****)	4,887	4,581
Citigroup Inc.	3.75	June 16, 2024	Baa1**)	-	3,325	-
The Coca-Cola Company	5.35	November 15, 2017	-	AA****)	-	6,589
Colgate-Palmolive Company	1.95	February 1, 2015	-	AA-****)	-	11,772
Colgate-Palmolive Company	3.25	March 15, 2015	-	AA-****)	-	12,809
Comcast Corporation	5.70	May 15, 2018	A3**)	A-****)	3,389	3,135
Comcast Corporation	2.85	January 15, 2023	A3**)	A****)	3,693	3,380
ConocoPhillips Co.	5.63	October 15, 2016	-	A****)	-	5,683
ConocoPhillips Co.	3.35	November 15, 2024	A2**)	-	3,121	-
CVS Health	5.75	June 1, 2017	Baa1**)	BBB+****)	1,678	1,640
CVS Health	2.75	December 1, 2022	Baa1**)	BBB+****)	804	783
Discovery Communications, Inc.	3.25	April 1, 2023	-	BBB****)	-	1,501
Enterprise Products Partners L.P.	3.35	March 15, 2023	Baa1**)	BBB+****)	3,050	3,059
Ford Motor Company	4.25	March 20, 2015	-	BBB-****)	-	13,178
Ford Motor Company	2.88	October 1, 2018	Baa3**)	BBB-****)	5,450	5,036
Ford Motor Company	4.25	September 20, 2022	Baa3**)	-	14,208	-
Freeport-McMoRan Inc.	4.55	November 14, 2024	Baa3**)	-	81,406	-
General Electric	3.10	January 9, 2015	-	AA+****)	-	63,318

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Available for sale (continued)						
Third parties (continued)						
United States Dollar (continued)						
General Electric	5.63	September 15, 2017	-	AA+****)	-	10,785
General Electric	3.10	January 9, 2023	A1**)	-	68,925	-
General Electric	3.37	November 15, 2025	A1**)	-	3,403	-
Goldman Sachs Group, Inc.	3.63	January 22, 2015	-	B****)	-	25,074
Goldman Sachs Group, Inc.	2.75	September 15, 2020	A3**)	-	3,015	-
The Home Depot	5.40	March 1, 2016	-	A****)	-	6,013
The Home Depot	2.00	June 15, 2019	A2**)	-	5,006	-
International Business Machines Corporation	2.00	January 5, 2016	-	AA-****)	-	3,330
International Business Machines Corporation	1.13	February 6, 2018	Aa3**)	-	7,393	-
International Business Machines Corporation	3.63	February 12, 2024	Aa3**)	-	3,423	-
JPMorgan Chase & Co.	2.35	January 28, 2015	-	A****)	-	12,452
JPMorgan Chase & Co.	3.63	May 13, 2015	-	A****)	-	25,406
JPMorgan Chase & Co.	6.00	January 15, 2018	A3**)	A****)	7,590	7,142
JPMorgan Chase & Co.	4.95	March 25, 2020	A3**)	BB****)	3,285	3,075
JPMorgan Chase & Co.	2.35	January 23, 2025	A3**)	-	27,974	-
JPMorgan Chase & Co.	3.13	January 23, 2025	A3**)	-	67,420	-
Kinder Morgan Energy Partners LP	3.50	March 1, 2016	-	BBB-****)	-	6,383
Kinder Morgan Energy Partners LP	2.65	February 1, 2019	Baa3**)	-	4,711	-
Kraft Foods Group, Inc.	4.13	February 9, 2016	-	BBB-****)	-	6,594
Macy's Inc.	3.63	June 1, 2015	-	BBB-****)	-	25,107
Macy's Inc.	3.63	June 1, 2024	Baa2**)	-	25,883	-
Morgan Stanley	3.75	February 25, 2015	-	B****)	-	12,765
Occidental Petroleum Corporation	1.75	February 15, 2017	A2**)	A****)	3,453	3,237
Oversea-Chinese Banking Corporation Limited	4.25	June 19, 2024	AA-****)	-	56,342	-
PacificFirst Mortgage	2.95	February 1, 2022	A1**)	A****)	3,467	3,197
PepsiCo Inc.	2.75	March 1, 2015	-	A****)	-	24,471
PepsiCo Inc.	2.75	March 1, 2023	A1**)	-	26,812	-
Phillips66	2.95	May 1, 2017	A3**)	BBB+****)	3,353	3,132
PNC Financial Services Group, Inc.	2.95	February 23, 2025	A2**)	-	3,263	-
Province of Ontario	4.40	April 14, 2020	Aa2**)	AA-****)	11,365	10,459
Province of Quebec	2.75	August 25, 2021	Aa2**)	A+****)	5,780	5,363
PT Medco Energi Internasional Tbk	-	-	-	-	-	-
Phase I 2011	6.05	July 14, 2016	A+****)	idAA-****)	138,181	124,960
Royal Bank of Canada	2.63	December 15, 2015	-	AA-****)	-	7,571
Royal Bank of Canada	2.63	March 15, 2019	Aa3**)	-	8,148	-
Royal Dutch Shell plc	2.13	May 11, 2020	Aa1**)	-	3,318	-
The Federal Home Loan Mortgage Corporation	3.75	March 27, 2019	Aaa****)	AAA+****)	17,483	16,158
The Federal Home Loan Mortgage Corporation	2.38	January 13, 2022	Aaa****)	AAA+****)	7,186	6,497
U.S. Bancorp.	1.95	November 15, 2018	A1**)	A+****)	3,396	3,102
Time Warner Inc.	3.55	June 1, 2024	Baa2**)	-	1,620	-
Verizon Communications	2.45	May 1, 2015	-	BBB+****)	-	11,684
Verizon Communications	3.65	September 14, 2018	Baa1**)	BBB+****)	3,954	3,726
Verizon Communications	5.15	September 15, 2023	Baa1**)	BBB+****)	2,345	2,189
Walgreen Company	3.10	March 15, 2015	-	BBB****)	-	24,498
Walgreen Company	3.10	September 15, 2022	Baa2**)	-	27,325	-
Wal-Mart Stores, Inc.	3.25	October 25, 2020	Aa2**)	-	3,482	-
Wells Fargo & Company	2.10	May 8, 2017	A2**)	A+****)	3,550	3,294
Wells Fargo & Company	3.50	March 8, 2022	A2**)	A+****)	4,680	4,280
Xerox Corporation Ltd.	3.80	May 15, 2015	-	BBB-****)	-	37,594
Xerox Corporation Ltd.	3.80	May 15, 2024	Baa2**)	-	39,119	-
					878,312	782,576

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Available for sale (continued)						
<u>Related parties (Note 43)</u>						
<u>Rupiah</u>						
Lembaga Pembiayaan Ekspor Indonesia						
Phase I Year 2010 Series D	10.00	July 8, 2017	idAAA	idAAA	5,004	5,033
Phase I Series D 2014	9.75	June 5, 2019	idAAA	-	9,960	-
Phase III Series B 2014	9.25	October 16, 2017	idAAA	idAAA	9,918	9,971
Phase V Series B 2015	9.00	March 13, 2018	idAAA	-	59,298	-
Phase VI Series B 2015	9.20	September 16, 2018	idAAA	-	24,382	-
Phase VI Series C 2015	9.50	September 16, 2020	idAAA	-	48,300	-
PT Adhi Karya (Persero) Tbk						
Phase I Series B 2012	9.80	July 3, 2019	idA	-	941	-
Phase II Series A 2013	8.10	March 15, 2018	idA	-	7,468	-
PT Aneka Tambang (Persero) Tbk						
Phase I Series A 2011	8.38	December 14, 2018	idA-	-	1,821	-
Phase I Series B 2011	9.05	December 14, 2021	idA-	-	28,040	-
PT Bank Tabungan Negara (Persero) Tbk						
Series XII Year 2006	12.75	September 19, 2016	idAA	idAA	22,565	7,323
Phase II Year 2013	7.90	March 27, 2023	idAA	-	16,840	-
Phase I Series A 2015	9.63	July 8, 2018	idAA	-	24,465	-
Phase I Series B 2015	9.88	July 8, 2020	idAA	-	28,830	-
Phase I Series C 2015	10.00	July 8, 2022	idAA	-	9,498	-
Obligasi XIV Year 2010	10.25	June 11, 2020	idAA	-	36,523	-
PT Jasa Marga (Persero) Tbk						
Series XIII R	10.25	June 21, 2017	idAA	idAA	161,904	101,765
Series Q 2006	13.50	July 6, 2016	idAA	-	35,707	-
Series JM-10 Year 2010	9.35	October 12, 2020	idAA	-	17,593	-
Phase I Series S Series C 2013	8.90	September 27, 2018	idAA	-	37,426	-
Phase II Series T 2014	9.85	September 19, 2019	idAA	-	24,217	-
PT Mandiri Tunas Finance						
Phase I Series A 2013	7.75	June 5, 2016	idAA	-	3,721	-
Phase II Series A 2014	10.70	May 23, 2017	idAA	idAA	71,050	25,297
PT Pegadaian (Persero)						
Year 2006 Series XI A	13.10	May 23, 2016	idAA+	-	6,081	-
Year 2007 Series B	8.00	September 4, 2017	idAA+	idAA+	13,944	10,073
Phase II Series D 2012	7.75	February 14, 2019	idAA+	-	2,778	-
Phase I Series D 2013	8.00	July 9, 2020	idAA+	-	2,992	-
Phase III Series B 2015	9.25	May 7, 2018	idAA+	-	43,063	-
Phase III Series C 2015	9.50	May 7, 2020	idAA+	-	25,922	-
PT Permodalan Nasional Madani (Persero)						
Phase I Series B 2014	10.50	December 19, 2017	idA	-	7,862	-
PT Perusahaan Listrik Negara (Persero)						
Year 2007 Series IX A	10.40	July 10, 2017	idAAA	idAAA	76,479	77,476
Year 2010 Series XI B	12.55	January 12, 2020	idAAA	-	8,556	-
Year 2010 Series XII B	10.40	July 8, 2022	idAAA	-	34,830	-
Phase II Series A 2013	9.00	December 10, 2018	idAAA	-	4,867	-
Phase II Series B 2013	9.60	December 10, 2023	idAAA	-	4,748	-
PT Pupuk Indonesia (Persero)						
Year 2014 Series A	9.63	July 8, 2017	AAA***)	AAA***)	34,885	33,185
Year 2014 Series B	9.95	July 8, 2019	AAA***)	-	11,003	-
PT Sarana Multi Infrastruktur (Persero)						
Year 2014 Series B	10.00	June 11, 2019	idAA+	-	19,787	-
PT Sarana Multigriya Finansial (Persero)						
Phase II 2012 <i>Benjamin Aset KPR</i> Series C	7.55	April 25, 2017	idAA+	idAA	5,813	5,713
Phase V Series A 2014	9.60	December 29, 2015	-	idAA	-	9,999
Phase V Series B 2014	10.00	December 16, 2017	idAA+	-	13,882	-
Phase I Series B 2015	9.25	July 7, 2018	idAA+	-	29,190	-
PT Telekomunikasi Indonesia (Persero) Tbk						
Phase I Series A 2015	9.93	June 23, 2022	idAAA	-	50,260	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Available for sale (continued)						
<u>Related parties (Note 43)</u>						
<u>(continued)</u>						
<u>Rupiah (continued)</u>						
PT Waskita Karya (Persero) Tbk						
Year 2012 Series B	9.75	June 5, 2017	idA	-	67,466	-
Phase II Series A 2015	10.40	October 16, 2018	idA	-	2,992	-
Phase II Series B 2015	11.10	October 16, 2020	idA	-	18,130	-
					1,171,001	285,835
<u>United States Dollar</u>						
Lembaga Pembiayaan						
Ekspor Indonesia						
Year 2017	3.75	April 26, 2017	Baa3**)	Baa3**)	139,279	50,579
PT Bank Negara Indonesia (Persero) Tbk						
Year 2017	4.13	April 27, 2017	BB****)	BB****)	480,160	127,138
PT Pelabuhan Indonesia II (Persero)						
Year 2025	4.25	May 5, 2025	B1**)	-	196,548	-
PT Pelabuhan Indonesia III (Persero)						
Year 2025	4.88	October 1, 2024	BB+****)	-	76,085	-
PT Pertamina (Persero)						
Year 2023	4.30	May 20, 2023	Baa3**)	-	157,193	-
Year 2043	4.13	May 20, 2043	-	C****)	-	59,526
Year 2021	5.25	May 23, 2021	Baa3**)	-	27,405	-
Year 2022	4.88	May 3, 2022	Baa3**)	-	93,616	-
PT Perusahaan Gas Negara (Persero) Tbk						
Year 2024	5.13	May 16, 2024	Baa3**)	-	79,908	-
PT Perusahaan Listrik Negara (Persero)						
Year 2017	7.25	June 28, 2017	BBB-****)	-	26,269	-
Year 2020	7.75	January 20, 2020	BBB-****)	-	8,909	-
Year 2021	5.50	November 22, 2021	BBB-****)	C****)	136,052	13,024
Year 2042	5.25	October 24, 2042	BBB-****)	C****)	68,146	68,816
					1,489,570	319,083
					4,186,898	1,587,014
Held to maturity						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Adira Dinamika Multi Finance Tbk						
Phase I Series C 2011	9.00	December 16, 2016	idAAA	idAAA	19,490	4,007
Phase II Series C 2012	7.75	May 4, 2015	-	idAAA	-	17,907
Phase III Series B 2012	7.75	September 27, 2015	-	idAAA	-	10,250
Phase I Series B 2013	7.30	March 1, 2015	-	idAAA	-	4,924
Phase I Series C 2013	7.85	March 1, 2016	idAAA	idAAA	15,000	15,000
Phase I Series D 2013	8.90	March 1, 2018	idAAA	idAAA	9,918	9,885
Phase III Series A 2014	9.60	May 24, 2015	-	idAAA	-	20,000
Phase IV Series A 2014	9.60	November 22, 2015	-	idAAA	-	25,000
Phase IV Series B 2014	10.50	November 12, 2017	idAAA	idAAA	50,000	50,000
Sukuk Phase I Series C 2013	7.85	March 1, 2016	-	idAAA(Sy)	15,000	15,000
Sukuk Phase II Series A 2014	9.60	November 22, 2015	-	idAAA(Sy)	-	10,000
Sukuk Phase II Series B 2014	10.50	November 12, 2017	idAAA(Sy)	idAAA(Sy)	20,000	20,000
Sukuk Phase I Series A 2015	8.75	July 10, 2016	idAAA(Sy)	-	100,000	-
PT Agung Podomoro Land Tbk						
Series II Year 2012	9.38	August 15, 2017	idA	idA	10,000	10,000
PT Astra Sedaya Finance						
Series XII D 2011	10.00	February 25, 2015	-	idAAA	-	6,736
Phase I Series B 2012	8.00	February 21, 2015	-	idAAA	-	7,994
Phase I Series C 2012	8.60	February 21, 2017	idAAA	-	4,483	-
Phase III Series B 2013	7.75	February 22, 2016	idAAA	-	39,939	-
Phase I Series C 2013	7.75	June 27, 2016	idAAA	idAAA	10,087	9,929
Phase II Series B 2013	9.50	November 26, 2016	idAAA	idAAA	5,011	5,010

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Held to maturity (continued)						
<u>Third parties (continued)</u>						
<u>Rupiah (continued)</u>						
PT Astra Sedaya Finance (continued)						
Phase III 2014	9.60	April 14, 2015	-	AAA***)	-	20,000
Phase IV Series B 2014	10.50	October 29, 2017	idAAA	-	6,727	-
Phase V Series A 2015	8.50	July 12, 2016	idAAA	-	20,000	-
PT Bank CIMB Niaga Tbk Series B 2011	8.30	December 23, 2016	idAAA	idAAA	43,895	43,797
Phase I Series B 2012	7.75	October 30, 2017	idAAA	idAAA	35,377	29,982
Phase II Series A 2013	8.75	November 20, 2015	-	idAAA	-	65,706
Phase II Series B 2013	9.15	November 20, 2016	idAAA	idAAA	6,902	6,905
Phase II Series C 2013	9.75	November 20, 2018	idAAA	idAAA	36,037	30,000
PT Bank Danamon Indonesia Tbk Series II B	9.00	December 9, 2015	-	AAA	-	121,714
PT Bank Maybank Indonesia Tbk						
Phase I Series B 2011	8.75	December 6, 2016	idAAA	idAAA	84,908	8,956
Phase II Series A 2012	7.60	October 31, 2015	-	idAAA	-	25,000
Phase II Series B 2012	8.00	October 31, 2017	idAAA	idAAA	27,339	19,812
PT Bank Muamalat Indonesia Tbk Subordinated <i>Mudharabah Berkelanjutan</i> I Phase I 2012	8.26	June 29, 2022	idA(Sy)	-	4,068	-
PT Bank OCBC NISP Tbk						
Phase I Series B 2013	6.90	February 19, 2015	-	idAAA	-	17,962
Phase I Series C 2013	7.40	February 19, 2016	idAAA	idAAA	44,921	44,370
Phase II Series A 2015	9.00	February 20, 2016	idAAA	-	68,010	-
Phase II Series C 2015	9.80	February 10, 2018	idAAA	-	35,035	-
PT Bank Pan Indonesia Tbk Series IV 2010	9.00	November 9, 2015	-	idAA	-	20,967
Phase I 2012	8.15	December 20, 2017	idAA	idAA	9,763	4,801
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Series VII C 2011	10.40	February 9, 2018	idAA-	-	1,039	-
PT Bank Permata Tbk						
Phase I Series A 2013	10.00	January 3, 2015	-	idAAA	-	50,000
Phase I Series B 2013	10.50	December 24, 2016	idAAA	idAAA	32,065	30,065
PT Bank Sumut Series III Year 2013	10.13	July 5, 2016	idA	idA	10,000	10,000
PT Bank Tabungan Pensiunan Nasional Tbk Series II B 2010	10.60	May 18, 2015	-	AA***)	-	15,078
Series III B 2010	9.20	December 22, 2015	-	AA***)	-	1,488
Phase I Series B 2011	9.90	June 28, 2016	AA+****)	-	15,074	-
Phase II Series A 2012	7.75	August 3, 2015	-	AA***)	-	30,000
Phase II Series B 2012	8.25	August 3, 2017	AA+****)	AA***)	20,981	20,000
Phase III Series B 2013	8.25	March 5, 2018	AA+****)	-	5,837	-
Phase III Series A 2013	7.65	March 5, 2016	AA+****)	-	12,479	-
PT Bank UOB Indonesia Series A 2015	8.60	April 11, 2016	AAA***)	-	30,015	-
Series B 2015	9.40	April 1, 2018	AAA***)	-	45,193	-
PT BCA Finance						
Phase I Series D 2012	7.70	May 9, 2016	idAAA	-	15,858	-
Phase II Series B 2013	7.50	June 14, 2016	idAAA	idAAA	36,481	9,765
Phase III Series B 2014	10.00	March 27, 2017	idAAA	-	56,712	-
Phase I Series A 2015	8.25	March 30, 2016	idAAA	-	20,002	-
Phase I Series C 2015	9.00	March 20, 2018	idAAA	-	65,000	-
Phase I Series B 2015	8.50	March 20, 2017	idAAA	-	9,937	-
PT BII Finance Center						
Series C 2012	8.00	June 7, 2016	AA+****)	-	4,982	-
Series A 2013	7.75	June 19, 2016	AA+****)	-	39,772	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{a)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Held to maturity (continued)						
Third parties (continued)						
Rupiah (continued)						
PT BPD Sumatera Barat (Bank Nagari)						
Series VI Year 2010	9.88	January 13, 2016	idA	idA	10,000	10,000
PT Eagle High Plantation Tbk						
Series I 2010	10.68	November 16, 2015	-	BBB+	-	25,000
PT Federal International Finance						
Phase I Series C 2012	7.65	April 20, 2015	-	idAAA	-	33,849
Phase II Series B 2013	7.75	April 4, 2016	idAAA	idAAA	28,654	10,000
Phase III Series A 2014	9.60	March 24, 2015	-	idAAA	-	1,002
Phase I Series A 2015	8.50	May 4, 2016	idAAA	-	40,000	-
PT Great River International Tbk						
Obligasi I Year 2003	14.75	October 13, 2008	-	-	758	-
PT Indomobil Finance Indonesia						
Phase I Series C 2012	8.25	May 11, 2016	idA	-	3,980	-
Phase II Series B 2013	8.25	May 8, 2016	idA	-	8,974	-
Phase I Series A 2015	9.10	May 4, 2016	idA	-	37,000	-
PT Indosat Tbk						
Series V B 2007	10.65	May 29, 2017	idAAA	-	8,051	-
Series VIII B 2012	8.88	June 27, 2022	idAAA	-	64,433	-
Sukuk Ijarah Series IV B 2009	11.75	December 8, 2016	idAAA(Sy)	-	3,076	-
Sukuk Ijarah Series V 2012	8.63	June 27, 2019	idAAA(Sy)	-	22,190	-
Sukuk Ijarah Phase I						
Series C 2014	10.50	December 12, 2021	idAAA(Sy)	-	14,476	-
Sukuk Ijarah Phase III						
Series B 2015	11.20	December 8, 2025	idAAA(Sy)	-	10,000	-
PT Japfa Comfeed Indonesia Tbk						
Phase I 2012	9.90	January 12, 2017	idA	idA+	150,000	150,000
PT Mayora Indah Tbk						
Sukuk Mudharabah II 2012	8.25	May 9, 2017	idAA-(Sy)	idAA-(Sy)	6,443	6,387
PT Summarecon Agung Tbk						
Sukuk Phase I 2013	10.85	December 11, 2018	idA+(Sy)	-	12,760	-
Sukuk Phase II 2014	11.50	October 10, 2019	idA+(Sy)	idA+(Sy)	10,000	10,000
PT Toyota Astra Financial Services						
Series III B 2013	7.60	May 17, 2016	idAA+	AAA***)	29,643	9,856
PT Wahana Ottomitra Multiartha Tbk						
Series V D 2011	11.00	March 4, 2015	-	AA***)	-	17,072
Phase I Series A 2014	10.25	July 5, 2015	-	F1+***)	-	3,014
Phase II Series A 2014	10.25	December 15, 2015	-	AA***)	-	40,000
Phase II Series B 2014	11.25	December 5, 2017	AA***)	-	5,114	-
Phase IV Series A 2015	9.35	January 2, 2017	AA***)	-	25,000	-
PT BFI Finance Indonesia Tbk						
Series I B 2013	8.50	February 19, 2015	-	A+***)	-	25,000
Phase I Series A 2014	10.50	March 17, 2015	-	F1***)	-	20,000
					1,633,889	1,229,190
Related parties (Note 43)						
Rupiah						
Lembaga Pembiayaan						
Ekspor Indonesia						
Series IV D 2009	12.75	June 18, 2016	idAAA	idAAA	1,944	983
Series I C 2010	9.60	July 8, 2015	-	idAAA	-	20,000
Phase I Series D 2010	10.00	July 8, 2017	idAAA	-	2,000	-
Series I B 2011	7.75	December 20, 2016	idAAA	idAAA	38,000	38,000
Phase II Series B 2012	6.50	November 27, 2015	-	idAAA	-	25,000
Phase III Series B 2013	6.40	May 23, 2016	idAAA	idAAA	74,861	60,000
Phase II Series C 2014	9.25	June 5, 2017	idAAA	idAAA	30,762	20,679
Phase III Series A 2014	8.25	October 26, 2015	-	idAAA	-	10,000
Phase III Series B 2014	9.25	October 16, 2017	idAAA	idAAA	16,003	16,003
Phase III Series C 2014	9.75	October 16, 2019	idAAA	idAAA	20,000	20,000
Phase V Series B 2015	9.00	March 13, 2018	idAAA	-	49,998	-
Phase VI Series A 2015	8.40	September 26, 2016	idAAA	-	49,998	-
Phase VI Series B 2015	9.20	September 16, 2018	idAAA	-	74,997	-
Phase VI Series C 2015	9.50	September 16, 2020	idAAA	-	104,996	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)}		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Held to maturity (continued)						
Related parties (Note 43)						
(continued)						
Rupiah (continued)						
PT Adhi Karya (Persero) Tbk						
Phase I Series A 2012	9.35	July 3, 2017	idA	-	2,020	-
Phase I Series B 2012	9.80	July 3, 2019	idA	-	11,054	-
Sukuk Mudharabah Phase I						
Year 2012	9.35	July 3, 2017	idA(Sy)	-	4,029	-
Sukuk Mudharabah Phase II						
Year 2013	8.10	March 15, 2018	idA(Sy)	-	297	-
PT Aneka Tambang						
(Persero) Tbk						
Series I A	8.38	December 14, 2018	idA-	idA	20,000	20,000
Series I B	9.05	December 14, 2021	idA-	idA	75,000	75,000
PT Bank BNI Syariah						
Sukuk Mudharabah I 2015	9.10	May 26, 2018	idAA+(Sy)	-	51,046	-
PT Bank Tabungan						
Negara (Persero) Tbk						
Series XII	12.75	September 19, 2016	idAA	idAA	67,703	2,082
Series XIV	10.25	June 11, 2020	idAA	idAA	76,198	30,000
Series XV	9.50	June 28, 2021	idAA	idAA	50,000	50,000
Series I Phase I 2012	7.90	June 5, 2022	idAA	idAA	25,000	25,000
Series I Phase II 2013	7.90	March 27, 2023	idAA	idAA	49,512	34,021
Phase II Series A 2015	9.63	July 8, 2018	idAA	-	35,048	-
Phase II Series B 2015	9.88	July 8, 2020	idAA	-	32,000	-
Phase II Series C 2015	10.00	July 8, 2022	idAA	-	55,000	-
PT Danareksa (Persero)						
Series V B Year 2010	10.20	January 11, 2016	idA	-	3,012	-
PT Hutama Karya (Persero)						
Series C Year 2013	9.50	June 28, 2020	idA-	-	10,000	-
PT Jasa Marga (Persero) Tbk						
Series XII Q 2006	13.50	July 6, 2016	idAA	-	72,734	-
Series XIII R 2007	10.25	June 21, 2017	idAA	idAA	44,465	14,213
Series JM-10 Year 2010	9.35	October 12, 2020	idAA	-	57,825	-
Phase I Series B 2013	8.70	September 27, 2016	idAA	idAA	9,952	9,892
Phase II Series T 2014	9.85	September 19, 2019	idAA	-	41,576	-
PT Mandiri Tunas Finance						
Series VI D 2011	10.70	May 19, 2015	-	idAA	-	7,044
Phase II Series A 2014	10.70	May 23, 2017	idAA	idAA	34,256	20,000
Phase I Series A 2015	10.20	December 18, 2018	idAA	-	90,000	-
PT Pegadaian (Persero)						
Series X B 2003	10.50	July 11, 2018	idAA+	-	5,117	-
Series XI A 2006	13.10	May 23, 2016	idAA+	idAA+	90,176	35,730
Series XII A 2007	10.03	September 4, 2017	idAA+	idAA+	40,300	11,101
Series XIII B 2009	12.65	July 1, 2017	idAA+	idAA+	3,044	1,071
Series XIII C 2009	12.88	July 1, 2019	idAA+	-	2,000	-
Series C 2011	9.00	October 11, 2021	idAA+	-	4,139	-
Phase II Series D 2012	7.75	February 14, 2019	idAA+	-	1,914	-
Phase I Series B 2013	7.40	July 9, 2016	idAA+	-	1,986	-
Phase II Series A 2014	8.65	July 21, 2015	-	idAA+	-	77,030
Phase II Series B 2014	9.35	July 11, 2017	idAA+	idAA+	85,075	65,079
Phase II Series C 2014	9.75	July 11, 2019	idAA+	-	1,007	-
Phase III Series A 2015	8.50	May 17, 2016	idAA+	-	81,040	-
Phase III Series B 2015	9.25	May 7, 2018	idAA+	-	269,024	-
Phase III Series C 2015	9.50	May 7, 2020	idAA+	-	45,062	-
PT Pembangunan Perumahan						
(Persero) Tbk						
Phase I Year 2013	8.38	March 19, 2018	idA	-	9,546	-
PT Perkebunan Nusantara X						
(Persero)						
Year 2013	8.90	July 5, 2018	idBBB+	-	10,000	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Held to maturity (continued)						
Related parties (Note 43)						
(continued)						
Rupiah (continued)						
PT Perusahaan Listrik Negara (Persero)						
Series VIII A 2006	13.60	June 21, 2016	idAAA	idAAA	8,106	5,316
Series VIII B 2006	13.75	June 21, 2021	idAAA	-	2,000	-
Series IX A 2007	10.40	July 10, 2017	idAAA	idAAA	24,103	20,153
Series IX B 2007	10.90	July 10, 2022	idAAA	-	18,614	-
Series XI A 2010	11.95	January 12, 2017	idAAA	-	2,000	-
Series XI B 2010	12.55	January 12, 2020	idAAA	-	1,000	-
Series XII A 2010	9.70	July 8, 2015	-	idAAA	-	10,037
Series XII B 2010	10.40	July 8, 2022	idAAA	-	3,000	-
Phase I Series B 2013	8.25	July 5, 2023	idAAA	-	5,000	-
Phase II Series A 2013	9.00	December 10, 2018	idAAA	idAAA	14,893	9,876
Sukuk Ijarah IV A	11.95	January 12, 2017	idAAA(Sy)	idAAA(Sy)	10,000	10,000
Sukuk Ijarah II 2007	10.40	July 10, 2017	idAAA(Sy)	-	4,104	-
Sukuk Ijarah IV B 2010	12.55	January 12, 2020	idAAA(Sy)	-	1,000	-
Sukuk Ijarah Series V B 2010	10.40	July 8, 2022	idAAA(Sy)	-	7,000	-
Sukuk Ijarah Phase I Year 2013	8.00	July 5, 2020	idAAA(Sy)	-	2,450	-
Sukuk Ijarah Phase II Series A 2013	9.00	December 10, 2018	idAAA(Sy)	-	5,000	-
Sukuk Ijarah Phase II Series B 2013	9.60	December 10, 2023	idAAA(Sy)	-	5,000	-
PT Pupuk Indonesia (Persero)						
Year 2014 Series A	9.63	July 8, 2017	AAA***)	AAA***)	74,363	22,112
Year 2014 Series B	9.95	July 8, 2019	AAA***)	-	40,503	-
PT Sarana Multi Infrastruktur (Persero)						
Series A Year 2014	9.60	June 11, 2017	idAA+	-	13,048	-
Series B Year 2014	10.00	June 11, 2019	idAA+	-	16,220	-
PT Sarana Multigriya Finansial (Persero)						
Phase I Series B 2012	7.50	December 27, 2017	idAA+	idAA+	19,360	19,080
Phase III Series A 2014	9.10	April 7, 2015	-	idAA+	-	5,026
Phase III Series B 2014	10.00	March 27, 2017	idAA+	idAA+	10,040	10,069
Phase V Series A 2014	9.60	December 29, 2015	-	idAA+	-	20,000
Phase V Series B 2014	10.00	December 16, 2017	idAA+	idAA+	26,209	10,000
Phase I Series A 2015	8.60	July 17, 2016	idAA+	-	119,990	-
Phase I Series B 2015	9.25	July 7, 2018	idAA+	-	30,000	-
Phase II Year 2015	8.90	November 28, 2016	idAA+	-	150,000	-
Phase III Year 2015	9.25	January 3, 2017	idAA+	-	50,000	-
Benjamin Aset Piutang KPR Phase II Series B 2012	7.35	April 25, 2015	-	idAA	-	4,963
Benjamin Aset Piutang KPR Phase II Series C 2012	7.55	April 25, 2017	idAA+	-	2,940	-
PT Telekomunikasi Indonesia (Persero) Tbk						
Series B Year 2010	10.20	July 6, 2020	idAAA	-	37,334	-
Phase I Series A 2015	9.93	June 23, 2022	idAAA	-	190,000	-
Phase I Series D 2015	11.00	June 23, 2045	idAAA	-	5,170	-
PT Waskita Karya (Persero) Tbk						
Year 2012 Series A	8.75	June 5, 2015	-	idA	-	25,000
Year 2012 Series B	9.75	June 5, 2017	idA	-	50,345	-
					2,979,508	859,560
United States Dollar						
Lembaga Pembiayaan Ekspor Indonesia						
Year 2017	3.75	April 26, 2017	Baa3**)	Baa3**)	157,161	90,973
PT Bank Negara Indonesia (Persero) Tbk						
Year 2017	4.13	April 27, 2017	Baa3**)	BB****)	403,587	128,246
PT Pelabuhan Indonesia III (Persero)						
Year 2025	4.88	October 1, 2024	Baa3**)	-	22,320	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

4.2: Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Held to maturity (continued)						
<u>Related parties (Note 43)</u>						
<u>(continued)</u>						
<u>United States Dollar</u>						
<u>(continued)</u>						
PT Pelabuhan Indonesia II (Persero)						
Year 2025	4.25	May 5, 2025	Baa3**)	-	35,217	-
PT Pertamina (Persero)						
Year 2023	4.30	May 20, 2023	Baa3**)	-	28,731	-
Year 2041	6.50	May 27, 2041	BBB-***)	-	6,890	-
PT Perusahaan Gas Negara (Persero) Tbk						
Year 2024	5.13	May 16, 2024	Baa3**)	-	43,597	-
PT Perusahaan Listrik Negara (Persero)						
Year 2020	7.75	January 20, 2020	Baa3**)	-	12,407	-
Year 2021	5.50	November 22, 2021	Baa3**)	-	44,901	-
Year 2042	5.25	October 24, 2042	BBB-***)	-	6,823	-
					761,634	219,219
					5,375,031	2,307,969
Total					9,580,020	3,894,983

*) 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.

d.3. Mutual funds

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bahana TCW Investment Management	458,541	-
PT Batavia Prosperindo Aset Manajemen	440,995	-
PT Insight Investments Management	149,647	-
PT Trimegah Asset Management	74,511	-
PT Sinarmas Asset Management	58,437	-
PT Schroder Investment Management Indonesia	39,404	-
PT RHB Asset Management Indonesia	37,994	53,416
PT BNP Paribas Investment Partners	37,221	-
PT Mega Capital Investama	35,168	84,601
PT Syailendra Capital	25,316	-
PT CIMB Principal Asset Management	24,009	11,560
PT Samuel Aset Manajemen	23,513	-
PT Manulife Aset Manajemen Indonesia	15,300	-
PT Mega Asset Management	12,040	-
PT Pratama Capital Assets Management	1,683	-
PT Kresna Asset Management	1,019	-
PT Panin Asset Management	984	-
PT Indo Premier Investment Management	410	-
	1,436,192	149,577

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.3. Mutual funds (continued)

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
PT Danareksa Investment Management	180,023	-
PT BNI Asset Management	50,312	52,012
PT Mandiri Manajemen Investasi	26,240	25,928
PT PNM Investment Management	2,929	-
	<u>259,504</u>	<u>77,940</u>
<u>United States Dollar</u>		
PT Danareksa Investment Management	1,949	-
PT BNI Asset Management	-	37,456
	<u>1,949</u>	<u>37,456</u>
	<u>261,453</u>	<u>115,396</u>
Total	<u>1,697,645</u>	<u>264,973</u>

d.4. Negotiable Certificate of Deposits (NCD)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				December 31, 2015	December 31, 2014
<u>Held to maturity</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Maybank Indonesia Tbk					
Year 2015 Series A	100,000	8.70	March 23, 2016	98,119	-
Year 2014 Series B	100,000	9.60	November 17, 2015	-	92,209
PT Bank Commonwealth					
Phase IV Series A Year 2015	90,000	8.40	February 5, 2016	89,275	-
				<u>187,394</u>	<u>92,209</u>
<u>Related parties (Note 43)</u>					
<u>Rupiah</u>					
PT Bank Tabungan					
Negara (Persero) Tbk					
Year 2014 Series A	150,000	9.00	June 4, 2015	-	144,439
Phase II Year 2015 Series II B	10,000	9.00	May 2, 2016	9,702	-
Phase II Year 2015 Series II C	10,000	9.25	October 31, 2016	9,271	-
PT Bank Mandiri (Persero) Tbk					
Phase I Year 2015 Series C	150,000	8.50	May 26, 2016	145,209	-
				<u>164,182</u>	<u>144,439</u>
Total				<u>351,576</u>	<u>236,648</u>

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.5. Promissory Notes

Issuer	Annual Interest Rate (%)	Maturity Date	Rating		Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<u>Held to maturity</u>						
<u>Third parties</u>						
<u>United States Dollar</u>						
Morgan Stanley	4.00	August 31, 2017	A-****)	A-****)	27,570	24,770
Morgan Stanley	4.50	August 31, 2015	-	A-****)	-	24,770
Total					27,570	49,540

****) Based on ratings issued by Standard & Poor.

d.6. Subordinated Bonds

a.9. **Subordinated Bonds**

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Carrying Value	
			December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Available for sale						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank CIMB Niaga Tbk						
Series I Year 2010	11.35	July 8, 2017	idAA	-	19,001	-
Series II Year 2010	10.85	December 23, 2020	idAA	-	15,816	-
PT Bank Maybank Indonesia Tbk						
Phase I Year 2011	10.00	December 6, 2018	idAA	-	15,298	-
Phase II Year 2012	9.25	October 31, 2019	idAA	-	39,840	-
Series I Year 2011	10.75	May 19, 2018	idAA	-	25,887	-
PT Bank Pan Indonesia Tbk						
Series III Year 2010	10.50	November 9, 2017	idAA-	-	141,850	-
Phase I Year 2012	9.40	December 20, 2019	idAA-	-	87,541	-
PT Bank Permata Tbk						
Phase II Year 2012	9.40	December 19, 2019	idAA+	-	98,398	-
Series II Year 2011	11.00	June 28, 2018	idAA+	-	53,972	-
PT Bank UOB Indonesia						
Series I Year 2014	11.35	May 28, 2021	idAA	-	13,166	-
					510,769	-
Related parties (Note 43)						
<u>Rupiah</u>						
PT Bank Mandiri (Persero) Tbk						
Series I Year 2009	11.85	December 11, 2016	idAA+	-	3,067	-
					513,836	-
Held to maturity						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank OCBC NISP Tbk						
Series III	11.35	June 30, 2017	idAAA	idAAA	40,000	40,000
PT Bank Permata Tbk						
Phase II Year 2012	9.40	December 19, 2019	idAA+	-	20,000	-
					60,000	40,000
Related parties (Note 43)						
<u>Rupiah</u>						
PT Bank Mandiri (Persero) Tbk						
Series I Year 2009	11.85	December 11, 2016	idAA+	-	84,906	-
					144,906	40,000
Total					658,742	40,000

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo).

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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, 2015	December 31, 2014
<u>Fair value through profit or loss</u>					
<u>Related parties (Note 43)</u>					
<u>Rupiah</u>					
PT Bank Syariah Mandiri Phase III Year 2011	59,000	8.77 ^{*)}	December 19, 2021	56,198	-
				56,198	-
<u>Available for sale</u>					
<u>Related parties (Note 43)</u>					
<u>Rupiah</u>					
PT Perkebunan Nusantara II (Persero) Series VII Year 2015	175,000	11.50 ^{*)}	November 30, 2016	174,965	-
PT Perkebunan Nusantara III (Persero)	150,000	10.00 ^{*)}	December 21, 2018	150,000	-
				324,965	-
<u>Held to maturity</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Sumitomo Mitsui Indonesia I Year 2015	100,000	9.85 ^{*)}	February 3, 2018	100,000	-
PT Bank OCBC NISP Tbk Series I Year 2013	25,000	7.00 ^{*)}	April 18, 2016	25,000	25,000
				125,000	25,000
<u>Related parties (Note 43)</u>					
<u>Rupiah</u>					
PT Wijaya Karya (Persero) Tbk Series II Year 2014	99,200	9.80 ^{*)}	December 24, 2017	99,443	99,202
PT Sarana Multi Infrastruktur (Persero) Year 2015	50,000	9.50 ^{*)}	March 14, 2016	50,000	-
PT Perkebunan Nusantara II (Persero) Ijarah Year 2014	15,000	13.00 ^{*)}	November 28, 2016	15,000	15,000
PT Perkebunan Nusantara III (Persero) Series B Year 2010	25,000	9.75 ^{*)}	November 22, 2015	-	25,000
				164,443	139,202
				289,443	164,202
Total				670,606	164,202

*) Interest received every 3 (three) months

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.8. Credit Linked Notes (CLN)

As of December 31, 2015 and 2014, the balances of securities in the form of CLN are as follows:

December 31, 2015					
Issuer	Effective Date	Maturity Date	Annual Interest Rate	Nominal Value (United States Dollar) (full amount)	Carrying Value
Held to maturity					
<u>Third parties</u>					
<u>United States Dollar</u>					
Credit Suisse International	October 20, 2011	December 20, 2016	LIBOR ^{*)} + 2.95%	50,000,000	704,370
Total					704,370
December 31, 2014					
Issuer	Effective Date	Maturity Date	Annual Interest Rate	Nominal Value (United States Dollar) (full amount)	Carrying Value
Held to maturity					
<u>Third parties</u>					
<u>United States Dollar</u>					
Credit Suisse International	October 20, 2011	December 20, 2016	LIBOR ^{*)} + 2.95%	50,000,000	646,480
Total					646,480

*) 6 (six) months USD LIBOR.

CLN represents a debt security where the coupon payments and principal repayment are linked to credit default event of the Republic of Indonesia (reference entity). BRI will receive all interest payments and full principal repayment if there is no credit default event. If credit default event occurs to the reference entity, the issuers will settle the CLN with bonds issued by the reference entity or cash at a certain amount. Credit default events that can occur to the reference entity among others are (i) failure to pay any matured obligation, (ii) repudiation/moratorium and (iii) restructuring in which the payment terms are unfavorable to the creditors.

The embedded credit default swap as of December 31, 2015 and 2014 has a liability fair value amounted to USD580,763 and USD994,218 (equivalent to Rp8,006 and Rp12,313), respectively, which were recognized as derivatives payable in the consolidated statement of financial position (Note 11). The net gain from the changes in fair value of the embedded credit default swap was recognized as income for the years ended December 31, 2015 and 2014, amounted to USD413,455 (equivalent to Rp5,699) and USD2,230,942 (equivalent to Rp27,630), respectively.

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7. SECURITIES (continued)

- e) BRI assessed individually for impairment on securities based on whether an objective evidence of impairment exists.

Management believes that the allowance for impairment losses as of December 31, 2015 is adequate and no allowance for impairment losses is necessary as of December 31, 2014 because management believes that securities are fully collectible.

- f) The average annual interest rates:

	2015	2014
Rupiah	8.51%	8.27%
United States Dollar	5.13	5.70
European Euro	3.08	2.88
Singapore Dollar	2.25	-

- g) BRI recognized unrealized loss - net of "Fair Value through Profit or Loss" securities amounted to Rp10,945 and RpNil for the years ended December 31, 2015 and 2014, respectively, which are recorded under "Unrealized loss from changes in fair value of securities in the consolidated statement of profit or loss and other comprehensive income.
- h) BRI recognized unrealized gain - net of "Fair Value through Profit or Loss" securities amounted to RpNil and Rp6,400 for the years ended December 31, 2015 and 2014, respectively, which are recorded under "Unrealized gain from changes in fair value of securities in the consolidated statement of profit or loss and other comprehensive income.
- i) BRI recognized net gain resulting from the sale of securities amounted to Rp86,485 and Rp121,575, for the years ended December 31, 2015 and 2014, respectively, which are recorded under "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statement of profit or loss and other comprehensive income.
- j) As of December 31, 2015 and 2014, securities with nominal value of Rp14,562,910 and Rp15,884,371 was sold under agreement to repurchase (Note 23).

8. EXPORT BILLS

- a) By Type and Currency:

	December 31, 2015		December 31, 2014	
	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		3,945,153		1,308,275
Export Bills		343,119		68,720
		4,288,272		1,376,995

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8. EXPORT BILLS (continued)

a) By Type and Currency (continued):

	December 31, 2015		December 31, 2014	
	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>				
Domestic Documentary				
Letters of Credit				
United States Dollar	314,985	4,342	190,707,501	2,361,912
Export Bills				
Renminbi	1,028,573,239	2,183,502	2,689,736,332	5,367,691
United States Dollar	40,470,700	557,889	99,281,769	1,229,605
European Euro	3,845,144	57,895	3,651,370	54,965
Japanese Yen	310,742,325	35,585	319,945,894	33,134
Great Britain Pound Sterling	1,443,713	29,508	2,316,198	44,676
Singapore Dollar	46,772	456	114,066	1,070
Hong kong Dollar		-	6,176,845	9,864
United Arab Emirates Dirham		-	221,126	746
Australian Dollar		-	50,690	514
		2,869,177		9,104,177
		7,157,449		10,481,172
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Domestic Documentary				
Letters of Credit		122,613		20,977
Export Bills		-		1,354
		122,613		22,331
<u>Foreign Currencies</u>				
<u>United States Dollar</u>				
Domestic Documentary				
Letters of Credit	35,429	488		-
Export Bills	24,181	333	1,976,754	24,482
		123,434		46,813
Total		7,280,883		10,527,985

b) By Collectibility:

All export bills were classified as "Current" as of December 31, 2015 and 2014, respectively.

c) By Period:

The classification of export bills based on their remaining period to maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
≤ 1 month	1,595,957	1,260,187
> 1 month - 3 months	3,081,075	3,132,221
> 3 months - 1 year	2,480,417	6,088,764
	7,157,449	10,481,172

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8. EXPORT BILLS (continued)

c) By Period (continued):

The classification of export bills based on their remaining period to maturity are as follows (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43)</u>		
≤ 1 month	31,868	18,208
> 1 month - 3 months	73,775	28,605
> 3 months - 1 year	17,791	-
	123,434	46,813
Total	7,280,883	10,527,985

BRI assessed individually for allowance for impairment losses on export bills based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2015 and 2014 because management believes that export bills 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 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 earn interest at a fixed rate (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 redeem fixed rate Government bonds with a variable interest rate Government bonds.

a) By Ownership Purpose and Remaining Period to Maturity:

	December 31, 2015	December 31, 2014
<u>Available for sale</u>		
≤ 1 month	715,958	703,596
<u>Held to maturity</u>		
≤ 1 year	500,000	500,000
> 1 year - 5 years	2,600,000	2,000,000
> 5 years - 10 years	-	1,100,000
	3,100,000	3,600,000
Total	3,815,958	4,303,596

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

b) By Classification and Type:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2015	December 31, 2014
<u>Available for sale</u>				
VR0027	3 months SPN	July 25, 2018	447,178	440,370
VR0031	3 months SPN	July 25, 2020	268,780	263,226
			715,958	703,596
<u>Held to maturity</u>				
VR0020	3 months SPN	April 25, 2015	-	250,000
VR0021	3 months SPN	November 25, 2015	-	250,000
VR0023	3 months SPN	October 25, 2016	500,000	500,000
VR0026	3 months SPN	January 25, 2018	375,000	375,000
VR0027	3 months SPN	July 25, 2018	375,000	375,000
VR0028	3 months SPN	August 25, 2018	375,000	375,000
VR0029	3 months SPN	August 25, 2019	375,000	375,000
VR0031	3 months SPN	July 25, 2020	1,100,000	1,100,000
			3,100,000	3,600,000
Total			3,815,958	4,303,596

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 under "Available for sale" ranged from 99.37% to 99.55% and from 97.49% to 97.86% of nominal amounts as of December 31, 2015 and 2014, respectively.

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

Securities purchased under agreement to resell as of December 31, 2015 and 2014 consist of:

December 31, 2015					
	Annual Interest Rate (%)	Purchase Date	Resell Date	Nominal Amount	Resell Price-Net
Third party					
Rupiah					
PT BPD Jawa Barat dan Banten Tbk					
Deposits Certificates of Bank Indonesia					
IDSD03021691C	10.00	December 30, 2015	January 6, 2016	47,177	47,190
IDSD150116273S	10.00	December 30, 2015	January 6, 2016	236,755	236,821
IDSD190216273S	10.00	December 30, 2015	January 6, 2016	94,095	94,122
				378,027	378,133
Related party (Note 43)					
Rupiah					
PT Bank Mandiri (Persero) Tbk					
Certificates of Bank Indonesia					
IDBI200516273C	10.00	December 29, 2015	January 6, 2016	185,039	185,141
Deposits Certificates of Bank Indonesia					
IDSD020316182S	10.00	December 29, 2015	January 6, 2016	281,695	281,851
				466,734	466,992
Total				844,761	845,125

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10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

Securities purchased under agreement to resell as of December 31, 2015 and 2014 consist of (continued):

December 31, 2014					
	Annual Interest Rate (%)	Purchase Date	Resell Date	Nominal Amount	Resell Price-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
Series FR0031	6.00	December 10, 2014	January 7, 2015	55,318	55,512
Series FR0034	6.28	December 3, 2014	January 28, 2015	456,153	458,382
Series FR0036	6.28	December 3, 2014	January 28, 2015	617,555	620,571
Series FR0040	6.01	December 29, 2014	January 26, 2015	2,330,658	2,331,437
Series FR0043	6.01	December 23, 2014	January 20, 2015	2,226,148	2,229,121
Series FR0043	6.29	December 24, 2014	February 18, 2015	313,488	313,872
Series FR0044	6.01	December 29, 2014	January 26, 2015	33,205	33,216
Series FR0046	6.01	December 17, 2014	January 14, 2015	945,591	947,801
Series FR0047	6.02	December 4, 2014	January 5, 2015	4,652,818	4,673,826
Series FR0047	6.02	December 5, 2014	January 6, 2015	468,851	470,889
Series FR0047	6.00	December 9, 2014	January 6, 2015	1,323,130	1,327,981
Series FR0052	6.27	December 11, 2014	February 5, 2015	1,027,646	1,031,225
Series FR0052	6.01	December 22, 2014	January 19, 2015	578,491	579,361
Series FR0053	6.00	December 12, 2014	January 8, 2015	922,096	925,016
Series FR0057	6.30	November 13, 2014	January 8, 2015	357,376	360,378
Series FR0058	6.29	November 24, 2014	January 19, 2015	981,686	988,032
Series FR0061	6.30	November 17, 2014	January 12, 2015	218,869	220,554
Series FR0061	6.00	December 16, 2014	January 13, 2015	885,924	888,139
Series FR0061	6.01	December 16, 2014	January 13, 2015	442,962	444,071
Series FR0063	6.29	December 24, 2014	February 18, 2015	1,397,230	1,398,939
Series FR0064	6.02	December 5, 2014	January 6, 2015	845,915	849,593
Series FR0064	6.01	December 8, 2014	January 6, 2015	614,081	616,438
Series FR0064	6.00	December 9, 2014	January 6, 2015	1,653,172	1,659,233
Series FR0064	6.00	December 10, 2014	January 7, 2015	35,295	35,419
Series FR0066	6.02	December 2, 2014	January 2, 2015	3,644,826	3,662,501
Series FR0069	6.27	December 3, 2014	January 28, 2015	1,062,033	1,067,212
Series FR0069	6.01	December 18, 2014	January 15, 2015	1,919,564	1,923,730
Series FR0070	6.00	December 10, 2014	January 7, 2015	903,132	906,293
Series FR0070	6.01	December 22, 2014	January 19, 2015	1,052,624	1,054,206
Series FR0071	6.02	December 5, 2014	January 6, 2015	534,837	537,162
Series FR0071	6.00	December 10, 2014	January 7, 2015	1,030,135	1,033,741
Series FR0071	6.01	December 22, 2014	January 19, 2015	447,023	447,694
SPN12150206	6.01	December 5, 2014	January 6, 2015	1,265,280	1,270,772
SPN12150206	6.01	December 8, 2014	January 6, 2015	144,785	145,341
SPN12150305	6.01	December 8, 2014	January 6, 2015	843,829	847,069
SPN12150403	6.01	December 8, 2014	January 6, 2015	157,566	158,171
SPN12150710	6.01	December 5, 2014	January 6, 2015	3,595	3,611
SPN12150806	6.01	December 5, 2014	January 6, 2015	946,375	950,483
SPN12150806	6.00	December 10, 2014	January 7, 2015	8,130	8,159
SPN12151105	6.01	December 5, 2014	January 6, 2015	543,531	545,891
				37,890,923	38,021,042
PT Bank Mega Tbk					
Government Bonds					
Series FR0070	6.40	December 30, 2014	January 30, 2015	428,113	428,189
PT BPD Jawa Barat dan Banten Tbk					
Certificate of Bank Indonesia					
IDSD180615182S	6.25	December 29, 2014	January 12, 2015	230,024	230,104
IDSD230615182S	6.25	December 30, 2014	January 13, 2015	229,846	229,886
IDSD06021591S	6.25	December 29, 2014	January 12, 2015	94,341	94,374
				554,211	554,364
Total				38,873,247	39,003,595

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11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivatives transactions are as follows:

		December 31, 2015	
Transaction		Derivatives receivable	Derivatives payable
Credit linked notes (Note 7)		-	8,006
Foreign currency and interest rate swap		-	348,183
Interest rate swap		-	2,128
Foreign currency swap		-	82,819
Purchase and sale of foreign currency spot		-	412
Purchase and sale of foreign currency forward		-	4,205
		-	445,753

		December 31, 2014	
Transaction		Derivatives receivable	Derivatives payable
Credit linked notes (Note 7)		-	12,313
Foreign currency and interest rate swap		-	705,210
Foreign currency swap		205	-
Purchase and sale of foreign currency spot		331	-
		536	717,523

a. Cross currency and interest rate swap

BRI's cross currency and interest rate swap contracts as of December 31, 2015 and 2014 are as follows:

December 31, 2015					
Counterparties	Notional Amount (Full Amount)	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
DBS Bank	USD50,000,000	8.50%	LIBOR*) + 0.55%	November 28, 2013	November 28, 2016
DBS Bank	USD30,000,000	2.91%	0.25%	September 18, 2015	September 19, 2016
DBS Bank	USD20,000,000	3.30%	1.35%	November 18, 2015	November 19, 2018
DBS Bank	USD30,000,000	3.30%	1.55%	November 16, 2015	November 16, 2018
Standard Chartered Bank	USD50,000,000	8.50%	LIBOR*) + 0.55%	November 27, 2013	November 27, 2016
Standard Chartered Bank	USD15,000,000	8.85%	0.23%	July 29, 2015	July 29, 2016
Standard Chartered Bank	USD35,000,000	8.85%	0.23%	July 10, 2015	July 10, 2016
Standard Chartered Bank	USD50,000,000	8.75%	0.23%	August 13, 2015	August 13, 2016
Standard Chartered Bank	USD30,000,000	3.30%	1.35%	November 18, 2015	November 18, 2018
Standard Chartered Bank	USD50,000,000	11.75%	0.10%	November 2, 2015	November 2, 2016
Standard Chartered Bank	USD30,000,000	3.30%	1.48%	December 1, 2015	December 1, 2019
The Hong Kong and Shanghai Banking Corporation Limited	USD25,000,000	8.00%	1.08%	September 22, 2014	September 22, 2016
The Hong Kong and Shanghai Banking Corporation Limited	USD30,000,000	2.71%	0.10%	October 13, 2015	October 13, 2016
ANZ Bank	USD20,000,000	3.09%	0.25%	September 9, 2015	September 9, 2016
ANZ Bank	USD20,000,000	3.09%	0.25%	September 11, 2015	September 11, 2016
ANZ Bank	USD7,135,000	1.82%	0.25%	September 17, 2015	September 17, 2016
ANZ Bank	USD25,000,000	2.29%	0.10%	October 28, 2015	October 28, 2016
ANZ Bank	USD30,000,000	2.91%	0.25%	September 18, 2015	September 18, 2016
UOB Bank	USD3,597,000	1.85%	0.25%	September 22, 2015	September 22, 2016
UOB Bank	USD10,000,000	1.10%	0.25%	September 21, 2015	September 21, 2016
UOB Bank	USD20,000,000	2.68%	0.10%	October 13, 2015	October 13, 2016
UOB Bank	USD30,000,000	3.30%	1.52%	November 27, 2015	November 27, 2019

*) 6 (six) months USD LIBOR.

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

a. Cross currency and interest rate swap (continued)

BRI's cross currency and interest rate swap contracts as of December 31, 2015 and 2014 are as follows (continued):

December 31, 2014					
Counterparties	Notional Amount (Full Amount)	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
DBS Bank	USD50,000,000	8.50%	LIBOR*) + 0.55%	November 28, 2013	November 28, 2016
Standard Chartered Bank	USD40,000,000	7.00%	LIBOR**) + 1.75%	November 1, 2012	November 1, 2015
Standard Chartered Bank	USD60,000,000	7.00%	LIBOR**) + 1.75%	November 1, 2012	November 1, 2015
Standard Chartered Bank	USD50,000,000	8.50%	LIBOR*) + 0.55%	November 27, 2013	November 27, 2016
The Hong Kong and Shanghai Banking Corporation Limited	USD50,000,000	7.00%	LIBOR**) + 1.50%	December 10, 2012	December 10, 2015
The Hong Kong and Shanghai Banking Corporation Limited	USD50,000,000	7.00%	LIBOR**) + 1.50%	December 4, 2012	December 4, 2015
The Hong Kong and Shanghai Banking Corporation Limited	USD25,000,000	8.00%	1.08%	September 22, 2014	September 22, 2016

*) 6 (six) months USD LIBOR.

**) 3 (three) months USD LIBOR.

BRI enters into cross currency and interest rate swap contracts with several counterparties, whereby BRI and counterparties agree to exchange funds in USD with Rupiah, Renminbi, Australian Dollar or Singapore Dollar with the amount equal at the effective date of the contract. Thus, BRI and counterparties shall pay interest according to the funds received.

If the funds received are in USD, the beneficiary must pay fixed rate or floating rate of 6 (six) months LIBOR or 3 (three) months LIBOR plus certain margin. On the contrary, the beneficiary who receives Rupiah, Renminbi, Australian Dollar or Singapore Dollar must pay fixed rate of interest.

b. Interest Rate Swap

BRI has interest rate swap contract as of December 31, 2015 as follows:

December 31, 2015					
Counterparties	Notional Amount	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
Standard Chartered Bank	200,000	8.90%	JIBOR*) + 1.25%	January 23, 2015	January 4, 2016
ANZ Bank	500,000	8.70%	JIBOR*) + 1.35%	April 22, 2015	April 22, 2016

**) 3 (three) months JIBOR.

Transactions underlying interest rate swap contracts with Standard Chartered Bank is the issuance of Medium-Term Notes (MTN) Phase II with a nominal value amounted to Rp520,000 with annual fixed interest rate of 8.9% and will be due on December 29, 2015, while transaction with ANZ Bank is transaction of repo maturity with Lembaga Pembiayaan Ekspor Indonesia (LPEI) with a nominal value of Rp1,000,000 and annual fixed interest rate of 8.7% which will be due on April 15, 2019 (Note 23).

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

c. Purchase and sale of foreign currency spots and forward

As of December 31, 2015, BRI has outstanding foreign currency spot purchase contract with notional amount of USD128,000,000 with contractual amount of Rp1,766,087, as well as foreign currency spot sale contract with notional amount of USD89,000,000 with contractual amount of Rp1,228,060.

BRI also has outstanding foreign currency forward purchase contract with notional amount of USD18,194,018 with the contractual amount of Rp254,000 and foreign currency forward sale contract with notional amount of USD21,454,910 with the contractual amount of Rp294,747.

d. Foreign currency swap

As of December 31, 2015, BRI has outstanding foreign currency swap contracts with notional purchase amount of USD314,000,000 with the contractual purchase amount of Rp4,416,379 and notional sale amount of USD49,000,000 with the contractual sale amount of Rp680,535.

12. LOANS

a) By Currency and Type:

The details of loans by type are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
Kupedes	178,759,239	152,905,930
Working capital	110,017,704	100,302,296
Consumer	89,603,296	82,084,591
Investment	42,366,014	34,362,408
Program	7,064,037	7,259,617
Syndicated	1,313,700	1,969,662
	429,123,990	378,884,504
<u>Foreign currencies</u>		
Investment	22,527,984	16,910,200
Working capital	18,764,850	17,224,376
Syndicated	933,555	1,011,060
	42,226,389	35,145,636
	471,350,379	414,030,140

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12. LOANS (continued)

a) By Currency and Type (continued):

The details of loans by type are as follows (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Working capital	42,605,612	33,559,565
Investment	18,354,627	11,348,215
Syndicated	16,019,141	16,222,204
Key employees	46,498	50,357
Consumer	18,563	34,023
	<u>77,044,441</u>	<u>61,214,364</u>
<u>Foreign currencies</u>		
Working capital	10,157,905	15,088,161
Investment	4,810,165	4,008,660
Syndicated	1,117,648	755,963
	<u>16,085,718</u>	<u>19,852,784</u>
	<u>93,130,159</u>	<u>81,067,148</u>
Total	564,480,538	495,097,288
Less: Allowance for impairment losses	(17,162,183)	(15,886,145)
Net	<u>547,318,355</u>	<u>479,211,143</u>

The details of loans by currency are as follows:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Rupiah</u>		506,168,431		440,098,868
<u>Foreign currencies</u>				
United States Dollar	4,194,486,839	57,821,002	4,408,424,607	54,598,339
European Euro	18,700,101	281,561	13,492,637	203,109
Singapore Dollar	18,661,338	182,115	19,304,299	181,001
Great Britain Pound Sterling	725,983	14,838	209,302	4,037
Japanese Yen	97,471,871	11,162	90,420,476	9,364
Swiss Franc	102,669	1,429	205,338	2,570
Total		<u>58,312,107</u>		<u>54,998,420</u>
		564,480,538		495,097,288
Less: Allowance for impairment losses		(17,162,183)		(15,886,145)
Net		<u>547,318,355</u>		<u>479,211,143</u>

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12. LOANS (continued)

b) By Economic Sector:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	171,309,588	146,793,322
Agriculture	49,202,544	41,776,436
Business services	18,622,984	17,341,578
Manufacturing	16,719,172	14,255,145
Construction	11,260,702	10,204,041
Transportation, warehousing and communications	5,937,507	4,811,025
Social services	4,388,625	3,695,078
Mining	2,106,438	2,507,266
Electricity, gas and water	801,696	553,140
Others	148,774,734	136,947,473
	429,123,990	378,884,504
<u>Foreign currencies</u>		
Manufacturing	23,709,462	19,049,602
Electricity, gas and water	4,268,672	2,576,312
Agriculture	3,689,254	2,303,960
Mining	2,946,326	2,695,827
Trading, hotels and restaurants	2,798,057	3,683,894
Construction	1,919,381	1,766,507
Business services	1,468,551	1,248,868
Transportation, warehousing and communications	1,220,210	1,721,116
Others	206,476	99,550
	42,226,389	35,145,636
	471,350,379	414,030,140
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	19,599,529	11,720,276
Electricity, gas and water	16,358,603	12,188,381
Manufacturing	9,034,633	9,151,098
Transportation, warehousing and communications	8,396,044	8,197,937
Business services	7,169,936	6,169,016
Agriculture	6,487,849	5,431,625
Social services	5,717,561	6,005,926
Construction	3,537,595	2,054,518
Mining	695,063	243,226
Others	47,628	52,361
	77,044,441	61,214,364

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12. LOANS (continued)

b) By Economic Sector (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43) (continued)</u>		
<u>Foreign currencies</u>		
Manufacturing	10,149,569	15,892,186
Social services	4,117,541	3,514,536
Mining	1,408,367	80,502
Transportation, warehousing and communications	271,020	6,365
Business services	96,495	359,195
Construction	39,580	-
Agriculture	3,146	-
	16,085,718	19,852,784
	93,130,159	81,067,148
Total	564,480,538	495,097,288
Less: Allowance for impairment losses	(17,162,183)	(15,886,145)
Net	547,318,355	479,211,143

c) By Period:

The classification of loans based on the remaining period to maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	13,966,093	14,908,904
> 1 month - 3 months	16,688,235	15,224,116
> 3 months - 1 year	80,979,512	70,124,056
> 1 year - 2 years	70,074,362	61,892,933
> 2 years - 5 years	122,274,147	108,297,072
> 5 years	125,141,641	108,437,423
	429,123,990	378,884,504
<u>Foreign currencies</u>		
≤ 1 month	2,887,982	3,463,164
> 1 month - 3 months	4,710,511	1,734,056
> 3 months - 1 year	6,130,904	9,185,920
> 1 year - 2 years	7,122,486	2,972,327
> 2 years - 5 years	8,627,405	7,305,678
> 5 years	12,747,101	10,484,491
	42,226,389	35,145,636
	471,350,379	414,030,140

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12. LOANS (continued)

c) By Period (continued):

The classification of loans based on the remaining period to maturity are as follows (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	3,520,078	3,785,571
> 1 month - 3 months	4,513,341	15,420,356
> 3 months - 1 year	27,106,728	7,684,547
> 1 year - 2 years	6,875,664	5,313,701
> 2 years - 5 years	10,235,935	11,550,965
> 5 years	24,792,695	17,459,224
	77,044,441	61,214,364
<u>Foreign currencies</u>		
≤ 1 month	128,478	14,577,924
> 1 month - 3 months	1,378,500	95,339
> 3 months - 1 year	8,650,927	247,700
> 1 year - 2 years	634,565	173,562
> 2 years - 5 years	3,923,272	-
> 5 years	1,369,976	4,758,259
	16,085,718	19,852,784
	93,130,159	81,067,148
Total	564,480,538	495,097,288
Less: Allowance for impairment losses	(17,162,183)	(15,886,145)
Net	547,318,355	479,211,143

d) By Collectibility:

	December 31, 2015	December 31, 2014
Individual	19,596,126	12,857,919
Collective		
Current	516,307,931	450,778,058
Special mention	21,977,643	25,241,568
Substandard	1,160,311	1,043,082
Doubtful	1,224,930	1,201,996
Loss	4,213,597	3,974,665
	544,884,412	482,239,369
Total	564,480,538	495,097,288
Less: Allowance for impairment losses		
Individual	(4,104,272)	(2,389,304)
Collective	(13,057,911)	(13,496,841)
	(17,162,183)	(15,886,145)
Net	547,318,355	479,211,143

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12. LOANS (continued)

e) By Operating Segment:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
Corporate	35,155,823	30,921,809
Retail	205,539,988	183,908,515
Micro	188,428,179	164,054,180
	429,123,990	378,884,504
<u>Foreign currencies</u>		
Corporate	34,820,892	25,732,352
Retail	7,405,497	9,413,284
	42,226,389	35,145,636
	471,350,379	414,030,140
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Corporate	70,204,154	54,714,859
Retail	6,840,287	6,499,505
	77,044,441	61,214,364
<u>Foreign currencies</u>		
Corporate	16,085,718	19,845,498
Retail	-	7,286
	16,085,718	19,852,784
	93,130,159	81,067,148
Total	564,480,538	495,097,288
Less: Allowance for impairment losses	(17,162,183)	(15,886,145)
Net	547,318,355	479,211,143

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12. LOANS (continued)

f) Other Significant Information:

1) The average annual interest rates are as follows:

	2015	2014
Contractual Rate		
Rupiah	12.47%	12.09%
Foreign currencies	4.37	4.35
Effective Interest Rate		
Rupiah	16.09%	16.23%
Foreign currencies	4.46	4.48

- 2) The loans are generally collateralized by registered mortgages, by powers of attorneys to sell, demand deposits, saving deposits, time deposits or by other guarantees generally accepted by banks (Notes 19, 20, and 21).
- 3) Working capital and investment loans represent loans to debtors for working capital requirements and capital goods.
- 4) Consumer loans consist of loans to workers and retired workers, housing, motor vehicles and other consumer loans.
- 5) Program loans represent loan facilities channeled by BRI based on the guidelines from the Government in order to support the development in Indonesia especially the development of small scale industry, middle scale industry and cooperatives.
- 6) Kupedes loans represent loan facilities channeled by BRI through BRI's Units. The target of these loans is micro scale industry and fixed income employees that require additional funds, in accordance with the maximum limit amount 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 Rp31,142,038 and Rp23,439,044 as of December 31, 2015 and 2014, respectively. BRI's participation as leader in the syndicated loans ranged from 23.08% until 63.65% and 24.90% until 63.65%, while BRI's participation as member in the syndicated loans ranged from 2.97% until 51.79% as of December 31, 2015 and 2014, respectively.
- 8) Employee loans are loans given to employees with 5.5% annual interest rate that intended for the acquisition of vehicles, houses and other necessities with 4 (four) to 20 (twenty) years maturity. Loan principal and interest payments were collected 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 as part of other assets. The deferred expense for employee loans amounted to Rp569,257 and Rp585,320 as of December 31, 2015 and 2014, respectively (Note 17).

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12. LOANS (continued)

f) Other Significant Information (continued):

- 9) Loans granted by BRI to related parties, other than loans to key employees (Note 43) are as follows:

	December 31, 2015	December 31, 2014
Perum BULOG	17,187,834	10,467,999
PT Perusahaan Listrik Negara (Persero)	16,479,829	12,507,583
PT Taspen (Persero)	5,600,000	5,200,000
PT Pertamina (Persero)	5,123,859	11,828,759
Ministry of Finance of the Republic of Indonesia	4,683,888	4,007,873
PT Pegadaian (Persero)	3,864,154	4,420,940
PT Kereta Api Indonesia (Persero)	3,678,155	3,513,187
PT Pupuk Kalimantan Timur	2,461,901	1,624,780
PT Petrokimia Gresik	2,346,442	1,604,986
PT Krakatau Steel (Persero) Tbk	2,123,803	1,494,735
Others	29,533,796	24,345,949
Total	93,083,661	81,016,791

- 10) Loans that have been restructured by BRI (Parent Entity) amounted to Rp20,339,826 and Rp16,445,464 (unaudited) as of December 31, 2015 and 2014, respectively. Restructuring scheme generally consist of extension of the loan maturity date and rescheduling of overdue interest payment.
- 11) In BRI's report on Legal Lending Limit to Bank Indonesia as of December 31, 2015 and 2014, 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, respectively.
- 12) The details of non-performing loans consist of individual and collective loans (substandard, doubtful and loss) based on economic sector, as well as the allowance for impairment losses are as follows:

	December 31, 2015	December 31, 2014
Trading, hotels and restaurants	9,128,103	6,808,031
Manufacturing	3,690,140	2,730,783
Construction	3,037,301	2,274,200
Agriculture	2,844,590	2,718,963
Mining	1,841,180	352,028
Business services	1,700,017	1,451,926
Transportation, warehousing and communications	1,642,456	1,378,079
Electricity, gas and water	776,168	43,064
Social services	112,727	115,575
Others	1,422,282	1,205,013
Total	26,194,964	19,077,662
Less: Allowance for impairment losses	(5,726,209)	(4,000,016)
Net	20,468,755	15,077,646

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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, 2015	December 31, 2014
Total non-performing loans	11,380,718	8,364,106
Total loans	564,480,538	495,097,288
% non-performing loans (NPL)	2.02%	1.69%

(ii) BRI (Parent Entity)

	December 31, 2015	December 31, 2014
Total non-performing loans	11,267,382	8,271,125
Total loans	558,436,016	490,402,708
% non-performing loans (NPL)	2.02%	1.69%

b. The ratio of BRI's small scale industry loans to total loans is 44.32% and 43.76% as of December 31, 2015 and 2014, respectively (unaudited).

Movements in the allowance for impairment losses on loans:

	December 31, 2015	December 31, 2014
Beginning balance	15,886,145	15,171,736
Provision for impairment losses during the year (Note 33)	8,685,146	5,654,870
Loans written-off during the year	(7,815,170)	(5,619,434)
Foreign currency translation	406,062	678,973
Ending balance	17,162,183	15,886,145

BRI's (Parent Entity) allowance for impairment losses balance includes the allowance for impairment losses for areas that are still categorized as a disaster prone areas or ever experienced a disaster by the Government of the Republic of Indonesia amounted to Rp611,849 and Rp715,339, as of December 31, 2015 and 2014, respectively (Note 2e).

The minimum allowance for impairment losses of BRI's (Parent Entity) loans based on Bank Indonesia regulation (Note 2e) amounted to Rp13,892,885 and Rp12,235,818, as of December 31, 2015 and 2014, respectively.

Management believes that the allowance for impairment losses on loans is adequate.

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13. SHARIA RECEIVABLES AND FINANCING

a) Sharia receivables and financing based on collectibility are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
Current	14,192,917	14,332,387
Special mention	1,561,399	517,977
Substandard	196,514	121,624
Doubtful	97,603	136,921
Loss	509,301	456,921
	<u>16,557,734</u>	<u>15,565,830</u>
<u>Related parties (Note 43)</u>		
Current	56,272	33,242
Special mention	-	481
	<u>56,272</u>	<u>33,723</u>
Total	16,614,006	15,599,553
Less: Allowance for impairment losses	(352,252)	(276,650)
Net	<u>16,261,754</u>	<u>15,322,903</u>

b) Sharia receivables and financing based on the remaining period to maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	484,053	564,756
> 1 month - 3 months	679,010	618,962
> 3 months - 1 year	2,107,439	2,159,631
> 1 year - 2 years	2,187,363	1,517,332
> 2 years - 5 years	7,414,901	7,263,787
> 5 years	3,684,968	3,441,362
	<u>16,557,734</u>	<u>15,565,830</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	3,868	-
> 1 month - 3 months	778	494
> 3 months - 1 year	2,125	23,041
> 1 year - 2 years	238	1,418
> 2 years - 5 years	42,896	1,450
> 5 years	6,367	7,320
	<u>56,272</u>	<u>33,723</u>
Total	16,614,006	15,599,553
Less: Allowance for impairment losses	(352,252)	(276,650)
Net	<u>16,261,754</u>	<u>15,322,903</u>

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13. SHARIA RECEIVABLES AND FINANCING (continued)

Sharia receivables and financing consist of *murabahah* receivables, *istishna* receivables, *qardh* borrowing, *mudharabah* and *musyarakah* financing.

Unrecognized *murabahah* receivables income as of December 31, 2015 and 2014 amounted to Rp4,067,750 and Rp4,075,637, respectively.

Movements in the allowance for impairment losses on sharia receivables and financing:

	December 31, 2015	December 31, 2014
Beginning balance	276,650	246,360
Adjustment of beginning balance in connection with the implementation of SFAS No. 102 (Revised 2013)	-	(4,184)
Provision for impairment losses during the year (Note 33)	206,159	67,884
Recovery from loans written-off	11,667	11,644
Loans written-off during the year	(142,224)	(45,054)
Ending balance	352,252	276,650

Management believes that the allowance for impairment losses on sharia receivables and financing is adequate.

As of December 31, 2015 and 2014, the Non-Performing Financing (NPF) of sharia receivables and financing amounted to Rp803,418 (4.84%) and Rp715,466 (4.59%), respectively.

The type of collateral submitted by the debtors for the sharia receivables and financing are landrights and buildings, Proof of Motorized Vehicle Ownership and other properties.

As of December 31, 2015 and 2014, there are no sharia receivables and financing that were transferred or used as collateral for debts.

14. ACCEPTANCES RECEIVABLE AND PAYABLE

The details of acceptances receivable from customers are as follows:

a) By Type and Currency:

	December 31, 2015	December 31, 2014
	Notional Amount Foreign Currency/ (Full Amount)	Notional Amount Foreign Currency/ (Full Amount)
	Rupiah Equivalent	Rupiah Equivalent
<u>Third parties</u>		
<u>Rupiah</u>		
Import Letters of Credit and Domestic Document		
Letters of Credit	2,333,810	356,910

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14. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

The details of acceptances receivable from customers are as follows (continued):

a) By Type and Currency (continued):

	December 31, 2015		December 31, 2014	
	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>				
Import Letters of Credit and Domestic Document Letters of Credit				
United States Dollar	150,457,533	2,074,057	445,091,480	5,512,457
European Euro	2,877,637	43,328	2,939,990	44,257
Great Britain Pound Sterling	34,168	698	-	-
Japanese Yen	-	-	191,940,013	19,877
Swiss Franc	-	-	360,000	4,506
Singapore Dollar	-	-	344,340	3,229
		2,118,083		5,584,326
		4,451,893		5,941,236
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Import Letters of Credit and Domestic Document Letters of Credit		155,629		115,657
<u>Foreign currencies</u>				
Import Letters of Credit and Domestic Document Letters of Credit				
United States Dollar	31,420,787	433,136	34,797,404	430,966
European Euro	7,902,259	118,982	1,997,600	30,071
Great Britain Pound Sterling	109,760	2,243	-	-
Australian Dollar	79,580	802	-	-
Japanese Yen	6,860,000	786	-	-
Malaysian Ringgit	-	-	2,190,240	7,758
		555,949		468,795
		711,578		584,452
Total		5,163,471		6,525,688

b) By Collectibility:

All acceptances receivable were classified as "Current" as of December 31, 2015 and 2014.

c) By Period:

The classification of acceptances receivable based on the remaining period until maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
≤ 1 month	529,581	548,801
> 1 month - 3 months	1,702,172	2,464,736
> 3 months - 1 year	2,220,140	2,927,699
	4,451,893	5,941,236

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14. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

The details of acceptances receivable from customers are as follows (continued):

c) By Period (continued):

The classification of acceptances receivable based on the remaining period until maturity are as follows (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43)</u>		
≤ 1 month	128,487	307,751
> 1 month - 3 months	343,632	93,631
> 3 months - 1 year	239,459	183,070
	711,578	584,452
Total	5,163,471	6,525,688

Total acceptances payable is equal to the total of acceptances receivable from customers.

BRI assessed acceptance receivables individually for impairment based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2015 and 2014, because management believes that acceptances receivable are fully collectible.

15. INVESTMENT IN ASSOCIATED ENTITIES

The details of investment in associated entities are as follows:

December 31, 2015					
Company Name	Type of Business	Percentage of Ownership (%)	Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
<u>Equity Method</u>					
(Investments in associated entity)					
PT BTMU-BRI Finance (Related party - Note 43)	Financing	45.00	24,750	238,141	262,891
<u>Cost Method</u>					
PT Kelola Jasa Artha	Remittance	14.22			2,560
PT Bringin Gigantara (Related party - Note 43)	Procurement of goods, services and information technology	5.14			1,240
PT Kustodian Sentral Efek Indonesia	Central securities depository institution	3.00			900
PT Sarana Bersama	Investment	8.00			536
PT Yayasan Asuransi Indonesia	Health services	1.68			220
PT Pemeringkat Efek Indonesia	Credit rating agency	0.21			210
PT Yayasan Asuransi Indonesia	Insurance	2.00			200
BPR Toelongredjo Dasa Nusantara	Banking	3.00			77

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15. INVESTMENT IN ASSOCIATED ENTITIES (continued)

The details of investment in associated entities are as follows (continued):

December 31, 2015					
Company Name	Type of Business	Percentage of Ownership (%)	Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
Cost Method (continued)					
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
PT Merapi Gelanggang Wisata	Tourism supporting facility	0.64			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Golf	Sports facilities construction services	0.24			25
BPR Bungamayang Agroloka	Banking	2.25			23
PT Aplikanusa Lintasarta	Non-Banking	0.03			20
					6,239
Total					269,130

December 31, 2014					
Company Name	Type of Business	Percentage of Ownership (%)	Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
Equity Method					
(Investments in associated entity)					
PT BTMU-BRI Finance (Related party - Note 43)	Financing	45.00	24,750	224,879	249,629
Cost Method					
PT Kustodian Sentral Efek Indonesia	Central securities depository institution	3.00			900
PT Sarana Bersama					
Pembiayaan Indonesia	Investment	8.00			536
PT Pemeringkat Efek Indonesia	Credit rating agency	0.21			210
BPR Toelongredjo Dasa Nusantara	Banking	3.00			77
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
BPR Cinta Manis Agroloka	Banking	3.50			35
BPR Bungamayang Agroloka	Banking	2.25			23
PT Aplikanusa Lintasarta	Non-Banking	0.03			20
					1,944
Total					251,573

BRI assessed investment in associated entities individually for impairment based on whether an objective evidence of impairment exists.

As of December 31, 2015 and 2014, all investments were classified as "Current".

In 2015, BRI received cash dividends from PT Sarana Bersama Pembiayaan Indonesia and PT Pemeringkat Efek Indonesia amounted to Rp391 and Rp3, respectively, while in 2014 from PT Pemeringkat Efek Indonesia amounted to Rp21.

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15. INVESTMENT IN ASSOCIATED ENTITIES (continued)

Management believes that no allowance for impairment losses is necessary as of December 31, 2015 and 2014, because investments in associated entities are fully collectible.

16. PREMISES AND EQUIPMENT

Premises and equipment consist of:

Description	December 31, 2015			Ending Balance
	Beginning Balance	Additions ^{*)}	Deductions	
<u>Carrying Value</u>				
Landrights	625,460	482,222	519	1,107,163
Buildings	2,482,655	540,585	123,239	2,900,001
Motor vehicles	1,839,082	146,285	41,693	1,943,674
Computers and machineries	4,599,811	578,344	112,573	5,065,582
Furniture and fixtures	1,204,214	184,588	34,510	1,354,292
Museum assets	184	-	-	184
Satellites in development	831,895	1,484,677	-	2,316,572
	<u>11,583,301</u>	<u>3,416,701</u>	<u>312,534</u>	<u>14,687,468</u>
<u>Accumulated Depreciation</u>				
Buildings	1,088,252	137,481	5,266	1,220,467
Motor vehicles	862,216	302,267	41,074	1,123,409
Computers and machineries	2,815,996	562,412	101,860	3,276,548
Furniture and fixtures	899,367	162,330	33,933	1,027,764
	<u>5,665,831</u>	<u>1,164,490</u>	<u>182,133</u>	<u>6,648,188</u>
Net book value	5,917,470			8,039,280

*) Included in additions of premises and equipment is the beginning balance of Subsidiary acquired (Acquisition Cost amounted to Rp131,303, Accumulated Depreciation amounted to Rp57,949 and Depreciation Expense for the year amounted to Rp12,319).

Description	December 31, 2014			Ending Balance
	Beginning Balance	Additions	Deductions	
<u>Carrying Value</u>				
Landrights	459,253	168,241	2,034	625,460
Buildings	2,088,972	442,531	48,848	2,482,655
Motor vehicles	1,502,756	373,015	36,689	1,839,082
Computers and machineries	3,723,840	1,032,524	156,553	4,599,811
Furniture and fixtures	1,042,636	216,512	54,934	1,204,214
Museum assets	184	-	-	184
Satellites in development	-	831,895	-	831,895
	<u>8,817,641</u>	<u>3,064,718</u>	<u>299,058</u>	<u>11,583,301</u>

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16. PREMISES AND EQUIPMENT (continued)

Premises and equipment consists of (continued):

Description	December 31, 2014			Ending Balance
	Beginning Balance	Additions	Deductions	
<u>Accumulated Depreciation</u>				
Buildings	983,176	107,446	2,370	1,088,252
Motor vehicles	661,005	237,255	36,044	862,216
Computers and machineries	2,388,255	473,997	46,256	2,815,996
Furniture and fixtures	812,593	100,442	13,668	899,367
	4,845,029	919,140	98,338	5,665,831
Net book value	3,972,612			5,917,470

Depreciation expense of premises and equipment charged to the consolidated statement of profit or loss and other comprehensive income amounted to Rp1,094,222 and Rp919,140 for the years ended December 31, 2015 and 2014, respectively (Note 35).

BRI insured its premises and equipment (excluding landrights) from losses due to risks of fire, theft, vandalism, force majeure, and others to PT Asuransi Bringin Sejahtera Arthamakmur (related party - Note 43) and PT Asuransi Jasa Tania, with coverage amount of Rp10,358,054 and Rp9,101,785 for the years ended December 31, 2015 and 2014, respectively.

Valuation of landrights and buildings owned by BRI are using taxable value, because it is considered as the best estimation to reflect the fair value. Taxable value of landrights and buildings owned by BRI as of December 31, 2015 amounted to Rp3,711,881 and Rp1,821,383, respectively, while as of December 31, 2014 amounted to Rp3,374,000 and Rp1,695,743, respectively. Other than landrights and buildings there are no significant difference between the fair value of the assets and their carrying value.

The gross carrying value of fixed assets that have been fully depreciated but still used by BRI as of December 31, 2015 and 2014 are Rp3,699,755 and Rp3,178,943, respectively.

As of December 31, 2015 and 2014, there are no fixed assets owned by BRI which are pledged as collateral.

As of December 31, 2015, the satellite project (BRIsat) has reached the finishing stage of tower (alignment) followed by a series of tests including vibration test, dynamic test, Compact Antenna Test Range (CATR) and the final performance test. For ground systems, the Bank has installed satellite antenna controller/Telemetry, Tracking and Command System (TT&C) and 2 antennas geolocation, while 2 (two) pieces of communication antennas are still in the process of installation. To launch service predetermined schedule BRIsat launch (launch window) on May 24, 2016 until June 24, 2016. The percentage of carrying amounts to the contract value is $\pm 74\%$.

As of December 31, 2014, the satellite project (BRIsat) has reached the finishing stage of completing the Preliminary Design Review (PDR), while for the launch service has reached the Management Kick Off stage.

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16. PREMISES AND EQUIPMENT (continued)

Management believes that there is no impairment in value of premises and equipment and the amount of insurance coverage is adequate to cover the risk of loss that may arise on the assets as of December 31, 2015 and 2014.

17. OTHER ASSETS

Other assets consist of:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
Prepaid tax (Note 37b)	2,573,213	724,756
Claims related to ATM and credit card transactions	1,234,963	761,984
Interest receivables		
Securities	1,090,330	607,442
Government Recapitalization Bonds	42,629	47,486
Placements with Bank Indonesia and other banks	32,121	1,888
Others	34,160	1,322
Prepaid expenses	1,152,286	1,019,048
Premises and equipment that have not been distributed	739,784	564,248
Internal advance	647,590	417,591
Deferred expense for employees loan (Note 12f)	569,257	585,320
Notes receivable	554,202	94,172
Claims to Bulog	297,915	348,750
Office supplies	216,629	204,390
Reinsurance assets	214,731	-
BRI Agro's building that has not been used	174,412	-
Foreclosed collaterals	84,191	27,553
Premium receivables	77,490	-
Reinsurance receivables	44,330	-
Advance installment income tax article 25 (Note 37b)	-	360,000
Others	2,420,179	2,391,502
	<u>12,200,412</u>	<u>8,157,452</u>
<u>Foreign currencies</u>		
Interest receivables		
Securities	538,731	216,648
Others	29,344	50,193
Risk Participation claims	331,556	176,887
Claims related to credit card transactions	50,250	46,064
Notes receivable	49,689	73,576
Prepaid expenses	8,780	9,277
Others	306,084	62,794
	<u>1,314,434</u>	<u>635,439</u>
Total	<u>13,514,846</u>	<u>8,792,891</u>

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18. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
Advance payment deposits	1,234,916	1,440,868
ATM and credit card deposits	668,091	694,604
Tax payment deposits	347,630	423,776
Insurance deposits	153,826	134,309
Deposits for channeling loans	48,383	53,443
Deposits for clearing	39,217	40,149
Advance from money transfer	31,984	32,343
Students disbursement deposits	-	1,828,599
Others	2,443,224	2,238,900
	<u>4,967,271</u>	<u>6,886,991</u>
<u>Foreign currencies</u>		
Advance payment deposits	41,315	15,646
ATM and credit card deposits	39,658	14,170
Tax payment deposits	7,796	22,245
Others	82,522	104,720
	<u>171,291</u>	<u>156,781</u>
Total	<u>5,138,562</u>	<u>7,043,772</u>

19. DEMAND DEPOSITS

Demand deposits consist of:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		61,717,414		41,715,191
<u>Foreign currencies</u>				
United States Dollar	1,216,184,776	16,765,107	1,184,021,409	14,664,105
European Euro	41,826,352	629,766	38,430,455	578,507
Australian Dollar	20,169,312	203,382	21,425,658	217,433
Singapore Dollar	18,717,717	182,665	8,952,268	83,938
Renminbi	51,796,341	109,956	104,678,583	208,899
Great Britain Pound Sterling	5,039,068	102,994	2,641,529	50,951
Japanese Yen	76,869,131	8,803	450,054,773	46,608
Saudi Arabian Riyal	1,119,939	4,113	6,452,088	21,289
Hong Kong Dollar	1,675,381	2,980	654,820	1,046
Swiss Franc	271	4	2,170	27
		<u>18,009,770</u>		<u>15,872,803</u>
		<u>79,727,184</u>		<u>57,587,994</u>

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19. DEMAND DEPOSITS (continued)

Demand deposits consist of (continued):

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>		21,203,843		19,687,855
<u>Foreign currencies</u>				
United States Dollar	898,751,531	12,389,290	956,872,209	11,850,862
European Euro	7,186,639	108,207	19,904,961	299,636
Japanese Yen	7,154,051	819	25,008,334	2,590
Singapore Dollar		-	141,526	1,327
Renminbi		-	1,248	3
		12,498,316		12,154,418
		33,702,159		31,842,273
Total		113,429,343		89,430,267

The average annual interest rates are as follows:

	2015	2014
Rupiah	2.21%	2.43%
Foreign currencies	0.32	0.34

Demand deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp120,705 and Rp70,414 as of December 31, 2015 and 2014, respectively.

20. SAVING DEPOSITS

Saving deposits consist of:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Simpedes		165,530,043		144,407,690
Britama		96,956,008		83,941,374
Others		4,090,969		3,403,807
		266,577,020		231,752,871

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20. SAVING DEPOSITS (continued)

Saving deposits consist of (continued):

	December 31, 2015		December 31, 2014	
	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>				
Britama				
United States Dollar	80,276,219	1,106,608	49,161,908	608,870
European Euro	12,479,606	187,901	1,351,024	20,337
Singapore Dollar	2,559,184	24,975	1,052,538	9,869
Australian Dollar	1,031,765	10,404	600,409	6,093
Renminbi	981,980	2,085	8,971	18
Hong Kong Dollar	6,606	12	6,690	11
United Arab Emirates Dirham	1,622	6	1,664	6
		1,331,991		645,204
Others				
United States Dollar	150,957	2,081	137,146	1,699
		1,334,072		646,903
		267,911,092		232,399,774
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Britama		127,516		296,276
Simpedes		2,778		2,478
Others		6,371		14,525
		136,665		313,279
<u>Foreign currencies</u>				
Britama				
United States Dollar	803,385	11,075	758,479	9,394
Singapore Dollar	2,525	25	1,720	16
European Euro	182	3	191	3
Renminbi	672	1	355	1
		11,104		9,414
Others				
United States Dollar	261	4	4,220	52
		11,108		9,466
		147,773		322,745
Total		268,058,865		232,722,519

The average annual interest rates are as follows:

	2015	2014
Rupiah	1.26%	1.26%
Foreign currencies	0.22	0.22

Saving deposits used as collateral for banking facilities granted by BRI and subsidiaries is amounted to Rp74,685 and Rp72,273 as of December 31, 2015 and 2014, respectively.

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21. TIME DEPOSITS

Time deposits consist of:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		163,056,718		181,577,777
<u>Foreign currencies</u>				
United States Dollar	2,715,956,477	37,439,460	2,941,780,546	36,433,952
Renminbi	2,633,854,416	5,591,265	3,444,965,146	6,874,841
Singapore Dollar	5,615,345	54,800	617,073	5,786
European Euro	3,154,957	47,503	943,654	14,205
Japanese Yen	26,420,238	3,026		-
Australian Dollar	153,953	1,552	69,107	701
Great Britain Pound Sterling	49,595	1,014	39,241	757
		43,138,620		43,330,242
		206,195,338		224,908,019
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>		48,232,867		46,116,584
<u>Foreign currencies</u>				
United States Dollar	968,826,493	13,355,273	985,696,239	12,207,848
European Euro	6,703,045	100,926	14,953,043	225,093
		13,456,199		12,432,941
		61,689,066		58,549,525
Total		267,884,404		283,457,544

Time deposits based on their contractual periods are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
Deposits on call	7,266,427	5,831,970
Deposits		
1 month	70,675,227	90,419,259
3 months	59,448,961	51,239,070
6 months	15,438,264	16,489,214
12 months	9,449,541	16,944,355
More than 12 months	778,298	653,909
	163,056,718	181,577,777

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21. TIME DEPOSITS (continued)

Time deposits based on their contractual periods are as follows (continued):

	December 31, 2015	December 31, 2014
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
Deposits on call	2,940,286	4,136,380
Deposits		
1 month	12,706,465	10,840,078
3 months	5,829,525	3,129,783
6 months	13,768,744	12,650,047
12 months	7,128,749	12,572,407
More than 12 months	764,851	1,547
	43,138,620	43,330,242
	206,195,338	224,908,019
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Deposits on call	10,759,045	3,883,175
Deposits		
1 month	11,822,241	16,706,872
3 months	678,865	1,088,400
6 months	78,996	146,828
12 months	561,520	979,009
More than 12 months	24,332,200	23,312,300
	48,232,867	46,116,584
<u>Foreign currencies</u>		
Deposits on call	3,569,145	3,147,569
Deposits		
1 month	5,708,586	8,175,034
3 months	3,352,159	323,005
6 months	787,537	755,485
12 months	9,472	5,524
More than 12 months	29,300	26,324
	13,456,199	12,432,941
	61,689,066	58,549,525
Total	267,884,404	283,457,544

The average annual interest rates are as follows:

	2015	2014
Rupiah	8.43%	8.74%
Foreign currencies	1.69	1.78

Time deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp208,250 and Rp230,240 as of December 31, 2015 and 2014, respectively.

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22. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	December 31, 2015		December 31, 2014	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Demand deposits		132,663		103,161
Saving deposits		5,704		4,835
Deposits on call		4,385,000		4,058,120
Time deposits		559,076		1,109,722
Inter-bank call money		1,120,000		400,000
		<u>6,202,443</u>		<u>5,675,838</u>
<u>United States Dollar</u>				
Demand deposits	2,246,898	30,973	637,443	7,895
Time deposits		-	4,000,000	49,540
Inter-bank call money	314,000,000	4,328,490	193,000,000	2,390,305
		<u>4,359,463</u>		<u>2,447,740</u>
		<u>10,561,906</u>		<u>8,123,578</u>
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Demand deposits		412		816
Inter-bank call money		10,000		100,000
		<u>10,412</u>		<u>100,816</u>
<u>United States Dollar</u>				
Inter-bank call money	43,000,000	592,755	34,800,000	430,998
		<u>603,167</u>		<u>531,814</u>
Total		<u>11,165,073</u>		<u>8,655,392</u>

The average annual interest rates are as follows:

	Rupiah		United States Dollar	
	2015	2014	2015	2014
Demand deposits	1.14%	1.21%	0.00%	0.00%
Saving deposits	1.25	1.25	-	-
Deposits on call	6.84	7.36	-	-
Time deposits	7.07	8.14	0.49	0.88
Inter-bank call money	5.47	6.44	0.22	0.72

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22. 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, 2015				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third parties</u>				
<u>Rupiah</u>				
Demand deposits	132,663	-	-	132,663
Saving deposits	5,704	-	-	5,704
Deposits on call	4,385,000	-	-	4,385,000
Time deposits	477,876	68,200	13,000	559,076
Inter-bank call money	1,120,000	-	-	1,120,000
	<u>6,121,243</u>	<u>68,200</u>	<u>13,000</u>	<u>6,202,443</u>
<u>United States Dollar</u>				
Demand deposits	30,973	-	-	30,973
Inter-bank call money	4,328,490	-	-	4,328,490
	<u>4,359,463</u>	<u>-</u>	<u>-</u>	<u>4,359,463</u>
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Demand deposits	412	-	-	412
Inter-bank call money	10,000	-	-	10,000
	<u>10,412</u>	<u>-</u>	<u>-</u>	<u>10,412</u>
<u>United States Dollar</u>				
Inter-bank call money	592,755	-	-	592,755
Total	<u>11,083,873</u>	<u>68,200</u>	<u>13,000</u>	<u>11,165,073</u>

December 31, 2014				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third parties</u>				
<u>Rupiah</u>				
Demand deposits	103,161	-	-	103,161
Saving deposits	4,835	-	-	4,835
Deposits on call	4,058,120	-	-	4,058,120
Time deposits	1,033,208	53,940	22,574	1,109,722
Inter-bank call money	400,000	-	-	400,000
	<u>5,599,324</u>	<u>53,940</u>	<u>22,574</u>	<u>5,675,838</u>
<u>United States Dollar</u>				
Demand deposits	7,895	-	-	7,895
Time deposits	49,540	-	-	49,540
Inter-bank call money	2,390,305	-	-	2,390,305
	<u>2,447,740</u>	<u>-</u>	<u>-</u>	<u>2,447,740</u>

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22. 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, 2014				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Demand deposits	816	-	-	816
Inter-bank call money	100,000	-	-	100,000
	100,816	-	-	100,816
<u>United States Dollar</u>				
Inter-bank call money	430,998	-	-	430,998
Total	8,578,878	53,940	22,574	8,655,392

23. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreement to repurchase consist of:

December 31, 2015					
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Net
<u>Third Parties</u>					
<u>Rupiah</u>					
PT Bank Mega Tbk					
Deposits Certificates of Bank Indonesia					
IDSD020316182S	December 2, 2015	January 4, 2016	250,000	221,308	222,761
IDSD020316182S	December 10, 2015	January 11, 2016	250,000	221,419	222,483
			500,000	442,727	445,244
<u>Standard Chartered Bank</u>					
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
			1,139,000	999,761	999,761
			1,639,000	1,442,488	1,445,005
<u>United States Dollar</u>					
PT Bank ANZ Indonesia					
Government bonds					
FR0030	December 29, 2014	May 15, 2016	840,000	665,816	665,816
ORI010	February 17, 2015	October 15, 2016	874,000	689,250	689,250
			1,714,000	1,355,066	1,355,066
<u>BNP Paribas</u>					
Government bonds					
FR0028	March 16, 2015	July 15, 2017	670,000	551,400	551,400
FR0028	March 26, 2015	July 15, 2017	166,000	137,850	137,850
RI0017	December 7, 2015	February 5, 2016	1,516,350	1,064,478	1,064,478
RI0320	December 7, 2015	February 5, 2016	1,654,200	1,187,054	1,187,054
RI0521	December 15, 2015	February 3, 2016	1,378,500	860,019	860,019
RI0422	December 15, 2015	February 3, 2016	992,520	575,265	575,265
			6,377,570	4,376,066	4,376,066

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23. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

December 31, 2015					
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Net
<u>Third Parties (continued)</u>					
<u>United States Dollar (continued)</u>					
Standard Chartered Bank					
Government bonds					
FR0060, FR0066, FR0069, ORI011	December 30, 2014	December 30, 2016	2,549,995	2,067,750	2,067,750
FR0053, FR0061	February 26, 2015	February 24, 2017	802,345	689,250	689,250
			3,352,340	2,757,000	2,757,000
			11,443,910	8,488,132	8,488,132
<u>Related Parties (Note 43)</u>					
<u>Rupiah</u>					
Lembaga Pembiayaan Ekspor Indonesia					
Government bonds					
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	468,095
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	976,726
			1,480,000	1,438,638	1,444,821
Total			14,562,910	11,369,258	11,377,958

December 31, 2014					
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Net
<u>Third Parties</u>					
<u>Rupiah</u>					
PT BPD Jawa Barat dan Banten Tbk					
Deposits Certificates of Bank Indonesia					
IDSD16011591S	December 24, 2014	January 7, 2015	200,000	189,224	189,454
IDSD16011591S	December 24, 2014	January 7, 2015	200,000	189,224	189,454
IDSD16011591S	December 24, 2014	January 7, 2015	200,000	189,224	189,454
			600,000	567,672	568,362
PT Bank OCBC NISP Tbk					
Government Bond					
FR0069	October 15, 2014	January 13, 2015	500,000	446,337	452,924
PT Bank Mega Tbk					
Government bonds					
FR0030	December 29, 2014	January 19, 2015	350,000	329,247	329,363
FR0031	December 29, 2014	January 19, 2015	100,000	103,240	103,276
			450,000	432,487	432,639
PT Bank Central Asia Tbk					
Government bonds					
FR0027	December 24, 2014	January 23, 2015	500,000	430,967	431,520
FR0028	December 24, 2014	January 23, 2015	500,000	447,908	448,482
FR0053	December 23, 2014	January 23, 2015	500,000	430,708	431,339
FR0053	December 24, 2014	January 23, 2015	500,000	430,708	431,260
			2,000,000	1,740,291	1,742,601

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23. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

December 31, 2014					
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Net
<u>Third Parties (continued)</u>					
<u>Rupiah (continued)</u>					
PT Bank CTBC Indonesia					
Government bonds					
FR0040	October 14, 2014	January 14, 2015	150,000	158,117	160,413
FR0040	October 21, 2014	January 21, 2015	100,000	106,412	107,840
FR0040	November 3, 2014	February 3, 2015	100,000	107,679	108,867
FR0042	October 22, 2014	January 22, 2015	100,000	101,705	103,050
FR0052	December 2, 2014	January 2, 2015	54,450	54,450	54,731
FR0052	December 8, 2014	March 9, 2015	100,000	108,063	108,529
			604,450	636,426	643,430
			4,154,450	3,823,213	3,839,956
<u>United States Dollar</u>					
Standard Chartered Bank					
Government Bond					
FR0060	December 30, 2014	December 30, 2016	1,857,750	1,857,750	1,857,841
PT Bank BNP Paribas					
Government Bond					
CS REPOF IND 170118 USD	December 24, 2014	March 24, 2015	618,269	618,269	618,375
The Hongkong and Shanghai B.C. LTD					
Government bonds					
CS REPOF IND 200415 USD	December 1, 2014	February 25, 2015	2,929,139	2,929,139	2,930,604
CS REPOF IND 200415 USD	December 19, 2014	February 25, 2015	761,262	761,262	761,427
			3,690,401	3,690,401	3,692,031
PT Bank ANZ Indonesia					
Government bonds					
SPN12151001	December 29, 2014	October 1, 2015	70,595	70,595	70,600
SPN12151105	December 29, 2014	November 5, 2015	569,710	569,710	569,764
FR0030	December 29, 2014	May 15, 2016	598,196	598,196	598,262
			1,238,501	1,238,501	1,238,626
			7,404,921	7,404,921	7,406,873
<u>Related Parties (Note 43)</u>					
<u>Rupiah</u>					
PT Bank Negara Indonesia (Persero) Tbk					
Deposits Certificates of Bank Indonesia					
IDSD16011591S	December 29, 2014	January 5, 2015	1,000,000	946,960	947,292
IDSD30011591S	December 29, 2014	January 12, 2015	1,000,000	894,888	895,213
Government bonds					
FR0043	December 9, 2014	January 9, 2015	500,000	509,508	511,454
FR0054	December 10, 2014	January 12, 2015	300,000	299,255	300,346
			2,800,000	2,650,611	2,654,305
PT Bank Bukopin Tbk					
Government bonds					
FR0034	December 9, 2014	January 9, 2015	170,000	192,111	192,845
FR0034	December 10, 2014	January 12, 2015	100,000	112,692	113,103
FR0045	December 9, 2014	January 9, 2015	180,000	183,314	184,014
FR0046	December 10, 2014	January 12, 2015	160,000	157,424	157,998
FR0047	December 9, 2014	January 9, 2015	150,000	154,962	155,554
FR0047	December 10, 2014	January 12, 2015	200,000	206,068	206,819
FR0052	December 19, 2014	January 19, 2015	125,000	128,616	128,890
FR0054	December 10, 2014	January 12, 2015	40,000	39,901	40,046
FR0071	December 19, 2014	January 19, 2015	200,000	187,736	188,149
FR0071	December 19, 2014	January 19, 2015	200,000	187,736	188,149
			1,525,000	1,550,560	1,555,567
			4,325,000	4,201,171	4,209,872
Total			15,884,371	15,429,305	15,456,701

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24. MARKETABLE SECURITIES ISSUED

BRI issued marketable securities with details as follows:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
BRI Shelf Registration Bonds I		
Phase I Year 2015		
Net of unamortized issuance cost amounted to Rp5,321 as of December 31, 2015	2,994,679	-
Medium-Term Notes (MTN)		
Phase I Year 2014		
Net of unamortized issuance cost amounting to Rp331 and Rp983 as of December 31, 2015 and 2014, respectively	419,669	709,017
Phase II Year 2014		
Net of unamortized issuance cost amounting to Rp886 as of December 31, 2014	-	499,114
Negotiable Certificate of Deposits (NCD)		
NCD I Year 2014		
Net of discounts and unamortized issuance cost amounting to Rp29,240 as of December 31, 2014	-	906,247
NCD II Phase I Year 2015		
Net of discounts and unamortized issuance cost amounting to Rp1,225 as of December 31, 2015	253,824	-
	3,668,172	2,114,378
<u>United States Dollar</u>		
BRI Bonds		
Net of discounts and unamortized issuance cost amounting to Rp38,242 and Rp48,888 as of December 31, 2015 and 2014, respectively	6,852,931	6,143,612
Total	10,521,103	8,257,990

Amortization of issuance cost of securities issued for the year ended December 31, 2015 and 2014, amounted to Rp111,790 and Rp20,382, respectively.

Other basic informations related to marketable securities issued are as follows:

a) BRI Shelf Registration Bonds I

On June 25, 2015, BRI issued BRI Shelf Registration Bonds I Phase I Year 2015 with principal value amounting to Rp3,000,000 within 3 (three) series as follows:

- A Series: Principal value amounting to Rp655,000 with a fixed interest rate of 8.40% per annum, for 370 (three hundred and seventy) days period with maturity date on July 7, 2016.
- B Series: Principal value amounting to Rp925,000 with a fixed interest rate of 9.20% per annum, for 3 (three) years period with maturity date on July 3, 2018.
- C Series: Principal value amounting to Rp1,420,000 with a fixed interest rate of 9.50% per annum, for 5 (five) years period with maturity date on July 3, 2020.

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24. MARKETABLE SECURITIES ISSUED (continued)

Other basic informations related to marketable securities issued are as follows (continued):

a) BRI Shelf Registration Bonds I (continued)

Interest of BRI Shelf Registration Bonds I Phase I Year 2015 paid every 3 (three) months from October 3, 2015. On the issuance date, these Shelf Registration Bonds are rated by Pefindo with a rating of AAA(idn).

Net proceeds from Shelf Registration Bonds issuance will be used for lending purposes.

The essential requirements in the agreement of Shelf Registration Bonds is BRI without written approval from the monitoring agent will not reduce the authorized, issued and paid up capital, perform merger, separation, consolidation and takeovers of company.

Management believes that all requirements/restrictions required under the trustee agreement have been complied with.

b) Medium-Term Notes (MTN)

On October 10, 2014, BRI issued MTN Phase I Year 2014 with MTN principal value amounting to Rp720,000 within 3 (three) series as follows:

- A Series: MTN principal value amounting to Rp300,000 with a fixed interest rate of 8.75 % per annum, for 370 (three hundred and seventy) days period with maturity date on October 15, 2015.
- B Series: MTN principal value amounting to Rp60,000 with a fixed interest rate of 9.25% per annum, for 24 (twenty four) months period with maturity date on October 10, 2016.
- C Series: MTN principal value amounting to Rp360,000 with a fixed interest rate of 9.50% per annum, for 36 (thirty six) months period with maturity date on October 10, 2017.

Interest of MTN Phase I paid every 3 (three) months from January 10, 2015. On the issuance date, this MTN is rated by Fitch with a rating of AAA(idn) and F1+(idn).

On December 24, 2014, BRI issued MTN Phase II Year 2014 with principal value amounting to Rp520,000 for 370 (three hundred and seventy) days period and has matured on December 29, 2015, with a fixed interest rate of 8.90 % per annum. Interest of MTN Phase II paid every 3 (three) months starting March 24, 2015. On the issuance date, this MTN is rated by Fitch with a rating of AAA(idn) and F1+(idn).

As of December 31, 2015 and 2014, BRI MTN Phase I was rated by Fitch with a rating of AAA(idn) and F1+(idn).

Net proceeds from MTN issuance will be used for lending purposes.

The essential requirements in the MTN agreement is BRI without written approval from the monitoring agent will not reduce the authorized, issued and paid up capital, perform merger, separation, consolidation and takeovers of company.

Management believes that all requirements/restrictions required under the trustee agreement have been complied with.

MTN Phase I Series A and Phase II with total nominal value of Rp820,000 has been repaid on its maturity date by BRI.

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24. MARKETABLE SECURITIES ISSUED (continued)

Other basic informations related to marketable securities issued are as follows (continued):

c) Negotiable Certificate of Deposits (NCD)

On December 2, 2014, BRI issued NCD I Year 2014 with principal value amounting to Rp955,000 within 2 (two) series as follows:

- A Series: NCD principal value amounting to Rp165,000 with a fixed interest rate of 8% per annum, for 3 (three) months period with maturity date on March 2, 2015. NCD issued at 98.04%.
- B Series: NCD principal value amounting to Rp790,000 with a fixed interest rate of 8.6% per annum, for 6 (six) months period with maturity date on June 2, 2015. NCD issued at 95.83%.

On April 22, 2015, BRI issued NCD II Phase I Year 2015 with principal value amounting to Rp1,880,000 within 3 (three) series as follows:

- A Series: NCD principal value amounting to Rp595,000 with a fixed interest rate of 7.1% per annum, for 3 (three) months period with maturity date on July 22, 2015. The NCD was issued at 98.24%.
- B Series: NCD principal value amounting to Rp1,020,000 with a fixed interest rate of 8% per annum, for 6 (six) months period with maturity date on October 22, 2015. The NCD was issued at 96.09%.
- C Series: NCD principal value amounting to Rp265,000 with a fixed interest rate of 8.1% per annum, for 9 (nine) months period with maturity date on January 22, 2016. The NCD was issued at 94.17%.

d) BRI Bonds

On March 28, 2013, BRI issued and listed the BRI Bonds year 2013 amounting to USD500,000,000 (full amount) in Singapore Exchange Securities Trading Limited (SGX-ST) for 5 (five) years period, and will mature on March 28, 2018 with a fixed interest rate of 2.95% per annum. The bonds were issued at 99.20% or equivalent to USD495,980,000 (full amount) and the interest is paid semi-annually commencing on September 28, 2013. On the issuance date, the bonds were rated Baa3 and BBB- by Moody's and Fitch, respectively.

The net proceed from the issuance of BRI bonds was used to strengthen general funding structure.

As of December 31, 2015 and 2014, BRI bonds year 2013 was rated BBB- and Baa3 by Fitch and Moody's, respectively.

Management believes that all requirements/restrictions required under the trustee agreement have been complied with.

25. FUND BORROWINGS

Fund borrowings consist of:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
Bank Indonesia		
Liquidity loans	15,890	15,946
Others	11,544	12,351
	<u>27,434</u>	<u>28,297</u>

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25. FUND BORROWINGS (continued)

Fund borrowings consist of (continued):

	December 31, 2015	December 31, 2014
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
Syndicate Loan - Club Deal net of unamortized transaction cost	3,792,380	4,535,871
Syndicate Loan - Club Loan net of unamortized transaction cost	7,427,624	-
Borrowings from China Development Bank Corporation net of unamortized transaction cost	13,600,809	-
Borrowings from The Bank of Tokyo-Mitsubishi UFJ	1,378,500	-
Others	9,153,611	20,222,694
	35,352,924	24,758,565
	35,380,358	24,786,862
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Borrowings from PT Sarana Multigriya Finansial (Persero)	100,000	100,000
Borrowings from Lembaga Pembiayaan Ekspor Indonesia	-	100,000
	100,000	200,000
Total	35,480,358	24,986,862

The classification of fund borrowings based on their remaining period until maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
> 1 month - 3 months	85	133
> 3 months - 1 year	-	6,680
> 1 year - 5 years	15,805	9,133
> 5 years	11,544	12,351
	27,434	28,297
<u>Foreign currencies</u>		
≤ 1 month	3,629,831	6,799,539
> 1 month - 3 months	6,896,284	8,221,455
> 3 months - 1 year	5,996	5,201,700
> 1 year - 5 years	11,220,004	4,535,871
> 5 years	13,600,809	-
	35,352,924	24,758,565
	35,380,358	24,786,862

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25. FUND BORROWINGS (continued)

The classification of fund borrowings based on their remaining period until maturity are as follows (continued):

	December 31, 2015	December 31, 2014
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
> 1 month - 3 months	-	100,000
> 1 year - 5 years	100,000	100,000
	100,000	200,000
Total	35,480,358	24,986,862

Other significant information related to fund borrowings are as follows:

a) Borrowings from Bank Indonesia

Liquidity Loans

This account represents loan facilities obtained from Bank Indonesia that are channeled to BRI's debtors for purposes of Investment Loans, Primary Cooperatives of Sugar Cane Farmers Loans, BULOG and Village Cooperative Units Loans, Permanent Working Capital Loans, Fertilizer and others.

The classification of liquidity loans from Bank Indonesia based on their remaining period to maturity as of December 31, 2015 and 2014 are as follows:

	December 31, 2015	December 31, 2014
> 1 month - 3 months	85	133
> 3 months - 1 year	-	6,680
> 1 year - 5 years	15,805	9,133
Total	15,890	15,946

Average annual interest rates on these loans are 0.02% and 0.03% for the year ended December 31, 2015 and 2014, respectively.

b) Borrowings from PT Sarana Multigriya Finansial (Persero)

Borrowings from PT Sarana Multigriya Finansial (Persero) represents *mudharabah* financing facility obtained by BRIS (subsidiary) on December 14, 2012, used for mortgage loan. The financing facility period is 5 (five) years and will mature on December 14, 2017 with the agreed *nisbah* portion for PT Sarana Multigriya Finansial (Persero) and BRIS are 63.46% and 36.54%, respectively.

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25. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

c) Syndicated Loan - Club Deal

On September 12, 2014, BRI obtained syndicated loan in the form of Club Deal amounting to USD370,000,000 (full amount), which is facilitated by BNP Paribas (agent) which is divided into:

- a. Facility A, amounting to USD320,000,000 (full amount), with interest rate at LIBOR plus certain margin annually. The Participating banks in this loan are:
 - The Hong Kong and Shanghai Banking Corporation Limited USD60,000,000.
 - Wells Fargo Bank, National Association, USD60,000,000.
 - Australia and New Zealand Banking Group Limited USD50,000,000.
 - BNP Paribas, USD50,000,000.
 - DBS Bank Ltd. USD50,000,000.
 - United Overseas Bank Limited USD50,000,000
- b. Facility B, amounting to USD50,000,000 (full amount), with interest rate at LIBOR plus certain margin annually. This facility is only financed by Commerzbank Aktiengesellschaft.

This syndicated loan was obtained to fulfill BRI's liquidity needs. The interest is payable every 3 (three) months starting at 3rd (third) month since the signing date of the syndicated loan agreement.

The syndicated loan period is 36 (thirty six) months and will mature on September 12, 2017. BRI does not give any collateral for this loan.

Up to December 31, 2015, BRI has made a partial payment for Facility A and Facility B of USD80,000,000 (full amount) and USD12,500,000 (full amount), respectively.

The financial covenants in the syndicated loans agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%.
- Maximum Non-Performing Loan (NPL) ratio of 5%.

As of December 31, 2015 and 2014, BRI has met the important covenants as required in this agreement.

d) Syndicated Loan - Club Loan

BRI obtained a syndicated loan facility in the form of Club Loan amounting to USD550,000,000 (full amount) according to Facility Agreement dated September 30, 2015. This loan is facilitated by The Hong Kong and Shanghai Banking Corporation Limited as agent which consist of:

- a. Facility A amounting to USD325,000,000 (full amount) for 42 months from the date of agreement (including grace period) and will mature on March 30, 2019. The Participated banks in this loan are:
 - Bank of America N.A. amounting to USD50,000,000
 - Citibank, N.A. amounting to USD30,000,000
 - Citibank, N.A. amounting to USD20,000,000
 - The Hong Kong and Shanghai Banking Corporation Limited amounting to USD50,000,000
 - Sumitomo Mitsui Banking Corporation amounting to USD50,000,000
 - Westpac Banking Corporation amounting to USD25,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD20,000,000

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25. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

d) Syndicated Loan - Club Loan (continued)

- a. The Participated banks in this loan are (continued):
 - BNP Paribas amounting to USD20,000,000
 - CTBC Bank Co., Ltd amounting to USD20,000,000
 - DBS Bank Ltd. amounting to USD20,000,000
 - United Overseas Bank Limited amounting to USD20,000,000
- b. Facility B amounting to USD155,000,000 (full amount) for 48 months from the date of the agreement (including grace period) and will mature on September 30, 2019. The Participated banks in this loan are:
 - Oversea-Chinese Banking Corporation Limited amounting to USD50,000,000
 - BNP Paribas amounting to USD30,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD20,000,000
 - DBS Bank Ltd. amounting to USD20,000,000
 - United Overseas Bank Limited amounting to USD20,000,000
 - Westpac Banking Corporation amounting to USD15,000,000
- c. Facility C amounting to USD70,000,000 (full amount) for 60 months from the date of the agreement (including grace period) and will mature on September 30, 2020. The Participated banks in this loan are:
 - CTBC Bank Co., Ltd amounting to USD30,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD10,000,000
 - DBS Bank Ltd. amounting to USD10,000,000
 - United Overseas Bank Limited amounting to USD10,000,000
 - Westpac Banking Corporation amounting to USD10,000,000

This syndicated loan is used to strengthen the long-term financing structure and maturity profile. The loan principal will be paid on maturity date while the loan interest at LIBOR 3 (three) months plus certain margin per annum will be paid every 3 (three) months.

BRI does not give any collateral for this loan.

The financial covenants in the syndicated loans agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%.
- Maximum Non-Performing Loan (NPL) ratio of 5%.

As of December 31, 2015 and 2014, BRI has met the important covenants as required in this agreement.

e) Borrowings from China Development Bank Corporation

On September 16, 2015, BRI signed a loan facility agreement from China Development Bank Corporation to finance long-term infrastructure projects and industries in Indonesia and cross-border transactions between Indonesia and the People's Republic of China.

This loan consists of 2 (two) facilities, which are:

- Tranche A facility with a total USD700,000,000 (full amount) in which the drawdown was made on October 30, 2015 and November 6, 2015 amounting to USD223,953,383 (full amount) and USD476,046,617 (full amount), respectively.

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25. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

e) Borrowings from China Development Bank Corporation (continued)

This loan consists of 2 (two) facilities, which are (continued):

- Tranche B Facility amounting to RMB1,906,080,000 (equivalent to USD300,000,000) (full amount) where first drawdown was made on October 30, 2015 amounting to RMB609,818,661 (full amount) and the second drawdown was made on November 6, 2015 amounting 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 with an interest rate of LIBOR 6 (six) months plus 2.85% per annum for Tranche A and SHIBOR 6 (six) months plus 3.30% per annum for Tranche B which paid every six (6) months.

Principal installments paid every 6 (six) months, together with interest payments. For Tranche A facility, the first principal installments will be paid on April 29, 2016 by USD11,197,669.15 (full amount) up to April 30, 2018 and henceforth amounted to USD42,934,110.28 (full amount) from October 30, 2018 to maturity date. As for Tranche B facility, principal installments amounting to RMB127,072,000 (full amount) will be paid started on October 30, 2018 to maturity date. BRI does not provide any guarantee for this loan.

The financial covenants in this loan agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%
- Minimum Tier 1 ratio of 6%
- Minimum Core Tier 1 ratio of 5%
- Minimum Statutory Reserve in IDR ratio (GWM Rupiah) of 7.5%
- Maximum Non-Performing Loan (NPL) ratio of 5%
- Minimum Return On Assets (ROA) ratio of 0.6%

As of December 31, 2015 and 2014, BRI has met the important covenants as required in this agreement.

f) Borrowings from The Bank of Tokyo-Mitsubishi UFJ

On February 24, 2015, which was amended on December 15, 2015, BRI and The Bank of Tokyo-Mitsubishi UFJ signed a loan facility agreement to meet its liquidity needs. This facility agreement worth USD100,000,000 maximum (full amount) is valid until February 24, 2016. The loans withdrawn by BRI on December 17, 2015 of USD100,000,000 (full amount) with interest of ICE LIBOR plus 0.10% per annum and will mature on January 19, 2016 (1 month period).

g) Borrowings from Lembaga Pembiayaan Ekspor Indonesia

On September 29, 2014, BRI obtained a borrowing from Lembaga Pembiayaan Ekspor Indonesia with maximum loan amounting to Rp200,000 for refinancing of working capital for export-oriented and exports support customers, with interest rate of 9.25% per annum, payable monthly. As of December 31, 2014, BRI availed this facility amounting to Rp100,000. The financing facility period is 6 (six) months until March 30, 2015 and has been paid on maturity date.

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25. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

h) Other Borrowings

	December 31, 2015		December 31, 2014	
	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		11,544		12,351
<u>Foreign currencies</u>				
<u>United States Dollar</u>				
Oversea-Chinese Banking Corporation Limited	167,887,243	2,314,325	127,102,367	1,574,163
Standard Chartered Bank	129,232,129	1,781,465	230,474,479	2,854,426
The Bank of New York Mellon	120,000,000	1,654,200	36,577,406	453,011
Wells Fargo Bank, N.A.	100,000,000	1,378,500	310,000,000	3,839,350
CTBC Bank	86,412,402	1,191,195	85,000,000	1,052,725
DBS Bank	33,000,000	454,905	13,321,229	164,984
Bank of America N.A.	17,000,000	234,345	78,712,243	974,851
Bank of Montreal	9,568,555	131,903	105,000,000	1,300,425
Commerzbank, A.G.	-	-	150,000,000	1,857,750
ANZ Banking Group, Ltd.	-	-	95,858,234	1,187,204
Citibank, N.A.	-	-	95,000,000	1,176,575
Sumitomo Mitsui Banking Corporation	-	-	51,891,070	642,671
ING Bank	-	-	50,000,000	619,250
Bangkok Bank Public Company Limited	-	-	50,000,000	619,250
JP Morgan Chase Bank, N.A.	-	-	50,000,000	619,250
Mizuho Bank, Ltd.	-	-	50,000,000	619,250
Emirates NBD Bank	-	-	40,000,000	495,400
		9,140,838		20,050,535
<u>European Euro</u>				
Commerzbank, A.G.	848,298	12,773	-	-
Westpac Banking Corp	-	-	11,181,383	168,317
Oversea-Chinese Banking Corporation Limited	-	-	255,200	3,842
		12,773		172,159
		9,153,611		20,222,694
Total		9,165,155		20,235,045

Other borrowings facilities in foreign currencies represent short-term borrowings obtained from several foreign banks with terms from 1 (one) month up to 6 (six) months and bear interest rate at LIBOR or EURIBOR plus a certain margin, including refinancing borrowing facilities which are collateralized by letters of credit issued by BRI.

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26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

- a) The details of estimated losses on commitments and contingencies which bear credit risk are as follows:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
Guarantees issued	1,242	398

- b) Movements in estimated losses on commitments and contingencies:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
Beginning balance	398	223
Provision during the year	844	175
Ending balance	1,242	398

BRI assessed commitment and contingency transactions which bear credit risks individually based on whether an objective evidence of impairment exists, except for the commitment and contingency transactions owned by BRIS (Subsidiary) (based on sharia principles) assessment was performed using a collectability guidance of Bank Indonesia.

The minimum estimated losses on commitments and contingencies based on Bank Indonesia regulation amounted to Rp1,242 and Rp398 as of December 31, 2015 and 2014, respectively. Management believes that the amount is adequate.

- c) The collectibility of Bank Guarantee issued and the irrevocable L/C in Administrative Accounts is categorized as "Current" (Notes 2a1 and 42):

	December 31, 2015		December 31, 2014	
	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		3,394,062		2,729,658
Irrevocable L/C		528,682		118,550
		3,922,744		2,848,208
<u>Foreign currencies</u>				
Guarantees Issued				
United States Dollar	478,357,551	6,594,159	397,934,041	4,928,413
European Euro	30,217,436	454,974	31,022,808	466,997
Malaysian Ringgit	8,500,000	27,291		-
Norwegian Kroner	7,917,112	12,394	18,116,252	30,273
Saudi Arabian Riyal	1,000,000	3,673	1,000,000	3,300
Singapore Dollar	100,870	984	261,930	2,456
Australian Dollar	74,360	750		-
Japanese Yen	823,250	94		-
		7,094,319		5,431,439

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26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- c) The collectibility of Bank Guarantee issued and the irrevocable L/C in Administrative Accounts is categorized as "Current" (Notes 2a) and 42) (continued):

	December 31, 2015		December 31, 2014	
	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>				
Irrevocable L/C				
United States Dollar	159,431,513	2,197,764	307,956,838	3,814,045
European Euro	37,814,936	569,367	13,261,317	199,627
Japanese Yen	765,354,641	87,645	284,726,936	29,486
Great Britain Pound Sterling	3,563,041	72,825	40,374	779
Swiss Franc	731,930	10,188	-	-
Singapore Dollar	763	7	1,317,033	12,349
Canadian Dollar	-	-	469,674	5,016
		2,937,796		4,061,302
		10,032,115		9,492,741
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Guarantees Issued		4,516,082		3,173,582
Irrevocable L/C		1,201,588		386,242
		5,717,670		3,559,824
<u>Foreign currencies</u>				
Guarantees Issued				
United States Dollar	495,950,823	6,836,682	479,556,626	5,939,309
European Euro	121,392,263	1,827,763	104,949,255	1,579,837
		8,664,445		7,519,146
Irrevocable L/C				
United States Dollar	666,173,805	9,183,206	229,687,404	2,844,678
European Euro	85,336,659	1,284,886	93,309,834	1,404,625
Australian Dollar	16,000,000	161,340	21,801,333	221,246
Great Britain Pound Sterling	2,672,979	54,633	1,940,079	37,421
Japanese Yen	334,063,050	38,255	1,021,836,223	105,821
Renminbi	6,522,470	13,846	-	-
Singapore Dollar	262,260	2,559	3,059,761	28,689
Swiss Franc	-	-	77,065	965
		10,738,725		4,643,445
		19,403,170		12,162,591
Total		39,075,699		28,063,364

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27. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
Bonuses and incentives	4,950,758	3,576,481	4,049,104
Provision for grand leaves (Note 41e)	1,156,541	1,012,654	842,486
Provision for work separation scheme (Note 41d)	1,113,099	1,000,283	878,746
Provision for gratuity for services (Note 41e)	843,340	817,046	752,338
Defined benefit pension plan (Note 41a)	-	273,622	-
Provision for pension preparation period (Note 41e)	-	7,446	7,081
Total	8,063,738	6,687,532	6,529,755

*) After restatement (Note 49)

28. OTHER LIABILITIES

Other liabilities consist of:

	December 31, 2015	December 31, 2014
<u>Third parties</u>		
<u>Rupiah</u>		
Liability for future policy benefits	3,134,158	-
Interests payable	966,245	1,037,787
Provision for timely-payment of interests (Note 2y)	752,377	673,130
Provision for litigation liabilities (Note 44b)	410,878	316,225
Unearned income	129,772	54,549
Estimates liability claims	100,344	-
Investment contract liabilities	87,564	-
Unearned premiums	75,258	-
Debt reinsurance	34,595	-
Guarantee deposits	15,692	20,142
Others	1,199,519	975,545
	6,906,402	3,077,378
<u>Foreign Currencies</u>		
Interest payable	230,752	114,734
Unearned income	58,185	140,464
Guarantee deposits	1,373	15,009
Others	196,054	139,680
	486,364	409,887
Total	7,392,766	3,487,265

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29. SUBORDINATED LOANS

BRI obtained subordinated loans in Rupiah with details as follows:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
Two-step loans	56,468	77,582

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 based on the respective agreements with terms ranged from 15 (fifteen) up to 40 (forty) years. The average annual interest rates for subordinated loans were 4.33% and 4.37%, for the years ended on date December 31, 2015 and 2014, respectively. The maturity of these loans are various up to 2027.

The classification of subordinated loans based on their remaining period until maturity are as follows:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
> 1 year - 5 years	51,466	72,116
> 5 years	5,002	5,466
Total	56,468	77,582

30. EQUITY

a. Capital stock

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2015 and 2014 are as follows:

December 31, 2015			
	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 57.24
Directors:			
- Randi Anto	661,000	250	165,250,000 0.00
- Susy Liestiwaty	580,000	250	145,000,000 0.00
- Mohammad Irfan	34,000	250	8,500,000 0.00
- Donsuwan Simatupang	29,500	250	7,375,000 0.00
Public	10,457,738,900	250	2,614,434,725,000 42.76
	24,459,043,400		6,114,760,850,000 100.00%
Treasury stocks (Note 1d)	210,118,600		52,529,650,000
Total	24,669,162,000		6,167,290,500,000

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30. EQUITY (continued)

a. Capital stock (continued)

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2015 and 2014 are as follows (continued):

	December 31, 2014			
	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:				
- Lenny Sugihat	1,260,000	250	315,000,000	0.01
- Sulaiman Arif Arianto	1,000,000	250	250,000,000	0.00
- Randi Anto	661,000	250	165,250,000	0.00
- Sarwono Sudarto	321,000	250	80,250,000	0.00
Public	10,665,920,000	250	2,666,480,000,000	43.24
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 or dismissal of Commissioners and Directors, changes in Articles of Association, approve on BRI's merger, dissolution, acquisition and separation, submission of request for bankruptcy and liquidation of BRI.

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 as of December 31, 2015 and 2014 are as follows:

Additional capital by the Government related to the recapitalization program	1,092,144
Previous 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 already expired	504
Stock Option MSOP Stage-II which already expired	1,845
Stock Option MSOP Stage-III which already expired	8,447
Total	2,773,858

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30. EQUITY (continued)

b. Additional Paid-in Capital (continued)

In line with the realization of the Recapitalization Program for Commercial Banks as set forth in Government Regulation No. 52 Year 1999 on 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 under "Additional Paid-in Capital" together with the previous balance of paid up capital of Rp5 from the Government.

Based on the Decision Letter of the Ministry 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. Moreover, 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
Premium per share (full Rupiah)	375
Total premium on shares 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 Special Annual Shareholders' Meetings on October 3, 2003, as disclosed in the Deed No. 6 Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock options to be implemented within 3 (three) phases. Stock options granted to Directors and employees at certain levels and positions that meet the stipulated requirements (Management Stock Option Plan (MSOP)).

The compensation cost of the MSOP is recognized as stock options, as the part of the equity.

The employees of BRI exercised their stock options starting on November 10, 2004 for MSOP I, November 10, 2005 for MSOP II and November 15, 2006 for MSOP III. During 2004 until 2010, stock options exercised totaled to 569,876,000 shares for MSOP I, II and III, which consist of 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.

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30. EQUITY (continued)

c. Differences Arising from Translation of Foreign Currency Financial Statements

This account represents the exchange rate differences resulting from the translation of the financial statement of the overseas branch/representative offices of BRI (Cayman Islands, New York, Hong Kong and Singapore) from United States Dollar, Hong Kong Dollar and Singapore Dollar to Indonesian Rupiah (Note 2ag). Assets and liabilities as well as commitments and contingencies denominated in 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 such date is derived from the accumulation of the monthly consolidated statements of profit or loss and other comprehensive income balances which are translated into Rupiah by using the average exchange middle rate for the respective months.

d. Distribution of Net Income

Based on the Annual General Shareholders' Meetings of BRI held on March 19, 2015 and March 26, 2014, the Shareholders agreed to distribute the dividend from net income for the years ended December 31, 2014 and 2013 as follows:

	Income for the year 2014	Income for the year 2013
Dividends	7,272,495	6,348,045
General and specific reserves	2,666,581	4,443,632

BRI recorded the allowance for *tantiem* in the current consolidated statement of profit or loss and other comprehensive income in accordance with SFAS No. 24 (Revised 2013) on "Employee Benefits".

31. INTEREST AND SHARIA INCOME

Interest income are derived from:

	Year Ended December 31,	
	2015	2014
<u>Rupiah</u>		
Loans		
Micro	36,999,127	32,793,520
Retail	28,363,105	25,401,211
Corporate	7,105,161	6,490,938
Securities		
Fair value through profit or loss		
Government bonds	68,086	54,157
Certificates of Bank Indonesia	6,422	4,482
Deposits Certificates of Bank Indonesia	1,577	1,005
Medium-Term Notes	475	-
Available for sale		
Government bonds	1,250,033	720,434
Deposits Certificates of Bank Indonesia	488,527	214,612
Certificates of Bank Indonesia	303,168	169,325
Bonds	54,007	6,919
Medium-Term Notes	3,389	-

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31. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	Year Ended December 31,	
	2015	2014
<u>Rupiah (continued)</u>		
Securities (continued)		
Held to maturity		
Government bonds	1,623,263	1,219,341
Deposits Certificates of Bank Indonesia	281,374	212,826
Bonds	292,731	166,374
Certificates of Bank Indonesia	248,907	224,378
Negotiable Certificate Deposit	46,915	2,248
Medium-Term Notes	26,329	4,598
Subordinated bonds	17,020	15,118
Government Recapitalization Bonds		
Available for sale	28,368	30,800
Held to maturity	214,143	215,078
Placements with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	795,961	1,154,540
Inter-bank call money	185,158	101,692
Others	23,902	146
Current accounts with Bank Indonesia	247,729	222,584
Others	668,451	1,500,288
	79,343,328	70,926,614
<u>Foreign currencies</u>		
Loans		
Corporate	1,178,306	861,698
Retail	460,642	383,285
Securities		
Fair value through profit or loss		
Government bonds	12,171	3,667
Credit Link Notes	-	4,878
Available for sale		
Government bonds	373,394	76,908
Bonds	176,402	83,110
Certificates of Bank Indonesia	511	-
Held to maturity		
Government bonds	577,846	209,522
Promissory Notes	88,904	1,567
Bonds	75,654	2,481
Credit Link Notes	27,675	60,605
Certificates of Bank Indonesia	227	-

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31. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	Year Ended December 31,	
	2015	2014
<u>Foreign currencies (continued)</u>		
Placements with Bank Indonesia and other banks		
Inter-bank call money	93,176	46,813
Deposit Facility/Term Deposit	14,831	4,672
Others	61,664	64,152
Others	523,014	335,805
	3,664,417	2,139,163
	83,007,745	73,065,777
 Sharia income are derived from:		
Murabahah	1,463,233	1,335,164
Musyarakah	513,496	385,948
Others	449,563	335,324
Total Sharia income	2,426,292	2,056,436
Total	85,434,037	75,122,213

32. INTEREST AND SHARIA EXPENSE

This account represents interest expense incurred on:

	Year Ended December 31,	
	2015	2014
<u>Rupiah</u>		
Time deposits	17,975,185	16,108,308
Saving deposits	2,895,613	2,610,579
Demand deposits	1,171,074	1,207,659
Deposits from other banks and financial institutions	762,522	347,433
Securities issued	354,260	21,576
Securities sold under agreement to repurchase	188,084	43,751
Subordinated loans	3,225	215,292
Others	936,762	778,006
	24,286,725	21,332,604

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32. INTEREST AND SHARIA EXPENSE (continued)

This account represents interest expense incurred on (continued):

	Year Ended December 31,	
	2015	2014
<u>Foreign currencies</u>		
Time deposits	954,448	635,381
Fund borrowings	335,113	123,615
Securities issued	204,219	191,138
Deposits from other banks and financial institutions	149,439	113,105
Demand deposits	89,536	75,840
Securities sold under agreement to repurchase	51,480	40,130
Saving deposits	1,918	1,501
Others	68,222	171,665
	<u>1,854,375</u>	<u>1,352,375</u>
	<u>26,141,100</u>	<u>22,684,979</u>
 Sharia expense consists of:		
Deposits <i>Mudharabah</i>	985,287	957,451
Others	27,883	37,373
Total Sharia expense	<u>1,013,170</u>	<u>994,824</u>
Total	<u>27,154,270</u>	<u>23,679,803</u>

33. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

This account represents provision (reversal) for impairment losses on financial assets as follows:

	Year Ended December 31,	
	2015	2014
Loans (Note 12f)	8,685,146	5,654,870
Sharia receivables and financing (Note 13)	206,159	67,884
Securities (Note 7e)	-	(772)
Current accounts with other banks (Note 5e)	-	(77)
	<u>8,891,305</u>	<u>5,721,905</u>

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34. SALARIES AND EMPLOYEE BENEFITS

The details of this account are as follows:

	Year Ended December 31,	
	2015	2014
Salaries, wages and allowances	8,735,335	8,147,511
Bonuses, incentives and <i>tantiem</i>	4,987,921	3,602,859
Training and development	629,634	682,794
Defined benefit pension (Note 41a)	543,325	210,881
Jamsostek contribution	433,374	212,997
Medical allowances	302,379	255,068
Grand leaves (Note 41e)	273,666	290,025
Work separation scheme (Note 41d)	213,364	206,112
Defined contribution pension (Note 41c)	198,975	147,164
Gratuity for services (Note 41e)	76,718	137,568
Pension preparation period (Note 41e)	-	1,395
Others	204,467	272,048
Total	16,599,158	14,166,422

Salaries and allowances of the Board of Directors amounted to Rp42,300 and Rp48,268, and the Board of Commissioners amounted to Rp20,920 and Rp17,565 for the years ended December 31, 2015 and 2014, respectively (Note 43).

Bonuses, incentives and *tantiem* of BRI's Boards of Directors, Commissioners and key employees amounted to Rp398,315 and Rp355,505 for the year ended December 31, 2015 and 2014, respectively (Note 43).

35. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	Year Ended December 31,	
	2015	2014
Outsourcing service	2,413,167	2,095,500
Rent	1,845,272	1,616,605
Depreciation of premises and equipment (Note 16)	1,094,222	919,140
Repairs and maintenance	841,916	836,581
Electricity and water	574,885	533,376
Transportation	397,123	383,815
Office supplies	283,300	269,446
Printing and postage	271,153	273,673
Communications	161,319	160,890
Computer installations	65,348	50,749
Professional fees	55,216	59,773
Research and product development	14,744	10,046
Others	2,362,882	1,974,561
Total	10,380,547	9,184,155

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36. NON OPERATING INCOME - NET

The details of this account are as follows:

	Year Ended December 31,	
	2015	2014
Loan insurance claim income	1,458,083	868,484
Gain on sale of premises and equipment	21,628	14,059
Rental income	15,040	4,844
Cash distribution from the liquidation of BRI Finance Ltd, Hong Kong	4,111	5,434
Others - net	482,249	1,604,375
Total	1,981,111	2,497,196

37. TAXATION

a) Taxes Payable

As of December 31, 2015 and 2014, the details of taxes payable are as follows:

	December 31, 2015	December 31, 2014
<u>BRI (Parent Entity)</u>		
Income tax		
Article 25	278,130	-
Article 29	1,093,551	22,844
	<u>1,371,681</u>	<u>22,844</u>
<u>Subsidiaries</u>		
Income tax and other tax		
Article 21	7,936	11,936
Article 23	10,355	1,194
Article 25	10,979	1,837
Article 29	64,798	1,000
Article 4 (2)	29,541	20,994
Value-added tax	1,972	-
	<u>125,581</u>	<u>36,961</u>
Total	1,497,262	59,805

b) Tax Expense

	Year Ended December 31,	
	2015	2014^{*)}
<u>Parent Entity</u>		
Current tax expense of:		
Current year	7,008,173	5,996,628
Prior year tax examination	-	241,585
Deferred income tax (benefit) expense	(885)	309,141
	<u>7,007,288</u>	<u>6,547,354</u>

*) As restated (Note 49)

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37. TAXATION (continued)

b) Tax Expense (continued)

	Year Ended December 31,	
	2015	2014 ^{*)}
<u>Subsidiaries</u>		
Current tax expense of:		
Current year	94,780	24,696
Deferred income tax (benefit) expense	(18,838)	5,461
	75,942	30,157
Total	7,083,230	6,577,511

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,	
	2015	2014 ^{*)}
Income before tax expense in accordance with the consolidated statement of profit or loss and other comprehensive income	32,494,018	30,804,112
Income of Subsidiaries	(282,580)	(80,400)
Income before tax expense - BRI (Parent Entity)	32,211,438	30,723,712
Temporary Differences:		
Reversal of allowance for impairment losses on loans	(411,956)	(1,257,049)
Provision for employee expenses	573,996	322,180
Unrealized loss on FVTPL securities and Government Recapitalization Bonds	8,940	2,456
Depreciation of premises and equipment	(167,440)	(304,150)
	3,540	(1,236,563)
Permanent Differences:		
Public relations	185,157	179,479
Representations and donations	126,886	100,538
Sports and religious activities	40,843	40,482
Income subjected to final tax	(12,003)	(3,190)
Income of Subsidiaries	(13,262)	(28,721)
Others	2,498,264	207,403
	2,825,885	495,991
Estimated taxable income	35,040,863	29,983,140

*) As restated (Note 49)

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37. TAXATION (continued)

b) Tax Expense (continued)

The computation of corporate income tax expense and income tax payable are as follows:

	Year Ended December 31,	
	2015	2014
Estimated taxable income	35,040,863	29,983,140
<u>Parent Entity</u>		
Corporate income tax expense - current	(7,008,173)	(5,996,628)
Income tax installment payments during the year	5,914,622	5,973,784
Corporate income tax payable - Article 29	(1,093,551)	(22,844)
Income tax installment payments - Article 25 of fiscal year 2014 for the month of January 2015 (Note 17)	-	360,000
<u>Subsidiary - BRIS</u>		
Corporate income tax expense - current	(66,739)	(2,896)
Income tax installment payments during the year	39,662	13,841
Corporate income tax (payable) refund - Article 29	(27,077)	10,945
<u>Subsidiary - BRI Agro</u>		
Corporate income tax expense - current	(28,041)	(21,800)
Income tax installment payments during the year	26,630	20,800
Corporate income tax payable - Article 29	(1,411)	(1,000)
<u>Subsidiary - BJS</u>		
Corporate income tax payable - Article 29	(36,310)	-

Based on the letters from Head of Tax Office (KPP) No. PBK-00044/I/WPJ.19/KP.0403/2015, No. PBK-00045/I/WPJ.19/KP.0403/2015, and No. PBK-00046/I/WPJ.19/KP.0403/2015, each dated January 12, 2015, based on request from BRI, the installment of income tax article 25 for the year 2014 amounting to Rp360,000 (Note 17) has been approved to be transferred for the period of January 2015.

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37. TAXATION (continued)

b) Tax Expense (continued)

The reconciliation of income tax expense by multiplying income before tax expense to the applicable tax rate is as follows:

	Year Ended December 31,	
	2015	2014 ^{*)}
Income before tax expense in accordance with the consolidated statement of profit or loss and other comprehensive income	32,494,018	30,804,112
Income of Subsidiaries	(282,580)	(80,400)
Income before tax expense - BRI (Parent Entity)	32,211,438	30,723,712
Tax expense with a tax rate of 20%	6,442,288	6,144,743
Tax effect on permanent differences	565,177	99,198
Effect of different rate used in deferred tax calculation	(177)	61,828
Correction of income tax assessment on previous year	-	241,585
Tax expense - Parent Entity	7,007,288	6,547,354
Tax expense - Subsidiaries	75,942	30,157
	7,083,230	6,577,511

Estimated taxable income in 2014 are consistent with Annual Tax Return (SPT) for corporate income tax reported by BRI to Tax Office (KPP). As of January 29, 2016, BRI has not yet reported the 2015 Annual Tax Return to the Tax Office. However, the reporting basis for its 2015 Annual Tax Return will be in accordance with the above estimated taxable income for 2015.

Assessment for fiscal year 2010

The General Directorate of Tax based on Tax Assessment Letter No. 00003/206/10/093/12 dated November 28, 2012, affirmed the under payment of Income Tax amounting to Rp1,484,041 which was already approved by BRI amounting to Rp34,529. Management believes that the treatment of the tax under payment not approved by BRI is already in accordance with the existing tax regulations.

On February 27, 2013, BRI has contested the Under Payment of Tax Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012. To qualify for the requirement of objection, BRI has paid deposit amounting to Rp1,449,512 to the State Treasury on February 28, 2013. According to a decree of the General Directorate of Tax No. KEP-229/WPJ.19/2014 dated February 18, 2014, the request was rejected, then on May 12, 2014, BRI filed an appeal to the Tax Court and currently is still in the process on the tax court.

*) As restated (Note 49)

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37. TAXATION (continued)

b) Tax Expense (continued)

Assessment for fiscal year 2010 (continued)

Based on the trial fact that has taken place on November 17, 2014 and December 8, 2014, where BRI has a better chance to resolve the tax dispute at the appeals level, BRI 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 amounting to Rp483,171 and in 2014 amounting to Rp241,585, the remaining provision amounting to Rp724,756 was still recorded in the other asset account - prepaid tax (Note 17).

Based on Tax Court Decision No. PUT-63381/PP/M.XVA/15/2015 pronounced by the judges in the open session for public dated August 24, 2015, the Tax Court has granted the BRI's appeal for the decision of the Director General of Tax No. KEP - 229/WPJ.19/2014 dated February 18, 2014 on an objection to the Under Payment of Tax Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012.

Tax for revaluation of fixed assets

BRI through the letter No. 830-DIR/AMK/11/2015 on November 30, 2015 has submitted an application to the head of Regional Office of Directorate General of Taxes (DGT) Large Taxpayer Tax Office regarding "Application for Revaluation of fixed assets for tax purposes on 2015 by tax payer that have not revalued fixed assets".

Based on Ministry of Finance Decree No.191/PMK.010/2015 dated October 15, 2015 as amended by Ministry of Finance Decree No.233/PMK.03/2015 dated December 21, 2015, the application filed until December 31, 2015, will receive special treatment in the form of reduction in the income tax rates to 3% final tax. In conjunction with this, BRI has estimated the fixed assets fair value such as land and building, and for the increase in fixed assets fair value compared to the book value, BRI has made tax payment amounting to Rp245,357 on December 2, 2015, even though the revaluation is still not approved by the Directorate General of Taxes. The tax payment was recorded under other assets account - prepaid tax (Note 17).

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, affirmed the under payment of Income Tax for fiscal year 2014 amounting to Rp1,603,100 and administration sanction amounting to Rp256,496, in conjunction with the correction of Bank Indonesia minimum balance of allowance for impairment losses. Management believes that the Tax Collection Letter is not correct and BRI treatment is already in accordance with the applicable regulation.

On January 13, 2016, BRI has submitted a letter for the cancellation of the Tax Collection Letter. To meet the requirement for the Tax Collection Letter cancellation, on December 30, 2015 BRI has paid deposit amounting to Rp1,603,100 and recorded it under other assets - prepaid tax (Note 17). As of January 29, 2016, the application submission is still in process.

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37. TAXATION (continued)

c) Deferred Tax Assets

The computation of deferred tax benefit (expense) of BRI is as follows:

	Year Ended December 31,	
	2015	2014
<u>Parent Entity</u>		
Reversal for allowance for possible losses on earning assets	(102,989)	(314,262)
Reversal of provision for employee expense	143,499	80,545
Unrealized loss on FVTPL securities and Government Recapitalization Bonds	2,235	614
Depreciation of premises and equipment	(41,860)	(76,038)
	885	(309,141)
Subsidiaries	18,838	(5,461)
Total	19,723	(314,602)

The tax effects of significant temporary differences between commercial and tax reporting (recorded under "Deferred Tax Assets" account) are as follows:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014 ^{*)} / December 31, 2013
<u>Parent Entity</u>			
Allowance for possible losses on earning assets	828.189	931,178	1,245,440
Provision for employee expense	947.054	803,555	723,010
Depreciation on premises and equipment	(139.089)	(97,229)	(21,191)
Remeasurement on defined benefit program	(177.470)	(37,837)	(121,630)
Unrealized loss (gain) on FVTPL securities and Government Recapitalization Bonds	1.720	(515)	(1,129)
Unrealized loss on available for sale securities and Government Recapitalization Bonds	346.376	64,387	236,513
	1.806.780	1,663,539	2,061,013
Subsidiaries	176.994	25,333	45,199
Total	1.983.774	1,688,872	2,106,212

Under article 17 (2) of Law No. 7 year 1983 regarding "Income Tax" which was revised for the fourth time by Law No. 36 year 2008, the corporate tax rate is 25%.

*) As restated (Note 49)

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37. TAXATION (continued)

In addition, based on the above Law No. 36 year 2008 dated September 23, 2008, the Government Regulation No. 81 year 2007 dated December 28, 2007 on "Reduction of the Income Tax Rate on Resident Corporate Tax Payers in the Form of Public Companies" and the Ministry of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 on "The Guidelines on the Implementation and Supervision on the Rate Reduction for Domestic Corporate Tax Payers in the Form of Public Companies" stipulates that resident public companies in Indonesia can obtain the reduced income tax rate at 5% lower than the highest existing income tax rate, provided they meet the prescribed criteria, which is public companies whose shares are owned by the public at a minimum of 40% or more of the total paid-up shares are traded in the Indonesia Stock Exchange and such shares are owned by at least 300 (three hundred) parties and each party owning only less than 5% of the total paid-up shares. These requirements should be fulfilled by the public companies for a minimum period of 6 (six) months in 1 (one) tax year. Based on Letter No. DE/1/2016-0109 dated January 5, 2016 and the monthly report of shares ownerships (form No. X.H.I-2 dated January 5, 2016 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of BRI's shares during 2015), all of the above mentioned required criteria to obtain the tax rate reduction on BRI's consolidated financial statements for the year ended December 31, 2015 were fulfilled by BRI.

38. RISK MANAGEMENT

The key to success in BRI's accomplishment as a strong and healthy bank with sustainable growth is the business implementation accompanied by an integrated and systematic risk by manage the 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 are stated in several policies procedures, i.e., the Risk Management General Policy (KUMR), which represents the supreme rule in the risk management implementation in BRI's business activities. KUMR includes general policy, strategy, organization, risk management information system, process and implementation of risk management, up to internal control system. Implementation of risk management policies are set for derivative policies in accordance with the type of derivative risks.

Board of Commissioners (BOC) and Board of Director (BOD) is responsible for effective risk management at BRI and have an important role in supporting and overseeing the implementation of risk management across working units.

BOC evaluate the implementation of risk management policies that was led by BOD. Evaluation is done to ensure that BOD manage the activity and risks effectively. In conducting supervision of BRI's risk management, BOC were assisted by the Risk Management Oversight Committee (KPMR).

BOD determine the policy and risk management strategy comprehensively along with it's implementation. BOD also ensure that all material risks and the impact has been followed up, and remedial measure for problems or irregularities in business activity has been implemented. BOD appoint a Special Director, in this case Director of Compliance and Risk Management, to implement the process of monitoring and controlling bank-wide risk.

BRI's BOD were assisted by Risk Management Committee (RMC) as the highest committee in BRI's risk management structure. RMC is responsible to provide recommendations to the President Director in formulating policies, enhancing policy implementation, evaluating the progress and condition of risk profiles, and providing remedial measure.

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38. RISK MANAGEMENT (continued)

To address issues that were specific to certain types of risk and required immediate decisions, RMC conducted sub-RMC meetings. There were 3 (three) types of sub-RMC: CMRC (Credit Risk Management Committee), MRMC (Market Risk Management Committee), and ORMC (Operational Risk Management Committee), was form to discuss issues related to credit, market, operational and other risks.

Credit Risk Management

Credit risk is risk due to default of debtor and/or other party in meeting their obligation to BRI. BRI monitors the credit quality as part of early identification of credit impairment. Credit risk management is done by including limits management of acceptable risk exposure for individual third party, limits management on geographics boundaries, and limits management on each industry concentration. Limit determination is done through credit risk rating for each debtor. Credit risk rating is updated periodically to estimate potential loss as risk due to credit expansion and as a basis to determine the following improvement.

Implementation of Credit Risk Management is not solely intended to put BRI as a bank that is complied with the regulation, but also as a form of management's obligation in implementing credit risk management system at an optimum level of risk and return, and in accordance with best practice in the banking industry, which is expected to support BRI's business activities.

Loan distribution performed by business unit has already considered and notified the credit risk from granting until fully paid. Monitoring on credit risk are done on a regular basis to prevent Non Performing Loan (NPL).

Through the implementation of Early Warning System (EWS) in the development of the condition of the debtor's business, effective credit risk management could minimize risk of loss and optimize capital usage to obtain maximum income.

Credit risk management of BRI is intended to minimize possible losses due to unsettled loans and other financial contracts, both in the individual level and the overall loan portfolio. Credit risk management is also intended to meet the requirements of Bank Indonesia Regulation.

1. Analysis of maximum exposure to credit risk after considering the effect of collateral and other credit enhancements

The carrying value of BRI's financial assets other than loan and receivable and securities purchased under agreement to resell best represent the maximum exposure to credit risk.

The tables below show the net maximum exposure to credit risk of securities purchased under agreement to resell as of December 31, 2015 and 2014:

	December 31, 2015		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	845,125	889,580	-

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

1. Analysis of maximum exposure to credit risk after considering the effect of collateral and other credit enhancements (continued)

The tables below show the net maximum exposure to credit risk of securities purchased under agreement to resell as of December 31, 2015 and 2014 (continued):

	December 31, 2014		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	39,003,595	41,193,498	-

For the loans and receivables, BRI uses the collateral to minimize the credit risk. Loans and receivables are classified into two major category, which is:

1. Secured loans
2. Unsecured loans

For secured loans, BRI determined the type and value of collateral according to the loan scheme. Types of collateral are as follows:

- a. Physical collateral, such as lands and buildings, proof of vehicles ownership, and properties.
- b. Financial collateral, such as deposits (time deposit, savings, demand deposit), securities, and gold.
- c. Others, such as guarantees, government guarantees, and guarantee institution.

In times of default, BRI will use the collateral as the last resort in recovering it's investment the counterparty

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. In their payment obligations, partially secured loans are generally made through automatic payroll deduction.

Thus, although it is included in the unsecured loans category, the risk level of partially secured loans is lower than the carrying value. As for fully unsecured loan, the risk level is equal to the carrying value.

Credit risk mitigations for partially secured loans consist of employee recruitment decision letter and certificate of retirement.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis

a. Geographical sectors

The following tables provide details of consolidated BRI's financial assets with credit risk exposure at carrying value as categorized by geographical region as of December 31, 2015 and 2014. For these tables, BRI has allocated exposures to the regions based on the geographical area where activities are undertaken which also illustrates the region business potential:

	December 31, 2015							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	61,717,798	-	-	-	-	-	-	61,717,798
Current accounts with other banks	8,311,660	6,507	3,337	1,104	1,131	43,456	368,897	8,736,092
Placements with Bank Indonesia and other banks	48,764,753	-	-	-	-	-	1,069,911	49,834,664
Securities								
Fair value through profit or loss	638,328	-	-	-	-	-	291,006	929,334
Available for sale	58,764,603	-	-	-	-	-	1,937,447	60,702,050
Held to maturity	63,218,554	-	-	-	-	-	41,355	63,259,909
Export Bills	4,553,463	726,798	369,997	1,239,721	387,116	3,788	-	7,280,883
Government Recapitalization Bonds								
Available for sale	715,958	-	-	-	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	-	-	-	3,100,000
Securities purchased under agreement to resell	845,125	-	-	-	-	-	-	845,125
Loans								
Micro	14,834,329	18,461,601	29,988,844	24,647,834	41,276,863	59,218,708	-	188,428,179
Retail	52,987,418	16,249,131	24,722,002	27,774,033	40,507,100	57,545,227	861	219,785,772
Corporate	111,801,014	9,025,716	1,662,743	6,531,739	10,920,315	8,854,664	7,470,396	156,266,587
Sharia receivables and financing	3,558,411	4,590,896	1,801,029	1,702,237	2,435,850	2,525,583	-	16,614,006
Acceptances receivable	3,355,606	623,999	655,771	518,845	9,250	-	-	5,163,471
Investment in associated entities*)	6,239	-	-	-	-	-	-	6,239
Other assets**)	3,425,493	45,942	25,802	31,610	57,600	33,261	377,129	3,996,837
Total	440,598,752	49,730,590	59,229,525	62,447,123	95,595,225	128,224,687	11,557,002	847,382,904
Less: Allowance for impairment losses								(17,532,181)
Net								829,850,723
Administrative Accounts								
Irrevocable L/C	10,797,908	2,688,596	5,925	862,936	991,919	59,507	-	15,406,791
Guarantees issued	18,768,455	3,157,426	238,991	619,702	498,579	375,631	10,124	23,668,908
Total	29,566,363	5,846,022	244,916	1,482,638	1,490,498	435,138	10,124	39,075,699

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

	December 31, 2014							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	51,184,429	-	-	-	-	-	-	51,184,429
Current accounts with other banks	10,161,217	2,830	790	127	1,169	4,299	410,008	10,580,440
Placements with Bank Indonesia and other banks	62,035,442	-	-	-	-	-	-	62,035,442
Securities								
Fair value through profit or loss	128,342	-	-	-	-	-	-	128,342
Available for sale	37,953,729	-	-	-	-	-	2,048,595	40,002,324
Held to maturity	44,000,639	-	-	-	-	-	37,155	44,037,794
Export bills	8,177,659	970,849	228,781	812,112	328,525	10,059	-	10,527,985
Government Recapitalization Bonds								
Available for sale	703,596	-	-	-	-	-	-	703,596
Held to maturity	3,600,000	-	-	-	-	-	-	3,600,000
Securities purchased under agreement to resell	39,003,595	-	-	-	-	-	-	39,003,595
Derivatives receivable	536	-	-	-	-	-	-	536
Loans								
Micro	12,909,233	15,575,254	26,603,278	22,454,903	35,232,976	51,278,536	-	164,054,180
Retail	51,062,959	14,637,863	21,845,786	25,312,855	35,459,178	50,933,384	576,565	199,828,590
Corporate	93,735,802	9,342,523	1,715,969	6,689,969	10,404,027	4,572,732	4,753,496	131,214,518
Sharia receivables and financing	4,210,626	3,404,509	1,774,154	1,579,590	2,399,044	2,231,630	-	15,599,553
Acceptances receivable	4,813,939	165,616	145,899	1,399,776	-	458	-	6,525,688
Investment in associated entities*)	1,944	-	-	-	-	-	-	1,944
Other Assets**)	2,034,090	55,267	33,656	53,776	85,222	73,816	82,751	2,418,578
Total	425,717,777	44,154,711	52,348,313	58,303,108	83,910,141	109,104,914	7,908,570	781,447,534
Less: Allowance for impairment losses								(16,162,795)
Net								765,284,739
Administrative Accounts								
Irrevocable L/C	6,042,501	1,917,180	87,077	248,267	567,464	347,050	-	9,209,539
Guarantees issued	11,917,502	2,884,350	180,967	686,683	407,189	2,777,134	-	18,853,825
Total	17,960,003	4,801,530	268,044	934,950	974,653	3,124,184	-	28,063,364

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on Sharia principles.

b. Industrial sector

The following tables provide the details of credit exposure at carrying value, as categorized by the industrial sectors as of December 31, 2015 and 2014:

	December 31, 2015							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Services	Others	Total
Assets								
Current accounts with Bank Indonesia	61,717,798	-	-	-	-	-	-	61,717,798
Current accounts with other banks	-	8,736,092	-	-	-	-	-	8,736,092
Placements with Bank Indonesia and other banks	38,038,959	11,795,705	-	-	-	-	-	49,834,664
Securities								
Fair value through profit or loss	565,699	188,937	-	9,444	-	-	165,254	929,334
Available for sale	56,518,415	2,030,702	-	1,619,463	-	516,325	17,145	60,702,050
Held to maturity	57,886,878	3,988,423	10,000	997,558	-	377,050	-	63,259,909
Export bills	116,686	-	-	1,797,849	94,790	48,583	5,222,975	7,280,883

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sector (continued)

The following tables provide the details of credit exposure at carrying value, as categorized by the industrial sectors as of December 31, 2015 and 2014 (continued):

December 31, 2015								
	Government (Including BI)	Banks and others financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Services	Others	Total
Assets (continued)								
Government Recapitalization Bonds								
Available for sale	715,958	-	-	-	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	-	-	-	3,100,000
Securities purchased under agreement to resell	-	845,125	-	-	-	-	-	845,125
Derivatives receivable								
Loans								
Micro	-	-	27,236,588	5,066,709	82,528,608	9,127,647	64,468,627	188,428,179
Retail	223,847	7,528,847	6,348,634	13,092,616	84,235,167	7,475,127	100,881,534	219,785,772
Corporate	566,348	4,736,620	25,550,319	35,538,946	31,631,533	4,750,270	53,492,551	156,266,587
Sharia receivables and financing	-	1,514,472	406,476	2,215,274	3,851,048	776,526	7,850,210	16,614,006
Acceptances receivable	689,791	24,800	-	147,837	2,287	-	4,298,756	5,163,471
Investment in associated entities*)	-	1,034	-	-	-	4,775	430	6,239
Other Assets**)	1,498,276	539,016	-	-	-	825,084	1,134,461	3,996,837
Total	221,638,655	41,929,773	59,552,017	60,485,696	202,343,433	23,901,387	237,531,943	847,382,904
Less: Allowance for impairment losses								(17,532,181)
Net								829,850,723
Administrative Accounts								
Irrevocable L/C	8,821,206	-	5,896	320,474	4,984	-	6,254,231	15,406,791
Guarantees issued	13,007,541	6,985	496,504	1,787,858	237,736	113,515	8,018,769	23,668,908
Total	21,828,747	6,985	502,400	2,108,332	242,720	113,515	14,273,000	39,075,699

	December 31, 2014							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Services	Others	Total
Assets								
Current accounts with Bank Indonesia	51,184,429	-	-	-	-	-	-	51,184,429
Current accounts with other banks	-	10,580,440	-	-	-	-	-	10,580,440
Placements with Bank Indonesia and other banks	50,574,143	11,461,299	-	-	-	-	-	62,035,442
Securities								
Fair value through profit or loss	116,782	11,560	-	-	-	-	-	128,342
Available for sale	37,801,200	1,419,146	-	659,845	80,696	25,615	15,822	40,002,324
Held to maturity	40,592,955	2,882,651	65,000	448,083	-	49,105	-	44,037,794
Export bills	-	-	-	3,824,415	92,907	43,719	6,566,944	10,527,985
Government Recapitalization Bonds								
Available for sale	703,596	-	-	-	-	-	-	703,596
Held to maturity	3,600,000	-	-	-	-	-	-	3,600,000
Securities purchased under agreement to resell	38,021,042	982,553	-	-	-	-	-	39,003,595
Derivatives receivable	-	536	-	-	-	-	-	536

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sector (continued)

The following tables provide the details of credit exposure at carrying value, as categorized by the industrial sectors as of December 31, 2015 and 2014 (continued):

	December 31, 2014							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Services	Others	Total
<u>Assets (continued)</u>								
Loans								
Micro	-	-	22,998,975	3,545,121	69,567,265	8,342,804	59,600,015	164,054,180
Retail	302,361	6,855,543	5,922,165	13,692,485	73,087,652	7,270,520	92,697,864	199,828,590
Corporate	814,326	5,297,634	20,259,181	40,491,722	18,909,015	4,021,290	41,421,350	131,214,518
Sharia receivables and financing	-	-	211,166	1,061,768	2,266,517	1,954,226	10,105,876	15,599,553
Acceptances receivable	585,014	22,419	-	111,881	2,339	154,813	5,649,222	6,525,688
Investment in associated entities*)	-	834	-	-	-	900	210	1,944
Other Assets**)	768,901	83,533	-	-	50,392	321,110	1,194,642	2,418,578
Total	225,064,749	39,598,148	49,456,487	63,835,320	164,056,783	22,184,102	217,251,945	781,447,534
Less: Allowance for Impairment losses								(16,162,795)
								765,284,739
<u>Administrative Accounts</u>								
Irrevocable L/C	4,326,691	-	26,828	313,890	12,613	1,263	4,528,254	9,209,539
Guarantees issued	10,662,498	69	-	1,025,413	270,588	114,634	6,780,623	18,853,825
Total	14,989,189	69	26,828	1,339,303	283,201	115,897	11,308,877	28,063,364

*) 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, 2015 and 2014

a. Current accounts with other banks

As of December 31, 2015 and 2014, this financial asset is neither individually nor collectively impaired.

b. Placements with Bank Indonesia and other banks

As of December 31, 2015 and 2014, this financial asset is neither individually nor collectively impaired.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2015 and 2014 (continued)

c. Securities

As of December 31, 2015 and 2014, this financial assets are individually and collectively impaired, with the following details:

	2015	2014
<u>Rupiah</u>		
Government bonds	59,973,238	32,583,049
Deposits Certificates of Bank Indonesia	6,605,070	23,096,729
Certificate of Bank Indonesia	6,455,944	9,893,850
Bonds	6,450,504	2,574,105
Mutual funds	1,695,696	227,517
Bank Indonesia Sharia Certificates	1,350,000	1,605,645
Medium-Term Notes	670,606	164,202
Subordinated bonds	658,742	40,000
Negotiable Certificate of Deposits (NCD)	351,576	236,648
Others	313,668	-
	84,525,044	70,421,745
<u>Foreign Currencies</u>		
Government bonds	34,449,138	11,692,361
Bonds	3,129,516	1,320,878
Certificate of Bank Indonesia	2,053,706	-
Credit Linked Notes	704,370	646,480
Promissory Notes	27,570	49,540
Mutual funds	1,949	37,456
	40,366,249	13,746,715
Total	124,891,293	84,168,460
Less: Allowance for impairment loss	(17,746)	-
Net	124,873,547	84,168,460

d. Export bills

As of December 31, 2015 and 2014, this financial asset is neither individually nor collectively impaired.

e. Derivatives receivable

As of December 31, 2015 and 2014, this financial asset is neither individually nor collectively impaired.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2015 and 2014 (continued)

f. Loans, sharia receivables and financing

As of December 31, 2015 and 2014, these financial assets are individually and collectively impaired, with the following details:

	December 31, 2015				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	170,016,954	4,314,374	11,886,035	8,542,802	194,760,165
Agriculture	50,399,746	552,168	2,325,041	2,819,914	56,096,869
Manufacturing	23,364,714	315,780	934,009	3,354,577	27,969,080
Business services	23,171,307	2,168,438	1,568,890	1,175,284	28,083,919
Electricity, gas and water	17,146,799	4,807	23,946	43,016	17,218,568
Construction	13,307,573	91,289	412,523	1,660,517	15,471,902
Transportation, warehousing and communications	13,069,289	272,180	583,984	1,293,624	15,219,077
Social services	10,409,020	52,621	329,458	130,773	10,921,872
Mining	1,485,521	40,966	54,310	1,331,294	2,912,091
Others	146,759,624	257,856	5,358,181	1,753,233	154,128,894
	<u>469,130,547</u>	<u>8,070,479</u>	<u>23,476,377</u>	<u>22,105,034</u>	<u>522,782,437</u>
<u>Foreign Currencies</u>					
Manufacturing	27,506,318	475,141	57,448	475,441	28,514,348
Mining	3,839,173	-	3,064	512,456	4,354,693
Electricity, gas and water	3,535,243	-	-	733,429	4,268,672
Social services	4,117,541	-	-	-	4,117,541
Trading, hotels and restaurant	7,267,894	92,667	252	781,927	8,142,740
Agriculture	3,650,553	-	-	41,847	3,692,400
Transportation, warehousing and communications	1,068,175	-	1,415	421,640	1,491,230
Business services	1,015,047	1,378	486	548,135	1,565,046
Construction	580,488	-	-	1,378,473	1,958,961
Others	206,476	-	-	-	206,476
	<u>52,786,908</u>	<u>569,186</u>	<u>62,665</u>	<u>4,893,348</u>	<u>58,312,107</u>
Total	<u>521,917,455</u>	<u>8,639,665</u>	<u>23,539,042</u>	<u>26,998,382</u>	<u>581,094,544</u>
Less: Allowance for Impairment losses					(17,514,435)
Net					<u>563,580,109</u>

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2015 and 2014 (continued)

f. Loans, sharia receivables and financing (continued)

	December 31, 2014				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Rupiah					
Trading, hotels and restaurant	139,852,800	2,398,156	12,091,700	6,437,462	160,780,118
Agriculture	42,398,650	291,523	2,038,719	2,690,335	47,419,227
Business services	18,425,307	3,925,242	1,418,855	1,110,656	24,880,060
Manufacturing	19,643,136	1,044,229	1,663,945	2,034,095	24,385,405
Electricity, gas and water	12,682,456	4,030	46,160	43,236	12,775,882
Transportation, warehousing and communications	12,354,142	41,598	436,718	425,011	13,257,469
Construction	10,833,766	31,012	361,522	1,368,515	12,594,815
Social services	16,878,728	226,047	555,125	479,400	18,139,300
Mining	1,430,563	21,422	1,278,390	68,365	2,798,740
Others	131,701,650	57,286	5,651,918	1,256,551	138,667,405
	406,201,198	8,040,545	25,543,052	15,913,626	455,698,421
Foreign Currencies					
Manufacturing	34,102,883	4,629	84,593	749,683	34,941,788
Trading, hotels and restaurant	3,140,295	85,060	590	457,949	3,683,894
Social services	3,514,536	-	-	-	3,514,536
Mining	2,484,509	-	4,591	287,229	2,776,329
Agriculture	2,266,204	-	-	37,756	2,303,960
Construction	853,538	-	1,075	911,894	1,766,507
Electricity, gas and water	2,478,847	-	97,465	-	2,576,312
Business services	1,112,217	-	28,660	467,186	1,608,063
Transportation, warehousing and communications	756,201	3,475	-	967,805	1,727,481
Others	99,550	-	-	-	99,550
	50,808,780	93,164	216,974	3,879,502	54,998,420
Total	457,009,978	8,133,709	25,760,026	19,793,128	510,696,841
Less: Allowance for Impairment losses					(16,162,795)
Net					494,534,046

g. Acceptances receivable

As of December 31, 2015 and 2014, this financial asset is neither individually nor collectively impaired.

h. Other Assets

As of December 31, 2015 and 2014, this financial asset is neither individually nor collectively impaired.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2015 and 2014 (continued)

i. Administrative accounts

As of December 31, 2015 and 2014, the administrative accounts are impaired with the following details:

	December 31, 2015	December 31, 2014
<u>Rupiah</u>		
Guarantees issued	7,910,144	5,903,240
Irrevocable L/C	1,730,270	504,792
	9,640,414	6,408,032
<u>Foreign Currencies</u>		
Irrevocable L/C	13,676,521	8,704,747
Guarantees issued	15,758,764	12,950,585
	29,435,285	21,655,332
	39,075,699	28,063,364
Less: Allowance for Impairment losses	(1,242)	(398)
Net	39,074,457	28,062,966

4. Quality of financial assets

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross.

	December 31, 2015				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	61,717,798	-	-	-	61,717,798
Current accounts with other banks	8,736,092	-	-	-	8,736,092
Placements with Bank					
Indonesia and other banks	49,834,664	-	-	-	49,834,664
Securities					
Fair value through profit or loss	929,334	-	-	-	929,334
Available for sale	58,961,827	1,740,223	-	-	60,702,050
Held to maturity	62,488,275	771,634	-	-	63,259,909
Export bills	7,280,883	-	-	-	7,280,883
Government Recapitalization Bonds					
Available for sale	715,958	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	3,100,000
Securities purchased under agreement to resell	845,125	-	-	-	845,125

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross (continued).

December 31, 2015					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets (continued)					
Loans					
Micro	173,223,644	1,418,419	11,377,609	2,408,507	188,428,179
Retail	197,424,678	4,157,337	10,543,131	7,660,626	219,785,772
Corporate	137,410,864	2,672,989	56,903	16,125,831	156,266,587
Sharia receivables and financing	13,858,269	390,920	1,561,399	803,418	16,614,006
Acceptances receivable	5,163,471	-	-	-	5,163,471
Investment in associated entities*)	6,239	-	-	-	6,239
Other Assets**)	3,996,564	273	-	-	3,996,837
	785,693,685	11,151,795	23,539,042	26,998,382	847,382,904

December 31, 2014					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	51,184,429	-	-	-	51,184,429
Current accounts with other banks	10,580,440	-	-	-	10,580,440
Placements with Bank Indonesia and other banks	62,035,442	-	-	-	62,035,442
Securities					
Fair value through profit or loss	128,342	-	-	-	128,342
Available for sale	39,499,298	503,026	-	-	40,002,324
Held to maturity	43,793,575	244,219	-	-	44,037,794
Export bills	10,527,985	-	-	-	10,527,985
Government Recapitalization Bonds					
Available for sale	703,596	-	-	-	703,596
Held to maturity	3,600,000	-	-	-	3,600,000
Securities purchased under agreement to resell	39,003,595	-	-	-	39,003,595
Derivatives receivable	536	-	-	-	536
Loans					
Micro	149,193,726	802,636	11,862,505	2,195,313	164,054,180
Retail	180,065,494	2,334,720	10,888,840	6,539,536	199,828,590
Corporate	113,608,695	4,772,788	2,490,222	10,342,813	131,214,518
Sharia receivables and financing	14,142,063	223,565	518,459	715,466	15,599,553
Acceptances receivable	6,503,269	22,419	-	-	6,525,688
Investment in associated entities*)	1,944	-	-	-	1,944
Other Assets**)	2,416,531	2,047	-	-	2,418,578
	726,988,960	8,905,420	25,760,026	19,793,128	781,447,534

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on Sharia principles.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

Credit quality 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 with the sovereign and transacted with banks listed in the stock exchange.
- b) Loans and Sharia receivables/financing, are third party receivables that are neither past due nor impaired, and has never been restructured.
- c) Export bills and acceptances receivable, are third party receivables that are not past due, and have strong financial capacity to repay all of obligations in a timely manner.
- d) Securities and Government bonds are sovereign securities, investment grade securities and bonds with a rating of at least idA- (Pefindo), A- (Fitch), A- (Standard & Poor's), or A3 (Moody's).
- e) Investment in associated entities, are investment to entity listed in stock exchange and have an overall good performance level.

2. Standard Grade

- a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are currents accounts or placements with the banks not listed in the stock exchange.
- b) Loans and Sharia receivables/financing, are third party receivables that are neither past due nor impaired, but has been restructured.
- c) Export bills and acceptances receivable, are third party receivables that are not past due, and have adequate financial capacity to repay all of the obligation in timely manner.
- d) Securities and Government bonds are sovereign securities, investment grade securities and bonds with a rating between idBBB+ to idBBB- (Pefindo), BBB+ to BBB- (Fitch), BBB+ to BBB- (Standard & Poor's) or Baa1 to Baa3 (Moody's).
- e) Investment in associated entities, are investment to entity not listed in stock exchange and have an overall good performance level.

5. Financial asset that is past due is determined when the debtor fails to pay as scheduled. The following tables show the aging analysis of loans, sharia receivables and financing which are past due but not impaired.

	December 31, 2015			
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	Total
Loans				
Micro	329,997	67,979	10,979,633	11,377,609
Retail	785,809	224,322	9,533,000	10,543,131
Corporate	-	-	56,903	56,903
Sharia receivables and financing	1,265,187	194,117	102,095	1,561,399
Total	2,380,993	486,418	20,671,631	23,539,042

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

5. Financial asset that is past due is determined when the debtor fails to pay as scheduled. The following tables show the aging analysis of loans, sharia receivables and financing which are past due but not impaired (continued).

	December 31, 2014			Total
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	
Loans				
Micro	370,717	60,836	11,430,952	11,862,505
Retail	1,118,598	278,506	9,491,736	10,888,840
Corporate	929,233	-	1,560,989	2,490,222
Sharia receivables and financing	347,545	108,084	62,830	518,459
Total	2,766,093	447,426	22,546,507	25,760,026

Liquidity Risk Management

BRI manages liquidity risk as an effort to meet every financial liability that has been agreed upon in a timely manner and in order to maintain adequate and optimal liquidity level. In order to support liquidity management, BRI has determined liquidity risk management policy which covers liquidity management, liquidity allowance maintenance, funding strategy determination, early warning system, measurement and determination of liquidity risk limit including high quality liquid asset and emergency funding plan (contingency plan).

The purpose of this policy is to ensure daily fund adequacy in meeting its obligations during normal or crisis condition in a timely manner from various available source of fund, including ensuring the availability of high quality liquid asset.

Financial Asset and Liability Analysis According to Contractual Maturity.

Future potential liquidity risk encountered by BRI is measured through Liquidity Gap Analysis, which is the projection of the excess or shortage of liquidity based on the maturity of assets and liabilities, after taking into account the business expansion needs. This information is also used as a consideration in planning and managing liquidity, including business expansion need. With the implementation of effective liquidity risk management, it is expected that liquidity risk can be minimized as well as enhancing the overall banking system stability.

The tables below represent information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2015 and 2014:

Description	Total	December 31, 2015				
		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	28,771,635	-	-	-	-	28,771,635
Current Account with Bank Indonesia	61,717,798	61,717,798	-	-	-	-
Current accounts with other banks	8,736,092	8,736,092	-	-	-	-
Placements with Bank Indonesia and other banks	49,834,664	49,447,664	287,000	100,000	-	-
Securities	124,891,293	62,218,149	4,241,486	9,944,442	48,487,216	-
Allowance for Impairment losses	(17,746)	-	-	-	-	(17,746)

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38. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Financial Asset and Liability Analysis According to Contractual Maturity (continued).

The tables below represent information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2015 and 2014 (continued):

December 31, 2015						
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)						
Export bills	7,280,883	1,627,825	3,154,850	2,498,208	-	-
Government Recapitalization Bonds	3,815,958	715,958	-	500,000	2,600,000	-
Securities purchased under agreement to resell	845,125	845,125	-	-	-	-
Loans						
Micro	188,428,179	1,746,206	3,523,167	25,379,918	157,778,888	-
Retail	219,785,772	10,447,025	14,669,266	55,370,616	139,298,865	-
Corporate	156,266,587	8,309,400	9,098,154	42,117,537	96,741,496	-
Allowance for Impairment losses	(17,162,183)	-	-	-	-	(17,162,183)
Sharia receivables and financing	16,614,006	487,921	679,788	2,109,564	13,336,733	-
Allowance for Impairment losses	(352,252)	-	-	-	-	(352,252)
Acceptances receivable	5,163,471	658,068	2,045,804	2,459,599	-	-
Investment in associated entities*)	6,239	-	-	-	-	6,239
Other Assets**)	3,996,837	783,684	740,011	1,489,303	612,473	371,366
	858,622,358	207,740,915	38,439,526	141,969,187	458,855,671	11,617,059
Liabilities						
Liabilities due immediately	5,138,562	5,138,562	-	-	-	-
Deposits from customers						
Demand deposits	113,429,343	113,429,343	-	-	-	-
Wadiah demand deposits	937,745	937,745	-	-	-	-
Saving deposits	268,058,865	268,058,865	-	-	-	-
Mudharabah saving deposits	696,198	696,198	-	-	-	-
Wadiah saving deposits	3,715,929	3,715,929	-	-	-	-
Time deposits	267,884,404	216,166,772	20,129,028	27,615,154	3,973,450	-
Mudharabah time deposits	14,272,895	10,338,321	3,683,236	249,345	1,993	-
Deposits from other Banks and financial Institutions	11,165,073	11,083,873	68,200	13,000	-	-
Securities sold under agreement to repurchase	11,377,958	445,244	3,686,816	3,422,816	3,823,082	-
Derivatives payable	445,753	27	-	429,710	16,016	-
Acceptance payable	5,163,471	658,068	2,049,754	2,307,890	147,759	-
Marketable securities issued	10,521,103	253,824	-	714,218	9,553,061	-
Fund borrowings	35,480,358	3,629,831	6,896,369	5,996	24,948,162	-
Subordinated loans	56,468	-	-	-	56,468	-
Other liabilities ***)	1,441,604	1,001,798	56,774	144,865	-	238,167
	749,785,729	635,554,400	36,570,177	34,902,994	42,519,991	238,167
Maturity gap	108,836,629	(427,813,485)	1,869,349	107,066,193	416,335,680	11,378,892

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38. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Financial Asset and Liability Analysis According to Contractual Maturity (continued).

The tables below represent information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2015 and 2014 (continued):

December 31, 2014						
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	22,469,167	-	-	-	-	22,469,167
Current Account with Bank Indonesia	51,184,429	51,184,429	-	-	-	-
Current accounts with other banks	10,580,440	10,580,440	-	-	-	-
Placements with Bank Indonesia and other banks	62,035,442	61,955,442	80,000	-	-	-
Securities	84,168,460	43,765,800	7,126,292	10,402,083	22,874,285	-
Export bills	10,527,985	1,278,395	3,160,826	6,088,764	-	-
Government Recapitalization Bonds	4,303,596	703,596	-	500,000	3,100,000	-
Securities purchased under agreement to resell	39,003,595	35,831,370	3,172,225	-	-	-
Derivatives receivable	536	536	-	-	-	-
Loans						
Micro	164,054,180	1,865,666	3,089,568	21,906,487	137,192,459	-
Retail	199,828,590	11,954,698	11,291,775	51,660,591	124,921,526	-
Corporate	131,214,518	22,915,199	18,092,524	13,675,145	76,531,650	-
Allowance for Impairment losses	(15,886,145)	-	-	-	-	(15,886,145)
Sharia receivables and financing	15,599,553	564,756	619,456	2,182,672	12,232,669	-
Allowance for Impairment losses	(276,650)	-	-	-	-	(276,650)
Acceptances receivable	6,525,688	856,552	2,558,367	3,110,769	-	-
Investment in associated entities*)	1,944	-	-	-	-	1,944
Other Assets**)	2,418,578	538,224	1,363,411	516,943	-	-
	787,753,906	243,995,103	50,554,444	110,043,454	376,852,589	6,308,316
Liabilities due						
immediately	7,043,772	7,043,772	-	-	-	-
Deposits from customers						
Demand deposits	89,430,267	89,430,267	-	-	-	-
Wadiah demand deposits	621,913	621,913	-	-	-	-
Saving deposits	232,722,519	232,722,519	-	-	-	-
Mudharabah saving deposits	373,816	373,816	-	-	-	-
Wadiah saving deposits	3,298,659	3,298,659	-	-	-	-
Time deposits	283,457,544	159,038,623	59,912,512	40,759,412	23,746,997	-
Mudharabah						
Time deposits	12,417,128	10,993,363	1,214,600	209,165	-	-
Deposits from other Banks and financial Institutions	8,655,392	8,578,878	53,940	22,574	-	-
Securities sold under agreement to repurchase	15,456,701	7,832,432	4,527,802	640,364	2,456,103	-
Derivatives payable	717,523	-	-	613,215	104,308	-
Acceptance payable	6,525,688	856,552	2,558,367	3,110,769	-	-
Marketable securities issued	8,257,990	-	162,897	1,062,493	7,032,600	-
Fund borrowings	24,986,862	6,799,539	8,321,588	5,208,380	4,657,355	-
Subordinated loans	77,582	-	-	-	77,582	-
Other liabilities ***)	1,187,672	1,004,774	99,066	83,832	-	-
	695,231,028	528,595,107	76,850,772	51,710,204	38,074,945	-
Maturity gap	92,522,878	(284,600,004)	(26,296,328)	58,333,250	338,777,644	6,308,316

*) 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.

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38. RISK MANAGEMENT (continued)

Market Risk Management

Market risk is loss risk which arises due to the movements of market factors which consist of interest rates and exchange rates that are against the position held by BRI, on the statements of financial position or administrative accounts. The positions are those in the 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 function. Through the application, it is possible to measure the market risk by using an internal model approach (Value-at-Risk) which is integrated with the daily process transaction. Besides monitoring instrument risk exposure, it also covers market risk monitoring limit and transaction limit such as dealer transaction nominal limit, cut loss limit, stop loss limit, and Value-at-Risk (VaR) limit. Monitoring is conducted daily to accelerate the availability of updated information to support timely decision, especially for instruments classified into trading.

1. Value-at-Risk (VaR): Purpose and Limitation of the Method

BRI uses internal model approach to measure VaR potential loss due to changes in the market price of trading portfolio based in historical data. VaR potential loss from market risk is measured by using assumption of changes in risk factor according to normal distribution pattern. BRI uses VaR to measure exchange rate risk for trading and banking book position as well as measuring interest rate risk for trading book position.

2. Value-at-Risk (VaR) Assumption

VaR potential loss is measured based on estimated value by using 99% confidence level and unchanged market risk position in 1 (one) day holding period, which means that the potential loss which might exceed VaR value in normal market condition, in average, may occur once every one hundred days. The method used in VaR is Delta Gamma.

The following tables present information on VaR value starting from January 1, 2015 until December 31, 2015 and January 1, 2014 until December 31, 2014.

	2015	
	Exchange Rate ^{*)}	Interest Rate
Daily Average	56,509.63	10,715.84
Highest	122,211.37	34,463.22
Lowest	15,379.05	92.01
	2014	
	Exchange Rate ^{*)}	Interest Rate
Daily Average	27,548.59	18,797.91
Highest	59,691.15	47,044.12
Lowest	11,534.34	1,331.56

*) Including trading and banking book.

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

3. Back Testing

The purpose of back testing is to ensure that the result of internal model measurement for interest risk and exchange rate risk is valid. When performing back testing, BRI compares between estimated result of daily VaR and rate changes realization.

Based on back testing procedures for exchange rate risk and interest risk, the actual loss for the whole year result is already consistent with VaR forecast model.

4. Market Risk Outside Trading Book

a. Interest Rate Risk

Financial instrument with interest rate basis possesses risk due to potential change in interest rate which affects future cash flow.

The management is responsible in determining, maintaining, and controlling interest rate by weighing bank's risk appetite and financial performance achievement target. Review of interest rate is performed at least once in a month during Asset and Liability Committee (ALCO) forum.

The following table presents information on the average annual interest rates for financial asset and liability position as of December 31, 2015 and 2014:

	2015		2014	
	Rupiah (%)	Foreign Currencies (%)	Rupiah (%)	Foreign Currencies (%)
Assets				
Placements with Bank Indonesia and other banks	6.28	0.08	6.48	0.13
Securities	8.51	3.49	8.27	4.29
Loans	12.47	4.37	12.09	4.35
Government Recapitalization Bonds	6.28	-	6.34	-
Liabilities				
Deposit from customers				
Demand deposits	1.64	0.29	2.43	0.34
Saving deposits	1.98	0.22	1.26	0.22
Time deposits	8.45	1.47	8.74	1.78
Deposits from other banks and financial institutions	4.35	0.36	4.88	0.80
Fund borrowings	4.64	3.13	4.64	1.12
Subordinated loans	4.33	-	4.37	-
Marketable securities issued	9.17	2.95	8.83	2.95

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38. RISK MANAGEMENT (continued)

4. Market Risk Outside Trading Book

a. Interest Rate Risk (continued)

The following table presents the sensitivity towards possible change in interest rate for banking book, with the remaining variable being constant, towards BRI's consolidated statement of profit or loss and other comprehensive income.

2015	
Changes in Percentage	Impact on Statement of Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- 1,949,700
2014	
Changes in Percentage	Impact on Statement of Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- 1,647,889

Sensitivity rate is used to analyze probable change of interest rate affecting the banking book portfolio gain and loss. In the above sensitivity analysis, interest rate change assumption basis is 1%.

The tables below summarize the financial assets and liabilities exposures to interest rate risk (gross) (unaudited):

December 31, 2015						
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			
Assets						
Cash	-	-	-	-	28,771,635	28,771,635
Current accounts with Bank Indonesia	61,717,798	-	-	-	-	61,717,798
Current accounts with other banks	8,736,092	-	-	-	-	8,736,092
Placements with Bank Indonesia and other banks	49,834,664	-	-	-	-	49,834,664
Securities						
Fair Value through profit or loss	-	-	-	929,334	-	929,334
Available for sale	-	-	-	60,702,050	-	60,702,050
Held to maturity	704,371	-	-	62,555,538	-	63,259,909
Export bills	7,280,883	-	-	-	-	7,280,883
Government						
Recapitalization Bonds						
Available for sale	715,958	-	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	-	3,100,000
Securities purchased under agreement to resell	-	-	-	845,125	-	845,125

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the financial assets and liabilities exposures to interest rate risk (gross) (unaudited) (continued):

December 31, 2015						
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			
Assets (continued)						
Loans						
Micro	75,714,404	32,775,604	-	79,938,171	-	188,428,179
Retail	25,116,290	106,292,565	19,723,571	68,653,346	-	219,785,772
Corporate	17,407,555	138,859,032	-	-	-	156,266,587
Sharia receivables and financing	-	-	-	-	16,614,006	16,614,006
Acceptances receivable	-	-	-	-	5,163,471	5,163,471
Investment in associated entities*)	-	-	-	-	6,239	6,239
Other Assets**)	-	-	-	-	3,996,837	3,996,837
	250,328,015	277,927,201	19,723,571	273,623,564	54,552,188	876,154,539
Liabilities						
Liabilities due						
Immediately	-	-	-	-	5,138,562	5,138,562
Deposits from customers						
Demand deposits	113,429,343	-	-	-	-	113,429,343
<i>Wadiah</i> demand deposits	-	-	-	-	937,745	937,745
Saving deposits	268,058,865	-	-	-	-	268,058,865
<i>Mudharabah</i> saving deposits	-	-	-	-	696,198	696,198
<i>Wadiah</i> saving deposits	-	-	-	-	3,715,929	3,715,929
Time deposits	194,756,932	47,222,823	25,904,649	-	-	267,884,404
<i>Mudharabah</i> time deposits	-	-	-	-	14,272,895	14,272,895
Deposits from other Banks and financial Institution	11,152,073	13,000	-	-	-	11,165,073
Securities sold under agreement to repurchase	-	3,422,816	1,378,500	6,576,642	-	11,377,958
Derivatives payable	-	-	-	-	445,753	445,753
Acceptances payable	-	-	-	-	5,163,471	5,163,471
Marketable securities issued	-	-	-	10,521,103	-	10,521,103
Fund borrowings	10,526,115	5,996	24,832,357	15,890	100,000	35,480,358
Subordinated loans	-	-	-	56,468	-	56,468
Other Liabilities****)	-	-	-	-	1,441,604	1,441,604
	597,923,328	50,664,635	52,115,506	17,170,103	31,912,157	749,785,729
Interest rate repricing Gap between financial assets and liabilities	(347,595,313)	227,262,566	(32,391,935)	256,453,461	22,640,031	126,368,810

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Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the financial assets and liabilities exposures to interest rate risk (gross) (unaudited) (continued):

December 31, 2014						
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			
Assets						
Cash	-	-	-	-	22,469,167	22,469,167
Current accounts with Bank Indonesia	51,184,429	-	-	-	-	51,184,429
Current accounts with Other banks	10,580,440	-	-	-	-	10,580,440
Placements with Bank Indonesia and other banks	62,035,442	-	-	-	-	62,035,442
Securities						
Fair value through profit or loss	-	-	-	128,342	-	128,342
Available for sale	-	-	-	40,002,324	-	40,002,324
Held to maturity	646,480	-	-	43,391,314	-	44,037,794
Export bills	10,527,985	-	-	-	-	10,527,985
Government						
Recapitalization Bonds						
Available for sale	703,596	-	-	-	-	703,596
Held to maturity	3,600,000	-	-	-	-	3,600,000
Securities purchased under agreement to resell	-	-	-	39,003,595	-	39,003,595
Derivatives receivable	-	-	-	-	536	536
Loans						
Micro	79,177,610	30,324,378	-	54,552,192	-	164,054,180
Retail	23,192,566	98,037,224	17,233,748	61,365,052	-	199,828,590
Corporate	41,007,722	90,206,796	-	-	-	131,214,518
Sharia receivables and financing	-	-	-	-	15,599,553	15,599,553
Acceptances receivable	-	-	-	-	6,525,688	6,525,688
Investment in associated entities*)	-	-	-	-	1,944	1,944
Other assets**)	-	-	-	-	2,418,578	2,418,578
	282,656,270	218,568,398	17,233,748	238,442,819	47,015,466	803,916,701
Liabilities						
Liabilities due immediately	-	-	-	-	7,043,772	7,043,772
Deposits from customers						
Demand deposits	89,430,267	-	-	-	-	89,430,267
Wadiah demand deposits	-	-	-	-	621,913	621,913
Saving deposits	232,722,519	-	-	-	-	232,722,519
Mudharabah saving deposits	-	-	-	-	373,816	373,816
Wadiah saving deposits	-	-	-	-	3,298,659	3,298,659
Time deposits	198,920,595	83,855,169	681,780	-	-	283,457,544
Mudharabah time deposits	-	-	-	-	12,417,128	12,417,128
Deposits from other Banks and financial institutions	8,632,818	22,574	-	-	-	8,655,392
Securities sold under agreement to repurchase	-	640,365	2,456,103	12,360,233	-	15,456,701
Derivatives payable	-	-	-	-	717,523	717,523

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the financial assets and liabilities exposures to interest rate risk (gross) (unaudited) (continued):

December 31, 2014						
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)						
Acceptances payable	-	-	-	-	6,525,688	6,525,688
Marketable securities issued	-	-	-	8,257,990	-	8,257,990
Fund borrowings	15,120,994	5,201,700	4,548,222	15,946	100,000	24,986,862
Subordinated loans	-	-	-	77,582	-	77,582
Other Liabilities (***)	-	-	-	-	1,187,672	1,187,672
	544,827,193	89,719,808	7,686,105	20,711,751	32,286,171	695,231,028
Interest rate repricing Gap between financial assets and liabilities	(262,170,923)	128,848,590	9,547,643	217,731,068	14,729,295	108,685,673

*) 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.

b. Exchange Rate Risk

Exchange rate risk is the risk due to fluctuation of Rupiah exchange rate against foreign exchange positions held by BRI. Included in the foreign exchange positions are the trading book positions conducted to generate profit from foreign exchange transactions in short term and banking book position in order to control the Net Open Position (NOP).

Based on Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated May 29, 2015, 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 with a net difference of receivables and commitments and contingent liabilities in the administrative accounts for each foreign currency, which are all stated in Rupiah.

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

b. Exchange Rate Risk (continued)

The tables below represent NOP (BRI only) as of December 31, 2015 and 2014 by currency, respectively, as follows:

Currencies	December 31, 2015		
	Assets	Liabilities	NOP
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	132,947,360	131,831,296	1,116,064
Renminbi	10,048,508	9,935,599	112,909
European Euro	1,254,775	1,286,949	32,174
Singapore Dollar	737,789	250,912	486,877
Australian Dollar	347,514	218,679	128,835
Great Britain Pound Sterling	172,165	111,997	60,168
Japanese Yen	159,437	15,961	143,476
Canadian Dollar	17,835	174	17,661
Others	495,976	22,009	473,967
			2,572,131
Capital (Note 47a)			110,580,617
NOP Ratio			2.33%

Currencies	December 31, 2014		
	Assets	Liabilities	NOP
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	126,375,495	124,754,759	1,620,736
Renminbi	6,864,981	7,179,129	314,148
European Euro	966,055	1,463,737	497,682
Singapore Dollar	427,239	138,629	288,610
Japanese Yen	192,783	71,828	120,955
Australian Dollar	505,761	489,364	16,397
Great Britain Pound Sterling	103,493	53,057	50,436
Canadian Dollar	12,794	4,686	8,108
Others	438,999	47,100	391,899
			3,308,971
Capital (Note 47a)			85,706,557
NOP Ratio			3.86%

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

5. BRI Agro Sensitivity Analysis

The following tables present sensitivity towards possible change in interest rate and exchange rate of BRI Agro towards statement of profit or loss and other comprehensive income with the remaining variables being constant.

	2015		2014	
	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%	+/-33,410	+/- 1%	+/- 23,715
Foreign exchange rate risk	+/- 1%	+/-23	+/- 1%	+/-702

Operational Risk Management

BRI Operational Risk Management is implemented according to Bank Indonesia Regulation No. 11/25/PBI/2009 on Risk Management Implementation of Commercial Bank, which requires risk management implementation to cover pillars on active supervision of the Board of Commissioners and Directors, policy adequacy, limit determination and procedure, identification process adequacy, measurement, monitoring and risk management as well as risk management information system and internal control system. The main objective of operational risk management implementation is managing operational risk exposure caused by internal and external factors that influences business and operational activities such as inadequate of human resources, internal processes, IT failures, natural disaster and external events that potentially causing financial and non financial losses. Operational risk exposure management includes mitigation of legal, reputational, compliance and strategic risk exposure in every business process and operational activities.

Each of BRI operational working unit is responsible for the implementation of risk management process through internal control system in business and operational activities in each business unit. It begins from the phase of identification, measurement, monitoring and risk mitigation. The Board of Directors determined Risk Management Function in every business unit starting from Head Office level (Desk/Division), Regional Office, Special Branch Office, Branch Office which covers operational, marketing and micro business, Sub Branch Office, BRI Priority Service Center and Overseas Working Unit (UKLN).

Operational Risk Management Unit in the Head Office and Regional Office is responsible in making the guidance of operational risk management implementation, developing and implementing policy or procedure and methodology, and also monitoring, reviewing, and controlling operational risk management process. On the other hand, Operational Risk Management Unit is involved in composing and monitoring BRI's operational risk profile, assessing the risk management adequacy of a new product and/or activity, and supporting the business unit or risk owner in order to develop risk awareness culture, anti fraud strategy implementation and compliance towards risk management principles. In order to discuss operational risk mitigation and risk control improvement, Operational Risk Management Committee (ORMC) is held quarterly and coordinated by Operational Risk Management Unit and related desk/division/business unit.

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38. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

Internal audit including the Head Office Audit Division and Inspectorate Office within Indonesia is responsible in monitoring and validating the internal control adequacy of business and operational activities in every business unit and also the consistency of operational risk management implementation in BRI as a bank wide.

BRI's operational risk management implementation is facilitated by operational risk management tools called Operational Risk Assessor (OPRA), consists of Risk and Control Self Assessment (RCSA) module, Key Risk Indicator (KRI), Incident Management (IM), Risk Management Forum and Maturity. In order to perceive risk management, it is focused on building risk awareness culture and risk management training continuously to all BRI employees and also improving internal control in every business and operational activities.

1. Risk Control and Self Assessment (RCSA)

RCSA is a risk management tool, qualitatively and predictively, which is used to identify and measure risks by using dimension of impact and likelihood. RCSA has already been implemented in Head Office (Desk/Division), Regional Office, Special Branch Office, Branch Office embedded BRI Unit, Sub Branch Office and Priority Service Centre. Policy on RCSA is stipulated through BRI Circular Letter No. S.25-DIR/DMR/12/2012.

RCSA is used to help the business unit to identify and measure operational risk in every business and operational activities independently, monitor and determine the action plans or towards improvements.

The main risk issue is updated by considering business development such as new product and or activity implementation, new market segment and competition condition, change in internal/external policy and other changes which affect BRI risk exposure. Working unit performs RCSA assessment by considering Incident Management (IM) data/Loss Event Database (LED), Key Risk Indicator (KRI) and Audit Result (LHA) of the working unit. RCSA evaluation is performed quarterly, however, the frequency will be increased in time of significant changes in risk exposure.

RCSA consolidation report stated above is reported regularly to the BOD in RMC that was held quarterly.

2. Incident Management (IM) and Loss Event Database (LED)

Incident Management (IM) is BRI's Loss Event Database (LED) which developed to document data of financial and non financial loss, covering actual loss, potential loss and near misses, as well as chronological recording of loss incident since occurrence up to declaration of settlement, including improvement measure and incident handling conducted. Policy on Incident Management is stipulated through BRI Circular Letter No. S.30-DIR/DMR/11/2013.

Based on loss event data in IM module, loss event analysis can be performed based on loss event data causes, functional activities, event types and business lines. LED information system can be used to determine the preventive actions in risk mitigation, based on the process of incident handling for the financial loss, non financial loss, financial recovery and also litigation process.

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38. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

2. Incident Management (IM) and Loss Event Database (LED) (continued)

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 based on the dimension of lost event severity/loss and likelihood/frequency.

In order to calculate operational capital charge and Risk Weighted Average, according to regulator policy, BRI used Basic Indicator Approach (BIA) method since it has been implemented in 2010. However, BRI has been prepared for The Standardised Approach (TSA) and Advanced Measurement Approach (AMA). BRI's LED also has been used to calculate operational risk capital charge by Advanced Measurement Approach (AMA) method, based on Extreme Value Theory (EVT) and Loss Distribution Approach (LDA).

3. Key Risk Indicator (KRI)

KRI is a tool to detect risks trend/risks increasing and or risks decreasing both leading or historical. Risks trend prediction is used to determine towards action plans in order to mitigate operational risk before it causes the financial or non financial loss. KRI policy is stipulated through BRI Circular Letter No. S.06-DIR/DMR/04/2014.

BRI has identified key risk indicators for all risks type and determined the threshold or risks limit which portrays the acceptable condition and risk appetite of the management. It is established by using the best judgement, considered BRI risk exposures and risk appetite, that involved internal auditor, risk owner and other 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 documents the result of meeting/forum among the head of BRI's business units with the lower level employees and staffs in order to discuss inherent risks in the daily business or operational activities that might be the constraint in achieving the business target or business performance. Risk management forum, which are held in each business unit, are expected to support the enlargement of BRI's risk awareness culture. Risk Management Forum is stipulated through BRI Circular Letter No. S.11-DIR/DMR/10/2014.

5. Maturity

Maturity is a self assessment process on the establishment level of risk management implementation in each of BRI working unit. Maturity assessment is performed at every year end by each of working unit head by using certain parameters. By performing maturity assessment, it is expected that each working unit will be able to evaluate the risk management implementation performed, in order to compose future improvement plan. Maturity policy is stipulated through BRI Circular Letter No. S.19-DIR/DMR/07/2015.

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38. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

6. Business Continuity Management (BCM)

The possibility of disaster caused by nature, human or technology might be threat for BRI business continuity, whereas the business units are spread over Indonesia. Therefore, the Board of Directors concern to develop and implement Business Continuity Management (BCM) in order to ensure the employees, customers and other third parties safety and security who were around BRI business unit environment (Emergency Response Plan) and maintain the continuity of critical businesses and operational activities, protect BRI's assets and provide sufficient respond while disruption or disaster condition are declared (Business Continuity Plan). BCM is stipulated through BRI Circular Letter No. S.02-DIR/DMR/01/2009.

BCM implementation covers all business units, among others 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 Risk and Threat Assessment to list and inventory required resources. BCM pilot project is prioritized to the business units in prone areas and its done annually, including BRI 1 Head Office, IT Building, Pusdiklat Building and Ragunan BRI Training Centre.

In order to ensure the execution of BCM procedures, the readiness of BRI organization has been tested well during disasters condition in several business units. Availability of E-Buzz car and Mobile Terrace Bank (Teras Keliling) which are located throughout all of BRI business unit are utilized as an alternate site and operated to service the customers sooner after the disasters condition. Therefore, the availability of these vehicles are very important to support the continuance of business and operational activities after the disasters condition.

7. New Product and/or Activity Launching

In order to launch every BRI's new product and or activity, it involves risk management process that covers risk and control assessment which is done by product owner in every launch of new product and or activity, including control determination to mitigate the risks that might appear. Risk Management Division are responsible to asses the risk mitigation adequacy and recommend the assessment result to the Risk Management Director. New Product and/or Activity Launching is stipulated through BRI Circular Letter No. 03-DIR/DMR/08/2013.

8. Anti-Fraud Strategy Policy

Anti-Fraud Strategy has been implemented in accordance with BRI internal policy and procedure which concern on fraud cases handling in order to show the management intolerance in 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 pillar, report and sanction and evaluation pillar, monitoring and follow-up/action plan. Statement of anti-fraud commitment are signed by Board of Commissioners and Directors, management and all BRI employees as a part of employee awareness and fraud prevention. Anti-Fraud Strategy Policy is stipulated through BRI Decision Letter No. S.17-DIR/DMR/07/2015.

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39. 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, 2015 and 2014 are not updated to reflect changes in market conditions which have occurred subsequently.

	December 31, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
ASSETS				
Cash	28,771,635	28,771,635	22,469,167	22,469,167
Current accounts with Bank Indonesia	61,717,798	61,717,798	51,184,429	51,184,429
Current accounts with other banks	8,736,092	8,736,092	10,580,440	10,580,440
Placements with Bank Indonesia and other banks	49,834,664	49,834,664	62,035,442	62,035,442
Securities				
Fair value through profit or loss	929,334	929,334	128,342	128,342
Available for sale	60,702,050	60,702,050	40,002,324	40,002,324
Held to maturity	63,242,163	59,898,853	44,037,794	44,304,122
Export bills	7,280,883	7,280,883	10,527,985	10,527,985
Government Recapitalization Bonds				
Available for sale	715,958	715,958	703,596	703,596
Held to maturity	3,100,000	3,083,712	3,600,000	3,540,075
Securities purchased under agreement to resell	845,125	845,125	39,003,595	39,003,595
Derivatives receivable	-	-	536	536
Loans, Sharia receivables and financing	563,580,109	525,895,593	494,534,046	485,068,444
Acceptances receivable	5,163,471	5,163,471	6,525,688	6,525,688
Investment in associated entities *)	6,239	6,239	1,944	1,944
Other assets **)	3,996,837	3,996,837	2,418,578	2,418,578
	858,622,358	817,578,244	787,753,906	778,494,707
LIABILITIES				
Liabilities due immediately	5,138,562	5,138,562	7,043,772	7,043,772
Deposits from customers ***)				
Demand deposits	114,367,088	114,367,088	90,052,180	90,052,180
Saving deposits	272,470,992	272,470,992	236,394,994	236,394,994
Time deposits	282,157,299	282,157,299	295,874,672	295,874,672
Deposits from other banks and financial institutions				
Demand deposits	164,048	164,048	111,872	111,872
Saving deposits	5,704	5,704	4,835	4,835
Time deposits and deposits on call	4,944,076	4,944,076	5,217,382	5,217,382
Inter-bank call money	6,051,245	6,051,245	3,321,303	3,321,303
Securities sold under agreement to repurchase	11,377,958	11,377,958	15,456,701	15,456,701
Derivatives payable	445,753	445,753	717,523	717,523
Acceptances payable	5,163,471	5,163,471	6,525,688	6,525,688
Marketable securities issued	10,521,103	10,805,020	8,257,990	8,260,646
Fund borrowings	35,480,358	35,480,358	24,986,862	24,986,862
Subordinated loans	56,468	56,468	77,582	77,582
Other liabilities ****)	1,441,604	1,441,604	1,187,672	1,187,672
Total	749,785,729	750,069,646	695,231,028	695,233,684

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables 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'* fund and temporary *syirkah* funds.

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39. 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, derivatives receivable and payable, fund borrowings, subordinated loans and marketable securities issued 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 instruments with similar credit risk and remaining maturities.

The estimated fair values of certain financial obligations which are not quoted in an active market are determined based on discounted cash flows using interest rates of instruments 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 price quotations of intermediary (broker) securities dealers. If the information is not available, fair values are estimated by using quoted market price of securities with similar credit characteristics, maturity and yield.

- c) Loans

BRI's loan portfolio generally consists of loans with floating rates and fixed rates. Loans are stated at carrying amount. The fair value of loans is derived based on discounted future cash flows expected to be received by BRI using current market rates.

- d) Derivatives receivable and payable

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts and interest rate curve.

- e) Fund borrowings, marketable securities issued and subordinated loans

Fair value is calculated based on discounted cash flow models by using market rates for the remaining maturity period.

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39. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

December 31, 2015				
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Government bonds	565,699	565,699	-	-
Mutual fund	124,092	124,092	-	-
Medium-Term Notes	56,198	56,198	-	-
Bonds	18,091	18,091	-	-
Others	165,254	165,254	-	-
	<u>929,334</u>	<u>929,334</u>	<u>-</u>	<u>-</u>
Available for sale				
Government bonds	40,133,946	40,133,946	-	-
Certificate of Bank Indonesia	7,823,499	7,823,499	-	-
Deposits Certificate of Bank Indonesia	5,516,495	5,516,495	-	-
Bonds	4,186,898	4,186,898	-	-
Mutual fund	1,573,553	1,573,553	-	-
Government Recapitalization Bonds	715,958	715,958	-	-
Subordinated bonds	513,836	513,836	-	-
Medium-Term Notes	324,965	324,965	-	-
U.S Treasury Bonds	259,577	259,577	-	-
Singapore Government Securities	220,867	220,867	-	-
Others	148,414	148,414	-	-
	<u>61,418,008</u>	<u>61,418,008</u>	<u>-</u>	<u>-</u>
Held to maturity				
Government bonds	49,918,638	49,918,638	-	-
Bonds	5,295,981	5,295,981	-	-
Government Recapitalization Bonds	3,083,712	3,083,712	-	-
Deposits Certificate of Bank Indonesia	1,089,410	1,089,410	-	-
Bank Indonesia Sharia Certificates (SBIS)	1,350,000	1,350,000	-	-
Credit Linked Notes	677,645	677,645	-	-
Certificate of Bank Indonesia	683,777	683,777	-	-
Negotiable Certificate of Deposits	350,190	350,190	-	-
Medium-Term Notes	360,508	360,508	-	-
Subordinated bonds	145,134	145,134	-	-
Promissory Notes	27,570	27,570	-	-
	<u>62,982,565</u>	<u>62,982,565</u>	<u>-</u>	<u>-</u>
Loans and receivables				
Loans, Sharia receivables and financing	525,895,593	-	509,728,033	16,167,560
Total	<u>651,225,500</u>	<u>125,329,907</u>	<u>509,728,033</u>	<u>16,167,560</u>

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39. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured 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, 2014				
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Government bonds	116,782	116,782	-	-
Mutual fund	11,560	11,560	-	-
	128,342	128,342	-	-
Available for sale				
Government bonds	20,220,609	20,220,609	-	-
Deposits Certificate of Bank Indonesia	13,244,399	13,244,399	-	-
Certificate of Bank Indonesia	4,336,192	4,336,192	-	-
Bonds	1,587,014	1,587,014	-	-
Government Recapitalization Bonds	703,596	703,596	-	-
U.S Treasury Bonds	360,697	360,697	-	-
Mutual fund	253,413	253,413	-	-
	40,705,920	40,705,920	-	-
Held to maturity				
Government bonds	23,860,099	23,860,099	-	-
Deposits Certificate of Bank Indonesia	9,850,689	9,850,689	-	-
Certificate of Bank Indonesia	5,552,978	5,552,978	-	-
Government Recapitalization Bonds	3,540,075	3,540,075	-	-
Bonds	2,276,621	2,276,621	-	-
Bank Indonesia Sharia				
Certificates (SBIS)	1,605,645	1,605,645	-	-
Credit Linked Notes	653,835	653,835	-	-
Negotiable Certificate of Deposits	250,000	250,000	-	-
Medium-Term Notes	164,267	164,267	-	-
Promissory Notes	49,540	49,540	-	-
Subordinated bonds	40,448	40,448	-	-
	47,844,197	47,844,197	-	-
Loans and receivables				
Loans, Sharia receivables and financing	485,068,444	-	473,936,754	11,131,690
Total	573,746,903	88,678,459	473,936,754	11,131,690

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40. SEGMENT INFORMATION

Information concerning the segments of BRI and Subsidiaries are as follows:

a. Corporate Name	Main Business
PT Bank Rakyat Indonesia (Persero) Tbk	Conventional Banking
PT Bank BRISyariah	Sharia Banking
PT Bank Rakyat Indonesia Agroniaga Tbk	Conventional Banking
BRI Remittance Co. Limited Hong Kong	Financial Service
PT Asuransi Jiwa Bringin Jiwa Sejahtera	Life Insurance

b. Operating Segment

For management purposes, BRI is organized into 5 (five) operating segment based on products are as follows:

- Micro Segment
- Retail Segment
- Corporate Segment
- Other Segments
- Subsidiaries

Information concerning the operating segments of BRI and Subsidiaries are as follows:

As of December 31, 2015 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest income - net	32,292,256	18,154,722	4,279,340	1,784,556	1,768,893	58,279,767
Other operating income	3,375,471	5,716,289	220,803	2,906,305	190,173	12,409,041
Total income	35,667,727	23,871,011	4,500,143	4,690,861	1,959,066	70,688,808
Other operating expenses	(13,312,228)	(12,660,454)	(2,974,116)	(942,021)	(1,386,877)	(31,275,696)
Provision for impairment losses	(5,226,934)	(1,951,509)	(1,402,633)	-	(319,129)	(8,900,205)
Total expenses	(18,539,162)	(14,611,963)	(4,376,749)	(942,021)	(1,706,006)	(40,175,901)
Other income - net	731,706	1,021,604	137,844	64,772	25,185	1,981,111
Income before income tax expense	17,860,271	10,280,652	261,238	3,813,612	278,245	32,494,018
Income tax expense	(3,885,330)	(2,236,457)	(56,830)	(828,671)	(75,942)	(7,083,230)
Income for the year	13,974,941	8,044,195	204,408	2,984,941	202,303	25,410,788
Segment Assets						
Loans	188,428,179	213,741,251	156,266,587	-	22,658,527	581,094,544
Allowance for impairment losses	(9,495,512)	(2,401,479)	(5,133,361)	-	(484,083)	(17,514,435)
Non Loans	-	-	-	297,561,751	15,300,678	312,862,429
	178,932,667	211,339,772	151,133,226	297,561,751	37,475,122	876,442,538
Segment Liabilities						
Funding	190,216,859	256,685,535	195,582,152	-	26,510,833	668,995,379
Non funding	-	-	-	90,210,173	6,093,581	96,303,754
	190,216,859	256,685,535	195,582,152	90,210,173	32,604,414	765,299,133

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40. SEGMENT INFORMATION (continued)

b. Operating Segment (continued)

Information concerning the operating segments of BRI and Subsidiaries are as follows (continued):

As of December 31, 2014 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest income - net	28,939,055	16,424,690	2,607,730	2,148,516	1,322,419	51,442,410
Other operating income	2,936,011	5,082,441	329,926	821,229	129,533	9,299,140
Total income	31,875,066	21,507,131	2,937,656	2,969,745	1,451,952	60,741,550
Other operating expenses	(11,028,692)	(10,798,676)	(2,309,209)	(1,321,730)	(1,256,968)	(26,715,275)
Provision for impairment losses	(3,820,668)	(1,654,482)	(137,809)	-	(106,400)	(5,719,359)
Total expenses	(14,849,360)	(12,453,158)	(2,447,018)	(1,321,730)	(1,363,368)	(32,434,634)
Other income - net	595,841	1,010,271	763,128	120,242	7,714	2,497,196
Income before income tax expense	17,621,547	10,064,244	1,253,766	1,768,257	96,298	30,804,112
Income tax expense	(3,755,227)	(2,144,733)	(267,183)	(380,211)	(30,157)	(6,577,511)
Income for the year	13,866,320	7,919,511	986,583	1,388,046	66,141	24,226,601
Segment Assets						
Loans	164,054,180	195,134,010	131,214,518	-	20,294,133	510,696,841
Allowance for impairment losses	(9,660,582)	(2,573,136)	(3,551,523)	-	(377,554)	(16,162,795)
Non Loans	-	-	-	298,960,492	6,800,780	305,761,272
	154,393,598	192,560,874	127,662,995	298,960,492	26,717,359	800,295,318
Segment Liabilities						
Funding	164,445,627	210,162,411	225,796,037	-	21,917,771	622,321,846
Non funding	-	-	-	79,748,853	2,207,657	81,956,510
	164,445,627	210,162,411	225,796,037	79,748,853	24,125,428	704,278,356

c. Geographical Segment

Description	Net interest, operating, and investment income	
	Year Ended December 31,	
	2015	2014
Indonesia	70,315,290	60,478,737
USA	354,868	258,844
Hong Kong	14,184	3,969
Singapore	4,466	-
Total	70,688,808	60,741,550
Description	Income before tax expense	
	Year Ended December 31,	
	2015	2014
Indonesia	32,229,090	30,557,318
USA	272,416	246,089
Hong Kong	462	705
Singapore	(7,950)	-
Total	32,494,018	30,804,112

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40. SEGMENT INFORMATION (continued)

c. Geographical Segment (continued)

Description	Total assets	
	December 31, 2015	December 31, 2014
Indonesia	860,784,169	782,147,202
USA	12,731,232	18,143,170
Hong Kong	5,832	4,946
Singapore	2,921,305	-
Total	876,442,538	800,295,318

Description	Total liabilities	
	December 31, 2015	December 31, 2014
Indonesia	749,907,147	686,390,061
USA	12,450,720	17,887,941
Hong Kong	255	354
Singapore	2,941,011	-
Total	765,299,133	704,278,356

41. EMPLOYEES PROGRAM

a. Defined Benefit Pension Plan

Effective January 1, 2007, all newly appointed permanent employees are not included in this program. Under this program, the right to pension benefits is given based on the established conditions which are stated in the regulations of BRI with consideration to the yearly 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 regulation in BRI Directors' Decision Letter, the employee's contribution for pension contribution amounted to 7% of the employee's pension-based salary and any remaining amount required to fund DPBRI represents the contribution by BRI, amounted to 25.38% (previously 24.96%) since January 1, 2015.

The actuarial calculation of BRI's pension costs as of December 31, 2015 and 2014, respectively, was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2016 and January 2, 2015, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013), by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2015	December 31, 2014
Annual discount rate	8.90%	8.08%
Annual pension-based salary growth rate	7.50	7.50
Annual pension benefit growth rate	4.00	4.00
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% from CSO 1958	10.0% from CSO 1958
Normal retirement age	56 years	56 years

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41. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

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 as of December 31, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014
Present value of defined benefit pension		
- beginning balance	12,845,427	11,022,194
Interest expense	1,015,124	958,931
Current service cost	274,022	282,777
Past service cost	322,182	-
Benefit paid	(838,047)	(720,144)
Unrecognized actuarial (gain) loss	(396,865)	1,301,669
Present Value of Defined Benefit Pension Liabilities - ending balance	13,221,843	12,845,427

Movements in the fair value of program assets as of December 31, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014
Fair value of program assets - beginning balance	12,571,805	11,254,714
The real development results	2,218,737	1,709,080
Contributions paid - Employer	262,881	256,259
Contributions paid - Participants	72,508	71,896
Benefit paid	(838,047)	(720,144)
Program assets - ending balance	14,287,884	12,571,805

Movements in the defined benefit pension liabilities as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
Beginning balance	273,622	-	392,869
Past service cost		-	162,026
Defined benefit pension expense			
- net (Note 34)	543,325	210,881	-
Contributions paid - current period	(262,881)	(256,259)	-
Remeasurement liabilities (assets)			
for defined benefit pension - net	(554,066)	319,000	(554,895)
Ending balance (Note 27)	-	273,622	-

^{*)} As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Remeasurement on assets for defined benefit pension as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
Beginning balance	(235,895)	(554,895)	-
(Gain) / Loss actuarial	(396,865)	1,301,669	(787,415)
Yields on assets program	(1,223,242)	(729,920)	-
Impact change of assets other than the net interest liabilities (assets)	1,066,041	(252,749)	232,520
Total Remeasurement on assets for defined benefit pension - net	(789,961)	(235,895)	(554,895)

Benefit pension expense for the year ended as of December 31, 2015 and 2014, based on the actuarial calculation is as follows:

	Year Ended December 31,	
	2015	2014^{*)}
Current service cost	274,022	282,777
Contributions paid - Participants	(72,508)	(71,896)
Interest Expense - net	19,629	-
Past service cost	322,182	-
Benefit pension expense (Note 34)	543,325	210,881

b. Old-Age Benefits Plan

BRI's employees are also given old-age benefits (THT) based on the regulation as stated in the Decision Letter of the Directors of BRI. BRI's old-age benefits plan is managed by Yayasan Kesejahteraan Pegawai BRI.

Old-age benefit contributions consist of payments from the employees and BRI's contributions in accordance with the requirements of the Decision Letter of Directors of BRI.

Based on the actuarial calculation of BRI's old-age benefits as of December 31, 2015 and December 31, 2014, which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2016 and January 2, 2015, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013), by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	9.09%	8.40%
Salary's growth rate	7.50	7.50
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% from CSO 1958	10.0% from CSO 1958

^{*)} As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

The status of the old-age benefits as of December 31, 2015 and 2014, respectively, based on the actuarial calculation is as follows:

	December 31, 2015	December 31, 2014
Assets at fair value	3,121,511	2,847,154
Present value of old-age benefits liability	(991,131)	(991,536)
Surplus	2,130,380	1,855,618

Movements of the old-age benefits liabilities as of December 31, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}
Old-age benefits expense	12,807	21,437
Remeasurement on liabilities (assets) for defined old-age benefits -net	71,650	55,905
Contributions paid - current period	(84,457)	(77,342)
Liabilities - Ending Balances	-	-

Remeasurement on liabilities for defined old-age benefits as of December 31, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}
Beginning balance	55,905	-
Gain actuarial	(45,173)	(32,445)
Yields on assets program	(2,068)	121,720
Impact change of assets outside the net interest liabilities (assets)	118,891	(33,370)
Total Remeasurement on liabilities for defined Old-age benefits - net	127,555	55,905

Old-age benefits expense for the year ended as of December 31, 2015 and 2014, based on the actuarial calculation is as follows:

	Year Ended December 31, 2015	2014 ^{*)}
Current service cost	55,978	58,322
Contributions paid - Participants	(40,283)	(36,885)
Interest Expense - Net	(2,888)	-
Old-age benefits expense	12,807	21,437

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41. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

As of December 31, 2015 and 2014, 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 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 Directors' decision which was effective since October 2000. BRI's contributions to the plan which are reported in the consolidated statement of profit or loss and other comprehensive income amounted to Rp198,322 and Rp146,527 for the year ended December 31, 2015 and 2014 (Note 34). This pension plan is managed by Dana Pensiun Lembaga Keuangan BRI.

(i) BRI Agro (Subsidiary)

BRI Agro organized defined contribution pension plans for all its permanent employees which is managed by Financial Institutions Pension Fund (Pension Fund) PT Bank Negara Indonesia (Persero) Tbk. BRI Agro amount of contribution to the pension fund amounted to 87.8% of the contributions that have been defined based on the level of each employee are reported in the income statement and the consolidated other comprehensive income, amounted to Rp653 and Rp637 each for the year ended December 31, 2015 and 2014 (Note 34).

d. Work Separation Scheme

(i) BRI (Parent Entity)

The calculation performed by the management of BRI of liabilities related to allowance for separation benefit which include severance, gratuity and compensation benefits were based on actuarial valuation assumption in compliance with Labor Law No. 13/2003 dated March 25, 2003, As of December 31, 2015 and 2014. The actuarial calculations were performed by PT Bestama Aktuarial, an independent actuary, in its reports dated January 5, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	9.00%	8.40%
Future salary's growth rate	7.50	7.50
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% from CSO 1958	10.0% from CSO 1958

*) As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(i) BRI (Parent Entity) (continued)

Movements in the work separation scheme liability as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
Beginning balance	936,602	831,234	762,857
Work separation scheme expense			
- net (Note 34)	196,040	185,182	-
Actual benefit payments by BRI	(58,860)	(40,076)	-
Remeasurement on liabilities (assets) for defined work separation scheme - net	(76,113)	(39,738)	68,377
Ending Balances (Note 27)	997,669	936,602	831,234

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
Beginning balance	28,639	68,377	-
(Gain)/loss actuarial	(76,113)	(39,738)	68,377
Total Remeasurement on liabilities (assets) for defined work separation scheme - net	(47,474)	28,639	68,377

The calculation of work separation scheme expense for the year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014 ^{*)}
Current service cost	115,007	110,371
Interest cost - net	81,033	74,811
Work separation scheme expense (Note 34)	196,040	185,182

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary)

The Subsidiary provides the work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2015 and 2014, respectively, as determined by PT Katsir Imam Sapto Sejahtera Aktuaria, an independent actuary, in its reports dated January 4, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Annual discount rate	9.20%	8.50%
Annual salary's growth rate	5.00	5.00
Mortality rate	TMI-III 2011	TMI-III 2011

Movements in the work separation scheme liability as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014^{*)}	January 1, 2014/ December 31, 2013^{*)}
Beginning balance	38,037	28,081	39,703
Work separation scheme expense			
- net (Note 34)	12,509	11,431	-
Actual benefit payments by BRIS	-	(1,048)	-
Remeasurement on liabilities			
(assets) for defined work separation scheme - net	(3,580)	(427)	(11,622)
Ending Balances (Note 27)	46,966	38,037	28,081

Remeasurement on assets for defined work separation scheme as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014^{*)}	January 1, 2014/ December 31, 2013^{*)}
Beginning balance	(12,049)	(11,622)	-
Gain actuarial	(3,580)	(427)	(11,622)
Total Remeasurement on assets for defined work separation scheme - net	(15,629)	(12,049)	(11,622)

^{*)} As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary) (continued)

The calculation of work separation scheme expense for the year ended December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014*)
Current service cost	9,276	8,904
Interest cost - net	3,233	2,527
Work separation scheme expense (Note 34)	12,509	11,431

(iii) BRI Agro (Subsidiary)

The Subsidiary provides the work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2015 and 2014, respectively, as determined by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	9.00%	8.30%
Annual salary increase rate	8.00	8.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	10% TMI 2011	10% TMI 2011

Movements in the work separation scheme liability as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014*)	January 1, 2014/ December 31, 2013*)
Beginning balance	25,644	19,431	13,321
Past service cost	-	-	5,499
Work separation scheme (Note 34)	4,815	9,499	-
Actual benefit payments	(2,283)	(4,479)	-
Remeasurement on liabilities (assets) for defined work separation scheme - net	(756)	1,193	611
Ending Balance (Note 27)	27,420	25,644	19,431

*) As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary) (continued)

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
Beginning balance	1,804	611	-
(Gain) / Loss actuarial	(756)	1,193	611
Total Remeasurement on liabilities for defined work separation scheme - net	1,048	1,804	611

The calculation of work separation scheme expense for the year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014 ^{*)}
Current service cost	2,671	2,564
Interest expense	2,144	1,710
Past service cost	-	5,225
Work separation scheme expense (Note 34)	4,815	9,499

(iv) PT Asuransi Jiwa Bringin Jiwa Sejahtera

The Subsidiary provides the work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2015, as determined by PT Quattro Asia Consulting, an independent actuary, in its reports dated January 7, 2016, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015
Discount rate	9.08%
Annual salary increase rate	7.00
Mortality rate	TMI 2011
Disability rate	10% TMI 2011

^{*)} As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iv) PT Asuransi Jiwa Bringin Jiwa Sejahtera (continued)

Movements in the work separation scheme liability as of December 31, 2015 is as follow:

	December 31, 2015
Beginning balance	34,629
Work separation scheme expense	6,086
Actual benefit payments	(1,361)
Remeasurement on liabilities (assets) for defined Work separation scheme - net	1,690
Ending Balance (Note 27)	41,044

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2015 is as follow:

	December 31, 2015
Beginning balance	1,211
Actuarial loss	1,690
Total remeasurement on liabilities for defined work separation scheme - net	2,901

e. Other Long-term Employee Benefits

BRI employees also have long-term employee benefits, such as gratuity for services, grand leaves and pension preparation period (MPP).

(i) Allowance for gratuity for services

I. BRI (Parent Entity)

The actuarial calculation on gratuity for services as of December 31, 2015 and 2014, respectively, which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	9.00%	8.40%
Future salary's growth rate	7.50	7.50
Gold price growth rate	10.00	10.00
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% from CSO 1958	10.0% from CSO 1958

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

i. BRI (Parent Entity) (continued)

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp833,576 and Rp817,046 as of December 31, 2015 and 2014, respectively.

Movements in liability for gratuity for services as of December 31, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014
Beginning balance of liability	817,046	752,338
Gratuity for service expense (Note 34)	76,718	137,568
Benefit payments by BRI	(60,188)	(72,860)
Gratuity for services liability (Note 27)	833,576	817,046

The gratuity for service expense for the year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31, 2015	2014
Current service cost	65,369	62,735
Interest expense	68,849	67,710
Recognized actuarial (gain) loss	(57,500)	7,123
Gratuity for services expense (Note 34)	76,718	137,568

ii. PT Asuransi Jiwa Bringin Jiwa Sejahtera (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation for gratuity for services 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, 2015 which was prepared by PT Quattro Asia Consulting, an independent actuary in its report dated January 7, 2016, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015
Discount rate	9.08%
Future salary's growth rate	7.00
Gold price growth rate	7.00
Mortality rate	TMI-III 2011
Disability rate	10% TMI 2011

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

ii. PT Asuransi Jiwa Bringin Jiwa Sejahtera (Subsidiary) (continued)

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp9,764 as of December 31, 2015.

Movements in liability for gratuity for services as of December 31, 2015 is as follows:

	December 31, 2015
Beginning balance of liability	8,724
Gratuity for service expense	2,330
Benefit payments by BRI	(1,290)
Gratuity for services liability (Note 27)	9,764

(ii) Grand leaves

I. BRI (Parent Entity)

The actuarial calculation for grand leaves as of December 31, 2015 and 2014, respectively, which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports January 5, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	9.00%	8.40%
Future salary's growth rate	7.50	7.50
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% from CSO 1958	10.0% from CSO 1958

The present value of liability of allowance for grand leaves based on actuarial calculations amounted to Rp1,119,535 and Rp979,693 as of December 31, 2015 and 2014, respectively.

Movements in liability for grand leaves as of December 31, 2015 and 2014, respectively, are as follows:

	December 31, 2015	December 31, 2014
Beginning balance of liability	979,693	821,951
Grand leaves expense (Note 34)	264,713	276,299
Actual benefit payments by BRI	(124,871)	(118,557)
Grand leaves liability (Note 27)	1,119,535	979,693

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41. 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 year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014
Current service cost	142,910	137,150
Interest expense	83,052	73,976
Recognized actuarial loss	38,751	65,173
Grand leaves expense (Note 34)	264,713	276,299

ii. BRISyariah (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for grand leaves was 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, 2015 and 2014 as determined by PT Katsir Imam Sapto Sejahtera Aktuaria, an independent actuary, in its reports dated January 4, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	9.20%	8.50%
Future salary's growth rate	5.00	5.00
Mortality rate	TMI-III 2011	TMI-III 2011
Disability rate	10% TMI 2011	10% TMI 2011

Movements in liability for grand leaves as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014^{*)}	January 1, 2014/ December 31, 2013^{*)}
Beginning balance of liability	31,112	17,827	19,650
Past service cost	-	-	(1,823)
Grand leaves expense			
- net (Note 34)	8,269	13,730	-
Actual benefit payments by BRIS	(6,553)	(445)	-
Grand leaves liability (Note 27)	32,828	31,112	17,827

*) As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

ii. BRISyariah (Subsidiary) (continued)

The subsidiary's grand leaves expense for the year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014*)
Current service cost	7,196	7,117
Interest expense	2,644	1,605
Recognized actuarial (gain) loss	(1,571)	5,008
Grand leaves expense (Note 34)	8,269	13,730

iii. BRI Agro (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for 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, 2015 and 2014 was prepared by PT Bestama Aktuaria, an independent actuary in its report dated January 5, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015	December 31, 2014
Discount rate	8.70%	8.00%
Future salary's growth rate	8.00	8.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	10% TMI 2011	10% TMI 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp1,957 and Rp1,849 on December 31, 2015 and 2014, respectively.

Movements in liability for grand leaves as of December 31, 2015 and 2014 are as follows:

	December 31, 2015	December 31, 2014
Beginning balance of liability	1,849	2,708
Expense (income) recognized in the current year	684	(4)
Actual benefit payments	(576)	(855)
Grand leaves liability (Note 27)	1,957	1,849

*) As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iii. BRI Agro (Subsidiary) (continued)

The subsidiary's grand leaves expense for the year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014
Current service cost	696	669
Interest expense	153	226
Recognized actuarial gains	(165)	(206)
Past service cost	-	(693)
Grand leaves expense (income) (Note 34)	684	(4)

Under Decree No. Kpts.B.06/Dir.01.02/MSDM/10/2014 dated October 13, 2014, The Board of Directors of BRI Agro decided a change in allowance of grand leaves from 2.75 times employees wages to 2 times employees wages.

iv. PT Asuransi Jiwa Bringin Jiwa Sejahtera (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for 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, 2015 was prepared by PT Quattro Asia Consulting, an independent actuary in its report dated January 7, 2016, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2015
Discount rate	9.08%
Future salary's growth rate	7.00
Mortality rate	TMI-III 2011
Disability rate	10% TMI 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp2,221 as of December 31, 2015.

Movements in liability for gratuity for services as of December 31, 2015 is as follows:

	December 31, 2015
Beginning balance of liability	1,572
Grand leaves expense	1,415
Actual benefit payments	(766)
Gratuity for services liability (Note 27)	2,221

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Pension preparation period

i. BRI Agro (Subsidiary)

BRI Agro provides pension preparation period to its employees as one of their benefits.

The actuarial calculation of pension preparation period as of December 31, 2015 and 2014 was prepared by PT Bestama Aktuaria, an independent actuary in its reports dated January 5, 2016 and January 2, 2015, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014
Discount rate	8.20%
Future salary's growth rate	8.00
Mortality rate	TMI 2011
Disability rate	10% TMI 2011

Movements in the liability for pension preparation period as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014^{*)}	January 1, 2014/ December 31, 2013^{*)}
Beginning balance	7,446	7,081	4,431
Past service cost	-	-	6,144
Pension preparation period expense (Note 34)	(11,877)	1,395	-
Actual benefit payment by BRI Agro	(19)	(74)	-
Remeasurement on liabilities (assets) for defined pension preparation period - net	4,450	(956)	(3,494)
Ending Balance (Note 27)	-	7,446	7,081

Remeasurement on liabilities (assets) for defined pension preparation period - net as of December 31, 2015, December 31, 2014 and January 1, 2014/December 31, 2013, respectively, are as follows:

	December 31, 2015	December 31, 2014^{*)}	January 1, 2014/ December 31, 2013^{*)}
Beginning balance	(4,450)	(3,494)	-
Actuarial loss/(gain)	4,450	(956)	(3,494)
Total remeasurement on liabilities (assets) for defined pension preparation period - net	-	(4,450)	(3,494)

^{*)} As restated (Note 49)

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Pension preparation period (continued)

i. BRI Agro (Subsidiary) (continued)

Pension preparation period expense for the year ended as of December 31, 2015 and 2014 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2015	2014*)
Current service cost	803	772
Interest expense	643	623
Recognized actuarial gain	(13,323)	-
Pension preparation period expense (Note 34)	(11,877)	1,395

Based on the Decree No. Kpts.B.15/Dir.02.04/MSDM/XII/2015 dated December 17, 2015, the Board of Directors of BRI Agro decided to revoke and terminate the pension preparation period which became effective on December 15, 2015. Specifically for employees who were undergoing a period of preparation for retirement, the employee would still be eligible for Pension Preparation Period in the "laid off" program during the 12 months period until retirement. Reversal of allowance for pension preparation period as a result of the decree was recorded under other operating income in the consolidated statement of profit or loss and other comprehensive income.

*) As restated (Note 49)

42. INFORMATION ON COMMITMENTS AND CONTINGENCIES

	December 31, 2015	December 31, 2014
<u>Commitments</u>		
Commitments receivables		
Purchase of spot and foreign currencies	6,343,775	836,582
Commitments liabilities		
Unused credit facilities granted to debtors	111,600,420	95,360,221
Irrevocable letters of credit (Note 26c)	15,406,791	9,209,539
Sale of spot and foreign currencies	2,198,086	735,099
Unused financing facilities granted to debtors	155,372	74,780
	129,360,669	105,379,639
Commitments - net	(123,016,894)	(104,543,057)

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42. INFORMATION ON COMMITMENTS AND CONTINGENCIES (continued)

	December 31, 2015	December 31, 2014
Contingencies		
Contingent receivables		
Interest receivables under settlement	47,497	35,817
Contingent liabilities		
Guarantees issued (Note 26c) in the form of:		
Standby letters of credit	4,225,864	7,311,903
Bank guarantees	19,443,044	11,541,922
	23,668,908	18,853,825
Contingencies - net	(23,621,411)	(18,818,008)

43. TRANSACTIONS WITH RELATED PARTIES

In the normal course of the business, 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.

Balances and transactions with related parties are as follows:

Related parties	Relationship	Element of transactions
Ministry of Finance of the Republic of Indonesia	Control through the Central Government of the Republic of Indonesia	Loans
Lembaga Pembiayaan Ekspor Indonesia	Control through the Central Government of the Republic of Indonesia	Placements in 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	Control through the Central Government of the Republic of Indonesia	Loans, Irrevocable L/C
Perum DAMRI	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
Perum Percetakan Uang Republik Indonesia (PERURI)	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
BDH Khusus Bialugri	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
Induk Koperasi TNI Angkatan Darat (INKOPAD)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Aneka Jasa Grhadika	Control through the Central Government of the Republic of Indonesia	Export bills
PT Aneka Tambang (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Asuransi Bringin Sejahtera Artamakmur	Ownership through Dana Pensiun BRI	Insurance of fixed assets
PT Bank BNI Syariah	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks
PT Bank Bukopin Tbk	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks
PT Bank Mandiri (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks, Reverse repo
PT Bank Negara Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks, Securities
PT Bank Syariah Mandiri	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks
PT Bank Tabungan Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks, Securities
PT Bringin Gigantara	Ownership through Dana Pensiun BRI	Sharia receivables and financing, Investment in associated entities
PT Bringin Karya Sejahtera	Ownership through Dana Pensiun BRI	Sharia receivables and financing
PT BTMU-BRI Finance	Ownership	Placements in Bank Indonesia and other Banks, Investment in associated entities
PT Cakra Mandiri Pratama Indonesia	Control through the Central Government of the Republic of Indonesia	Export bills
PT Dirgantara Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Guarantees issued, Irrevocable L/C
PT Garuda Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued, Irrevocable L/C

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
PT Indonesia Asahan Aluminium (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Indonesia Power	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Industri Kereta Api (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Inti (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Inti Konten Indonesia	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Jasa Marga (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Kereta Api Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Loans
PT Krakatau Steel (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Loans, Acceptances receivable, Acceptances payable
PT Mitra Bhakti Inti Perdana	Control through the Central Government of the Republic of Indonesia	Export bills
PT Pal Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Pegadaian (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans
PT Pembangunan Jawa Bali	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Perkebunan Nusantara VIII (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills
PT Pertamina (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans, Irrevocable L/C
PT Pertamina Lubricants	Control through the Central Government of the Republic of Indonesia	Export bills
PT Pertamina Patra Niaga	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
PT Perusahaan Gas Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Perusahaan Listrik Negara (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans, Guarantees issued, Irrevocable L/C
PT Petrokimia Gresik	Control through the Central Government of the Republic of Indonesia	Loans
PT Petrosida Gresik	Control through the Central Government of the Republic of Indonesia	Export bills
PT Pindad (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills, Acceptances receivable, Acceptances payable, Guarantees issued, Irrevocable L/C
PT Pupuk Kalimantan Timur	Control through the Central Government of the Republic of Indonesia	Loans
PT Pupuk Sriwidjaja Palembang	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Sarana Multigriya Finansial (Persero)	Control through the Central Government of the Republic of Indonesia	Securities
PT Taspen (Persero)	Control through the Central Government of the Republic of Indonesia	Loans
PT Telekomunikasi Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Telekomunikasi Selular Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Waskita Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Export bills, Acceptances receivable, Acceptances payable, Guarantees issued
PT Wijaya Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued,
PT Wijaya Karya Beton	Control through the Central Government of the Republic of Indonesia	Export bills
PT Wijaya Karya Industri dan Konstruksi	Control through the Central Government of the Republic of Indonesia	Export bills
Key employees	Control on company's Activities	Loans, Sharia receivables and financing

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2015	December 31, 2014
<u>Assets</u>		
Current accounts with other Banks (Note 5)		
PT Bank Negara Indonesia (Persero) Tbk	64,833	495
PT Bank Mandiri (Persero) Tbk	3,574	9,563
PT Bank BNI Syariah	45	-
	<u>68,452</u>	<u>10,058</u>
Placements with Bank Indonesia and other Banks (Note 6)		
PT Bank Mandiri (Persero) Tbk	400,000	-
Lembaga Pembiayaan Ekspor Indonesia	400,000	160,000
PT Bank Negara Indonesia (Persero) Tbk	100,000	-
PT Bank Tabungan Negara (Persero) Tbk	51,000	-
PT Bank Bukopin Tbk	50,000	100,000
PT BTMU-BRI Finance	46,000	30,000
PT Bank BNI Syariah	2,000	-
PT Bank Syariah Mandiri	1,500	-
	<u>1,050,500</u>	<u>290,000</u>
Securities (Note 7)		
Government of Republic of Indonesia	93,941,932	43,914,713
Lembaga Pembiayaan Ekspor Indonesia	916,861	367,221
PT Bank Negara Indonesia (Persero) Tbk	897,818	255,384
PT Pegadaian (Persero)	724,664	200,084
PT Bank Tabungan Negara (Persero) Tbk	550,807	292,865
PT Perusahaan Listrik Negara (Persero)	549,591	214,698
PT Jasa Marga (Persero) Tbk	510,173	125,870
PT Sarana Multigriya Finansial (Persero)	457,424	84,850
PT Pertamina (Persero)	313,835	59,526
PT Telekomunikasi Indonesia (Persero) Tbk	299,792	-
Others	2,385,875	482,236
	<u>101,548,772</u>	<u>45,997,447</u>
Export bills (Note 8)		
PT Waskita Karya (Persero) Tbk	102,064	-
PT Cakra Mandiri Pratama Indonesia	6,419	-
PT Wijaya Karya Industri dan Konstruksi	4,774	-
PT Mitra Bhakti Inti Perdana	4,254	-
PT Petrosida Gresik	3,949	-
PT Aneka Jasa Grhadika	1,152	-
PT Pertamina Lubricants	822	-
PT Perkebunan Nusantara VIII (Persero)	-	24,482
PT Wijaya Karya Beton	-	15,082
PT Pindad (Persero)	-	4,994
Others	-	2,255
	<u>123,434</u>	<u>46,813</u>
Government Recapitalization Bonds (Note 9)		
Government of Republic of Indonesia	3,815,958	4,303,596

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2015	December 31, 2014
<u>Assets (continued)</u>		
Reverse Repo (Note 10)		
PT Bank Mandiri (Persero) Tbk	466,992	-
Loans (Note 12)		
Perum BULOG	17,187,834	10,467,999
PT Perusahaan Listrik Negara (Persero)	16,479,829	12,507,583
PT Taspen (Persero)	5,600,000	5,200,000
PT Pertamina (Persero)	5,123,859	11,828,759
Ministry of Finance of the Republic of Indonesia	4,683,888	4,007,873
PT Pegadaian (Persero)	3,864,154	4,420,940
PT Kereta Api Indonesia (Persero)	3,678,155	3,513,187
PT Pupuk Kalimantan Timur	2,461,901	1,624,780
PT Petrokimia Gresik	2,346,442	1,604,986
PT Krakatau Steel (Persero) Tbk	2,123,803	1,494,735
Key employees	46,498	50,357
Others	29,533,796	24,345,949
	93,130,159	81,067,148
Sharia receivables and financing (Note 13)		
Perum DAMRI	40,403	23,235
PT Inti Konten Indonesia	5,704	-
PT Bringin Gigantara	-	1,135
PT Bringin Karya Sejahtera	-	172
Key employees	10,165	9,181
	56,272	33,723
Acceptances receivable (Note 14)		
PT Pindad (Persero)	335,586	100,011
PT Krakatau Steel (Persero) Tbk	187,599	-
PT Inti (Persero)	86,881	92,007
PT Wijaya Karya (Persero) Tbk	57,174	49,102
PT Aneka Tambang (Persero) Tbk	9,773	-
PT Indonesia Asahan Aluminium (Persero)	9,250	-
PT Pertamina Patra Niaga	9,019	304,718
PT Industri Kereta Api (Persero)	8,890	5,613
PT Waskita Karya (Persero) Tbk	2,810	-
Induk Koperasi TNI Angkatan Darat (INKOPAD)	2,765	-
Others	1,831	33,001
	711,578	584,452
Investment in associated entities (Note 15)		
PT BTMU-BRI Finance	262,891	249,629
PT Bringin Gigantara	1,240	-
	264,131	249,629
Total assets from related parties	201,236,248	132,582,866
Total consolidated assets	878,426,312	801,984,190
Percentage of total assets from related parties to total consolidated assets	22.91%	16.53%

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2015	December 31, 2014
<u>Liabilities</u>		
Demand Deposits (Note 19)		
Government Entities and Institutions	33,664,980	31,830,760
Key employees	676	930
Others	36,503	10,583
	<u>33,702,159</u>	<u>31,842,273</u>
Saving deposits (Note 20)		
Government Entities and Institutions	15,209	167,626
Key employees	132,564	142,916
Others	-	12,203
	<u>147,773</u>	<u>322,745</u>
Time deposits (Note 21)		
Government Entities and Institutions	61,367,059	57,707,685
Key employees	143,006	291,164
Others	179,001	550,676
	<u>61,689,066</u>	<u>58,549,525</u>
Deposits from other Banks and financial institutions (Note 22)		
Government Entities and Institutions	603,167	531,814
Securities sold under agreement to repurchase (Note 23)		
Government Entities and Institutions	1,444,821	4,209,872
Acceptances payable (Note 14)		
Government Entities and Institutions	711,578	584,452
Fund borrowings (Note 25)		
Government Entities and Institutions	100,000	200,000
Compensation to key employees management (Note 41)		
Present value of defined benefit pension liability	326,876	305,657
Present value of old-age benefits liability	51,314	47,783
Present value of work separation liability	71,914	52,839
Present value of gratuity for services liability	34,293	34,207
Present value of grand leaves liability	38,570	34,875
Present value of pension preparation period	-	1,226
	<u>522,967</u>	<u>476,587</u>
Total liabilities to related parties	98,921,531	96,717,268
Total consolidated liabilities	765,299,133	704,278,356
Percentage of liabilities to related parties to total consolidated liabilities	12.93%	13.73%

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2015	December 31, 2014
<u>Commitments and contingencies in administrative accounts</u>		
Guarantees issued (Note 26c)		
PT Perusahaan Gas Negara (Persero) Tbk	3,082,483	2,815,132
PT Dirgantara Indonesia (Persero)	2,001,619	1,964,095
PT Waskita Karya (Persero) Tbk	1,570,160	718,347
PT Wijaya Karya (Persero) Tbk	1,488,411	1,154,219
PT Perusahaan Listrik Negara (Persero)	605,519	406,029
PT Indonesia Power	582,063	310,764
PT Garuda Indonesia (Persero) Tbk	392,762	-
PT Pal Indonesia (Persero)	338,881	345,248
PT Telekomunikasi Selular Tbk	337,191	-
PT Pindad (Persero)	325,569	305,113
Others	2,455,869	2,673,781
	<u>13,180,527</u>	<u>10,692,728</u>
Irrevocable L/C (Note 26c)		
Perum BULOG	4,295,555	3,084
BDH Khusus Bialugri	2,791,051	1,360,963
PT Dirgantara Indonesia (Persero)	1,153,393	1,276,862
PT Garuda Indonesia (Persero) Tbk	907,227	214,217
PT Pembangunan Jawa Bali	630,154	88,287
PT Pertamina (Persero)	377,963	250,094
Perum Percetakan Uang Republik Indonesia (PERURI)	358,830	20,009
PT Pupuk Sriwidjaja Palembang	256,870	-
PT Perusahaan Listrik Negara (Persero)	238,934	231,245
PT Pindad (Persero)	191,598	195,728
Others	738,738	1,389,198
	<u>11,940,313</u>	<u>5,029,687</u>
	Year Ended December 31,	
	2015	2014
Salaries and allowances for the Boards of Directors and Commissioners (Note 34)		
Salaries and allowances for the Boards of Directors	42,300	48,268
Salaries and allowances for the Boards of Commissioners	20,920	17,565
Total	<u>63,220</u>	<u>65,833</u>
Tantiem, bonuses and incentives for the Boards of Commissioners, Directors and key employees (Note 34)		
Tantiem for the Boards of Directors	232,975	201,301
Tantiem for the Boards of Commissioners	75,898	76,731
Bonuses and Incentives for key employees	89,442	77,473
Total	<u>398,315</u>	<u>355,505</u>

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43. 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, 2015	December 31, 2014
<u>Assets</u>		
Current accounts with other Banks	0.008%	0.001%
Placements with Bank Indonesia and other Banks	0.120	0.036
Securities	11.560	5.735
Export bills	0.014	0.006
Government Recapitalization Bonds	0.434	0.537
Reverse repo	0.053	-
Loans	10.602	10.108
Sharia receivables and financing	0.006	0.004
Acceptances receivable	0.081	0.073
Investment in associated entities	0.030	0.031
Total	22.908%	16.531%
<u>Liabilities</u>		
Demand deposits	4.404%	4.521%
Saving deposits	0.019	0.046
Time deposits	8.061	8.313
Deposits from other Banks and financial institutions	0.079	0.076
Securities sold under agreement to repurchase	0.189	0.598
Acceptances payable	0.093	0.083
Fund borrowings	0.013	0.028
Compensation to key employees	0.068	0.068
Total	12.926%	13.733%

As of December 31, 2015 and 2014, BRI (Parent Entity) insured certain premises and equipment to PT Asuransi Bringin Sejahtera Artha Makmur (related party) (Note 16).

44. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Significant Agreements

On November 30, 2015, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 6,000 (six thousand) EDC Triple Connection units and 17,186 (seventeen thousand one hundred and eighty six) EDC Mobile units for 3 (three) years with the contract value of Rp60,143.

On October 27, 2015, BRI entered into an agreement with Koperasi Swakarya BRI in connection with the procurement of 14,000 (fourteen thousand) EDC Triple Connection units and 17,966 (seventeen thousand nine hundred and sixty six) EDC Mobile units for 3 (three) years with the contract value of Rp83,789.

On June 29, 2015, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 300 (three hundred) CDM units for 3 (three) years with the contract value of USD5,399,400.

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44. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Significant Agreements (continued)

On June 1, 2015, BRI entered into an agreement with Koperasi Swakarya BRI in connection with the procurement of 1,000 (one thousand) ATM units for 3 (three) years with the contract value of USD6,750,000.

On June 1, 2015, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 600 (six hundred) ATM units for 3 (three) years with the contract value of USD4,050,000.

On December 19, 2014, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement of communication services for 1,570 (one thousand five hundred seventy) ATM locations for 3 (three) years with the contract value of Rp66,946.

On May 14, 2014, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 900 (nine hundred) ATM units for 3 (three) years with the contract value of USD6,022,800.

On April 28, 2014, BRI entered into an agreement with Space System/Loral, Limited Liability Company (LLC) and Arianespace in connection with the procurement of communication satellite, ground system, training, internship and satellite launch with the contract value of USD217,270,000, with estimated period of satellite construction of 2 (two) years.

On April 11, 2014, BRI entered into an agreement with PT Multi Adiprakarsa Tunggal in connection with the procurement of 36,118 (thirty six thousand one hundred eighteen) units of EDC machine with devices and operational support services for 3 (three) years with the contract value of USD6,718,826.

On March 24, 2014, BRI entered into an agreement with PT Bismacindo Perkasa in connection with the procurement of 16,195 (sixteen thousand one hundred ninety five) notebook units in relation to the implementation of mobile LAN for micro units for 3 (three) years with the contract value of USD5,344,350.

b. Contingent Liabilities

In conducting its business, BRI is a defendant with various litigation proceedings and legal claims mainly with respect to matters of contractual compliance. Although there is no clear assurance yet, BRI believes that based on information currently available, the ultimate resolution of these legal proceedings and legal claims will not likely have a material effect on the operations, financial position or liquidity level of BRI.

As of December 31, 2015 and 2014, BRI has provided an allowance (included in "Other Liabilities") for several pending lawsuits filed against BRI amounting to Rp410,878 and Rp316,225 (Note 28), respectively. Management believes that the allowance is adequate to cover possible losses arising from pending litigations or legal claims that are currently in progress.

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45. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Presidential Decision No. 26 of 1998 as implemented by the Ministry of Finance Decision dated January 28, 1998 and the Joint Decrees No. 30/270/KEP/DIR and No. 1/BPPN/1998 dated March 6, 1998, of the Director of Bank Indonesia and Head of IBRA, the Government provided a guarantee on certain obligations of all locally incorporated commercial banks. Based on the latest amendment under the Decree of the Ministry of Finance Decision No. 179/KMK.017/2000 dated May 26, 2000, this guarantee is valid from January 26, 1998 up to January 31, 2001 and with automatic extension of the guarantee period continuously every 6 (six) months, unless within 6 (six) months before the maturity of the guarantee period or its extension period, the Ministry of Finance announces to the public the expiry and/or change in the guarantee program. For this guarantee, the Government charges premium which is computed based on a certain percentage in accordance with the prevailing regulations.

In accordance with Regulation No. 17/PMK.05/2005 dated March 3, 2005 of the Ministry of Finance, starting April 18, 2005, commercial bank obligations guaranteed by 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 based on Regulation No. 68/PMK.05/2005 dated August 10, 2005 of the Ministry of Finance regarding the "Calculation and Payment of Premium on Government Guarantee Program on the Payment of Obligations of Commercial Banks" for the period of July 1 up to September 21, 2005. The Government established the Indonesia Deposit Insurance Corporation (LPS), an independent agency, to replace UP3 based on Law No. 24 of 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, certificates of deposits, saving deposits and/or other similar forms.

Based on LPS regulation No. 1/PLPS/2006 dated March 9, 2006 regarding "Government Guarantee Program on Saving Account", the balance of saving accounts guaranteed for each customer has a maximum of Rp100 million.

In accordance with Government Regulation No. 66 of 2008, dated October 13, 2008 regarding "The Amount of Public Savings Guaranteed by the Indonesia Deposit Insurance Corporation", the total amount of customers' saving accounts in banks which is guaranteed by the Government has increased to Rp2 billion, from the previous Rp100 million, effective on the date stated above.

LPS interest rates guarantee as of December 31, 2015 and 2014 were 7.50% and 7.75%, respectively, for deposits in Rupiah, meanwhile for foreign currencies were 1.25% and 1.5%, respectively.

46. 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) are relevant to BRI and Subsidiaries, but not yet effective for consolidated financial statements as of December 31, 2015:

Effective on or after January 1, 2016:

- a. IFAS 30, "Fees", is an interpretation of SFAS 57 "Provisions, Contingent liabilities and Contingent Assets" that clarify accounting liability to pay fees, in addition to income tax that is covered in SFAS 46 "Income Tax" along with other fine for violating the regulation of the government.

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46. REVISED AND ISSUED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS) (continued)

Effective on or after January 1, 2016 (continued):

- b. Amendment SFAS 4, "Separate Financial Statements of Equity Method in Separate Financial Statements", allows the use of the equity method as a method of recording the investment in subsidiaries, joint ventures and associates in the separate financial statements of these entities.
- c. Amendment SFAS 15 "Investments in Associates and Joint Ventures on Investment Entities: Application Exception Consolidation", clarified in paragraph 36A of exceptions consolidation for investment entities when certain criteria are met.
- d. Amendment SFAS 16, "Acceptable amortization and depreciation method of fixed assets", added explanation for indication of technical or commercial obsolescence of an asset. Amendment SFAS 16 clarified that depreciation using income cash flow method is no longer viable.
- e. Amendment SFAS 19, "Intangible Assets on Clarification Method Received for Depreciation and Amortization", to provide clarification on the assumption that the basic income is not precisely measure the economic benefits of the use of intangible assets can be rebutted in certain limited circumstances.
- f. Amendment SFAS 24 "Employee Benefit: Defined Contribution Plans", simplify the accounting method for defined contribution plans for workers nor third parties that does not rely on the total number of dedication years, for instance contribution plans that is measured using percentage of salary.
- g. Amendment SFAS 65, "Consolidated Financial Statements of Investment Entities: Application Exception Consolidation", that clarify the exception of consolidation for investment entities when certain criteria are met.
- h. Amendment of SFAS 66, "Joint arrangements, Accounting for Acquisition of Interest in Joint Operations", requires that all of the principles of business combination under SFAS 22: Business Combinations and SFAS others along with the disclosure requirements applicable to the acquisition of the initial interest in joint operations and for the acquisition of an additional interest in the joint operation, provided they do not conflict with existing guidance in SFAS 66.
- i. Amendment of SFAS 67, "Disclosure of Interests in Other Entities of Investment Entities: Application Exception Consolidation", that clarify the exception of consolidation for investment entities when certain criteria are met.
- j. SFAS 5 (2015 Adaptation), "Operating Segments", added short disclosure on combined operating segment and economic indicators that have similar characteristics.
- k. SFAS 7 (2015 Adaptation), "Related Party Disclosure", added requirements and clarify disclosure for payables that are given by the management.
- l. SFAS 13 (2015 Adaptation), "Investment Property", clarified that SFAS 13 and SFAS 22 interplay. Entities can be referred to in SFAS 13 to differentiate between investment property and owner-occupied property. Entities may also be referred to in SFAS 22 as a guide whether the acquisition of an investment property is a business combination.

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46. REVISED AND ISSUED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS) (continued)

Effective on or after January 1, 2016 (continued):

- m. SFAS 16 (2015 Adaptation), "Property, Plant and Equipment", have clarified in paragraph 35 relating revaluation model, that when an entity uses revaluation model, carrying amount of assets are presented in the revaluated value.
- n. SFAS 19 (2015 Adaptation), "Intangible Assets", clarified in paragraph 80 related to the revaluation model, that when an entity uses the revaluation model, the carrying amount of the asset is back on the revaluation amount.
- o. SFAS 22 (2015 Adaptation), "Business Combinations", to clarify the scope and the obligation to pay contingent consideration that meet the definition of financial instruments are recognized as financial liabilities or equity. IAS also resulted in adjustments to the impact of SFAS 55 "Financial Instruments: Recognition and Measurement" and SFAS 57 "Provisions, Contingent Liabilities and Contingent Assets".
- p. SFAS 25 (Adaptation 2015), "Accounting Policies, Changes in Accounting Estimates and Errors", given editorial correction to SFAS 25 paragraph 27 about limitation in applying retrospective.
- q. SFAS 53 (2015 Adaptation), "Share-Based Payment", clarify definition of vesting conditions and separately define performance and service condition.
- r. SFAS 68 (2015 Adaptation), "Fair Value Measurement", clarified that portfolio exception, for companies that allow fair value measurement of asset group or liability group as net value, is to be applied for the whole contract (including non-financial contract) in the scope of SFAS 55.
- s. SFAS 110 (Revised 2015), "Sukuk Accounting", regulate recognition, measurement, presentation and disclosure or *sukuk ijarah* and *sukuk mudharabah* transaction, both as either buyer or seller.

Effective on or after January 1, 2017:

- a. Amendment SFAS 1, "Presentation of Financial Statements", have given clarification regarding materiality, hierarchy flexibility, systematic notes for financial statements and identification of significant accounting policy. Amendment SFAS 1 have impacted other SFAS (consequential amendment) such as: SFAS 3 "Interim Financial Reporting", SFAS 5 "Operating Segments", SFAS 60 "Financial Instruments: Disclosures", and SFAS 62 "Insurance Contract".
- b. IFAS 31, "Interpretation of SFAS 13 : Investment Property", an interpretation of the characteristics of the building that is used as part of the definition of investment property under SFAS No. 13 "Investment Property". The building referred to in the definition of investment property refers to structures that have physical characteristics that are generally diasosiasikan with a building which refers to the presence of walls, floors, and roofs are attached to the asset.

Currently BRI and Subsidiaries are presently evaluating and have not yet determined the impact of the revised SFAS on their consolidated financial statements.

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47. OTHER DISCLOSURES

a. Capital Adequacy Ratio (CAR)

BRI actively manages its capital in accordance with the regulatory requirements. The primary objective of which is to ensure that BRI, at all times, maintains adequate capital to cover inherent risks to its banking activities without prejudice to optimizing shareholder's value.

CAR as of December 31, 2015 was calculated based on Bank Indonesia Regulation (PBI) No. 15/12/PBI/2013 concerning the Minimum Capital Requirement for Commercial Banks where capital for credit risk consist of core capital (Common Equity Tier 1 and additional Tier I) and supplementary capital, while the CAR as of December 31, 2014 was calculated based on PBI No. 14/18/PBI/2012 where capital for credit risk consist of core capital and supplementary capital, except for Article 7 paragraph 1, which was revoked and declared to be no longer valid and superseded by Article 11 paragraph 2 of PBI No. 15/12/PBI/2013 related to minimum core capital provision requirement of 6% of the risk weighted assets (RWA), both individually and on consolidated basis.

Since August 24, 2015, BRI has implemented the Regulation of Financial Services Authority (POJK) No. 11/POJK.03/2015 on Prudential Principle Provisions to Stimulate the National Economy for Commercial Banks, which stipulates that the weight of risk for credit backed residences is on minimum of 35% for consumer credit in relation with the possession of house (KPR) or an apartment (KPA) or consumer loan with collateral such as house or apartment with certain conditions, or at least by 20% for a mortgage which is a program of the Government of Indonesia with certain conditions. In addition, the risk weight of credit to Small Medium Enterprise (SME) whose credit is guaranteed by Regional-Owned Enterprises (BUMD) guarantee institution or credit insurance is set at 50% as long as meeting the requirements set.

Based on the BRI's risk profile as of June 30, 2015 and 2014, which are both satisfactory, the minimum CAR as of December 31, 2015 and 2014 is set at 9% to less than 10%.

The determination of BRI's compliance with regulatory requirements and ratios is based on the regulatory accounting practices which differ from Indonesian Financial Accounting Standards in some respects. As of December 31, 2015 and 2014, BRI has complied with the BI required capital adequacy ratio.

CAR BRI (Parent Entity) as of December 31, 2015 and 2014, respectively, calculated as follows:

	December 31, 2015	December 31, 2014^{*)}
Core Capital (Tier 1)		
Common Equity (CET 1)	89,992,393	
Additional Tier (AT-1)	-	
Total Core Capital (Tier 1)	89,992,393	82,108,763
Supplementary Capital (Tier 2)	20,588,224	3,597,794
Total Capital	110,580,617	85,706,557

These consolidated financial statements are originally issued in the Indonesian language.

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47. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

CAR BRI (Parent Entity) as of December 31, 2015 and 2014, respectively, calculated as follows (continued):

	December 31, 2015	December 31, 2014
Risk Weighted Asset (RWA)		
RWA for Credit Risk after considering Specific Risk ^{*)}	438,295,934	381,065,044
RWA for Market Risk	2,572,131	3,326,447
RWA for Operational Risk ^{**)}	96,206,873	83,790,585
Total RWA	537,074,938	468,182,076
CAR Ratio		
CET 1 Ratio	16.76%	-
Tier 1 Ratio	16.76	17.54%
Tier 2 Ratio	3.83	0.77
Total Ratio	20.59	18.31
Tier 1 Minimum Ratio	6.00%	6.00%
CET 1 Minimum Ratio	4.50%	-
Minimum CAR Based on Risk Profile	9.00%	9.00%

^{*)} Credit risk is calculated according to Bank Indonesia Form Letter No. 13/6/DPNP dated February 18, 2011.

^{**)} Operational risk is calculated according to Bank Indonesia Form Letter No. 11/3/DPNP dated January 27, 2009.

b. Non-Performing Loans (NPL) Ratio

As of December 31, 2015 and 2014, BRI's NPL ratio are as follows :

(i) Consolidated (including Sharia receivables and financing)

	December 31, 2015	December 31, 2014
Gross NPL ratio	2.10%	1.78%
Net NPL ratio	0.54	0.39

(ii) BRI (Parent Entity)

	December 31, 2015	December 31, 2014
Gross NPL ratio	2.02%	1.69%
Net NPL ratio	0.52	0.36

Net NPL ratio is calculated based on NPL less the minimum allowance for impairment losses in accordance with Bank Indonesia regulations divided by the total loans.

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47. OTHER DISCLOSURES (continued)

c. Custodian Operations

BRI rendered custodian services since 1996 based on its operating license through Bapepam Chairman Decision Letter No. 91/PM/1996 dated April 11, 1996 and was also selected as the Sub-Registry in conducting of Government bonds transactions and administration of Scriptless Certificates of Bank Indonesia by Bank Indonesia.

The custodian services business is a part of the Investment Services Division, which provides services such as:

- Safekeeping, administration services and portfolio valuation;
- Transaction settlement handling services;
- Income collection services, including the related tax payments;
- Corporate actions and proxy services;
- Information and reporting services;
- Custody Unit Link services and DPLK;
- Online Brokerage services of BRI's shares;
- Custodian for asset securitization; and
- Global custodian for securities issued abroad,

BRI has 127 (one hundred twenty seven) and 95 (ninety five) customers (unaudited) as of December 31, 2015 and 2014, respectively, which mainly consist of pension funds, financial institutions, insurance companies, securities companies, mutual funds and other companies.

Customers' assets deposited at BRI Custodian (unaudited) amounted to Rp182,164,111 and Rp126,849,299 as of December 31, 2015 and 2014, respectively. While the number of custodian fees earned (unaudited) is amounted to Rp38,775 and Rp30,088 for the year ended December 31, 2015 and 2014, respectively.

d. Trustee Agent Operations

BRI rendered trustee agent operations since 1996. The operating license of BRI for trust services was granted by the Ministry of Finance based on its Decision Letter No. 1554/KMK.013/1990 dated December 6, 1990 and registered in OJK in conformity with its Operating License as Trustee Agent No. 08/STTD-WA/PM/1996 dated June 11, 1996.

The trust services business is a part of the Investment Services Division which provides services such as:

- Trustee agent
- Security agent
- Payment agent

BRI has 24 (twenty four) customers (unaudited) as of December 31, 2015 and 21 (twenty one) customers as of December 31, 2014. The total value of bonds issuance on behalf of bonds issuers managed by BRI as part of trustee agent amounted to Rp59,147,889 and Rp55,519,389 as of December 31, 2015 and 2014, respectively.

The fees and commissions on trustee agent and other related services (payment agent) earned (unaudited) amounted to Rp6,389 and Rp5,119 for the years ended December 31, 2015 and 2014, respectively.

To comply with Bapepam-LK Regulation No. Kep-11/BL/2006 dated August 30, 2006 on "Mutual Funds Selling Agent Behavior", the selling agent services function previously performed by the custodian has been transferred to the Trustee Agent.

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47. OTHER DISCLOSURES (continued)

e. Trust Service

BRI's Trust Service is the custodian services customers in the form of financial assets for and on behalf of customers. BRI is the first bank in Indonesia to obtain permission 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 services includes the BRI Trust Services :

- Paying agent services
- Lending agency services
- Investment agency services
- Other agency services, such as suspend and guarantees agent

BRI's Trust Services has been providing services for financial transactions involving oil and gas projects, both carried out by members of the Contractor Contract (K3S) under the auspices of SKK Migas and non K3S projects.

In addition to providing Trust Services for the oil and gas sector, BRI has been providing either trust or non-trust services for other sectors, such as infrastructure, energy, trading and chemical industries. Beside service to direct customers, the BRI's Trust Services also participate in supporting BRI's financing working unit in the infrastructure, energy and syndicated financing transactions activities.

BRI's Trust project value as of December 31, 2015 amounted to Rp5,385,870 (unaudited) derived from 8 (eight) corporate customers while non-trust project value as of December 31, 2015 amounted to Rp19,434,041 derived from 28 (twenty eight) corporate customers. For the year ended December 31, 2015, fee-based income that has recorded for trust services, paying agent and suspend agent services amounted to Rp1,745 (unaudited).

f. Syndication Agent

BRI is currently providing a syndicate agent service involving a syndicated loan for financing projects which initiated by state-owned company, such as PT Jasa Marga (Persero) Tbk, PT Kereta Api Indonesia (Persero), PT Perusahaan Listrik Negara (Persero), PT Pupuk Kujang, PT Pupuk Sriwijaya, PT Industri Gula Glenmore, PT Perkebunan Nusantara (Persero) and syndicated financing project for private sector such as PT Bosowa Energi, PT Rayon Utama Makmur and PT Sumber Segara Primadaya.

Syndication agent services is part of the activities of the Trust and Corporate Services, which include the following services:

- Facilities agent
- Guarantees agent
- Shelter agent

On December 31, 2015, BRI Syndication Agent has 32 (thirty two) corporate customers (unaudited), the total value under management was amounted to Rp95,083,566 and the syndication agent service fees for the year ended December 31, 2015 amounted to Rp14,110 (unaudited).

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48. EARNINGS PER SHARE

The following presents the computation of basic earnings per share (EPS):

	December 31, 2015		
	Income for the Year	Weighted average number of outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share	25,397,742	24,647,768,689	1,030.43

	December 31, 2014		
	Income for the Year	Weighted average number of outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share	24,214,911	24,669,162,000	981.59

49. RESTATEMENT OF FINANCIAL STATEMENTS FOR THE IMPLEMENTATION OF SFAS NO. 24 (REVISED 2013)

As of January 1, 2015, BRI applied SFAS No. 24 (Revised 2013), "Employee Benefits" which is effective for financial statements with periods beginning on or after January 1, 2015 and is applied retrospectively, as stated in Note 2ac.

BRI has identified the adjustments of SFAS No. 24 (Revised 2013) as follows:

	January 1, 2014/December 31, 2013		
	Before adjustment	Adjustment	After adjustment
Asset			
Deferred tax asset - net	2,188,505	(82,293)	2,106,212
Liabilities			
Liabilities for employee benefits	6,858,932	(329,177)	6,529,755
Equity			
Gain on remeasurement of defined benefit plans - after deferred tax	-	375,345	375,345
Retained earnings appropriated	59,862,555	(127,175)	59,735,380
Non-controlling interest	163,751	(1,286)	162,465

	December 31, 2014		
	Before adjustment	Adjustment	After adjustment
Asset			
Deferred tax asset - net	1,659,707	29,165	1,688,872
Liabilities			
Liabilities for employee benefits	6,626,772	60,760	6,687,532
Equity			
Gain on remeasurement of defined benefit plans - after deferred tax	-	124,147	124,147
Retained earnings appropriated	73,312,528	(153,914)	73,158,614
Non-controlling interest	177,012	(1,828)	175,184

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
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49. RESTATEMENT OF FINANCIAL STATEMENTS FOR THE IMPLEMENTATION OF SFAS NO. 24 (REVISED 2013) (continued)

BRI has identified the adjustments of SFAS No. 24 (Revised 2013) as follows (continued):

	Year ended December 31, 2014		
	Before adjustment	Adjustment	After adjustment
Statement of Profit or Loss and Other Comprehensive Income			
Salaries and employee benefits	(14,111,461)	(54,961)	(14,166,422)
Tax expense	(6,605,228)	27,717	(6,577,511)
Remeasurement on defined benefit plans after deferred tax	-	(251,235)	(251,235)

50. EVENTS AFTER THE REPORTING PERIOD

Issuance of Shelf Registration Bonds I BRI Phase II 2016

On January 18, 2016, BRI submitted registration letter to OJK for the issuance of Shelf Registration Bonds I BRI Phase II 2016, as continuance of Shelf Registration Bonds I BRI Phase I 2015 amounting to Rp3,000,000 of total Shelf Registration Public Offering totaling Rp12,000,000 which has been done on July 3, 2015. The issuance of Shelf Registration Bonds Phase II is planned to be done with a notional amount of Rp4,650,000 within 3 (three) series as follows:

- A Series: Principal value amounting to Rp808,000 with a fixed interest rate of 8.50% per annum, for 370 (three hundred and seventy) days period and planned to be matured on February 8, 2017.
- B Series: Principal value amounting to Rp1,018,500 with a fixed interest rate of 9.25% per annum, for 3 (three) years period and planned to be matured on February 4, 2019.
- C Series: Principal value amounting to Rp2,823,500 with a fixed interest rate of 9.60% per annum, for 5 (five) years period and planned to be matured on February 4, 2021.

Interest of Shelf Registration Bonds I BRI Phase II 2016 will be paid every 3 (three) months from the issuance date of these bonds. The Shelf Registration Bonds are rated by Pefindo with a rating of AAA(idn).

The net proceeds from the issuance of these Bonds will be used for lending purposes.

51. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of BRI is responsible for the preparation of these consolidated financial statements which were completed and authorized to be issued on January 29, 2016.

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
ASSETS			
Cash	28,470,316	22,188,566	18,911,107
Current Accounts With Bank Indonesia	60,128,814	49,931,583	39,752,354
Current Accounts With Other Banks	8,325,277	10,520,518	9,325,848
Placements With Bank Indonesia and Other Banks	47,424,568	61,061,721	35,581,730
Securities	116,770,755	81,299,374	40,830,385
Export Bills	7,280,883	10,527,985	8,926,072
Government Recapitalization Bonds	3,815,958	4,303,596	4,511,419
Securities Purchased Under Agreement to Resell	845,125	39,003,595	14,440,063
Derivatives Receivable	-	536	4,981
Loans	558,436,016	490,402,708	430,617,873
Allowance for impairment losses	(17,030,352)	(15,785,241)	(15,072,399)
	<u>541,405,664</u>	<u>474,617,467</u>	<u>415,545,474</u>
Acceptances Receivable	5,138,671	6,503,269	3,679,684
Investment in Associated Entities	4,949,988	2,407,977	2,379,256
Premises And Equipment			
Cost	13,982,469	11,085,865	8,385,591
Accumulated depreciation	(6,231,273)	(5,369,443)	(4,601,287)
Net book value	<u>7,751,196</u>	<u>5,716,422</u>	<u>3,784,304</u>
Deferred Tax Assets - net	1,806,780	1,663,539	2,061,013
Other Assets - net	11,884,384	8,299,937	6,555,428
TOTAL ASSETS	<u>845,998,379</u>	<u>778,046,085</u>	<u>606,289,118</u>

^{*)} As restated

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, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities Due Immediately	5,000,687	6,923,774	4,968,508
Deposits from Customers			
Demand Deposits	112,988,721	89,075,577	78,016,733
Saving Deposits	267,607,038	232,413,723	210,003,641
Time Deposits	262,178,245	278,915,070	198,345,998
Total Deposits from Customers	642,774,004	600,404,370	486,366,372
Deposits From Other Banks and Financial Institutions	10,365,232	7,948,129	2,767,724
Securities Sold Under Agreement to Repurchase	11,377,958	15,456,701	-
Derivatives Payable	445,753	717,523	1,565,102
Acceptances Payable	5,138,671	6,503,269	3,679,684
Taxes Payable	1,371,681	22,844	1,227,626
Marketable Securities Issued	10,532,381	8,307,503	6,023,133
Fund Borrowings	35,380,358	24,886,862	8,984,913
Liabilities for Employee Benefits	7,880,662	6,567,790	6,443,325
Other Liabilities	3,282,726	3,048,752	3,052,420
Subordinated Loans	56,468	77,582	2,097,024
TOTAL LIABILITIES	733,606,581	680,865,099	527,175,831

^{*)} As restated

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, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2015	December 31, 2014 ^{*)}	January 1, 2014/ December 31, 2013 ^{*)}
LIABILITIES AND EQUITY (continued)			
EQUITY			
Capital stock - par value Rp250 (full Rupiah) per share			
Authorized capital - 60,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 59,999,999,999 Series B shares)			
Issued and fully paid capital - 24,669,162,000 shares (consisting of 1 Series A Dwiwarna share and 24,669,161,999 Series B shares)	6,167,291	6,167,291	6,167,291
Additional paid-in capital	2,773,858	2,773,858	2,773,858
Differences arising from the translation of foreign currency financial statements	49,069	56,468	82,083
Unrealized loss on available for sale securities and Government Recapitalization Bonds - net of deferred tax	(1,039,128)	(193,158)	(709,538)
Gain on remeasurement defined benefit plans - net of deferred tax	532,410	113,511	364,889
Treasury Stock	(2,286,375)	-	-
Retained Earnings			
Appropriated	18,115,741	15,449,160	11,005,528
Unappropriated	88,078,932	72,813,856	59,429,176
Total Retained Earnings	106,194,673	88,263,016	70,434,704
TOTAL EQUITY	112,391,798	97,180,986	79,113,287
TOTAL LIABILITIES AND EQUITY	845,998,379	778,046,085	606,289,118

*) As restated

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - PARENT ENTITY
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2015	2014^{*)}
INCOME AND EXPENSES FROM OPERATIONS		
Interest and investment income	82,221,036	72,465,818
Interest and other financing expense	(25,710,162)	(22,345,827)
Interest Income - net	56,510,874	50,119,991
Other Operating Income		
Other fees and commissions	7,351,714	6,068,243
Recovery of assets written-off	2,333,966	2,087,416
Gain on foreign exchange - net	457,939	234,389
Gain on sale of securities and Government Recapitalization Bonds - net	63,257	112,499
Unrealized gain on changes in fair value of securities	-	2,059
Others	2,016,879	673,267
Total Other Operating Income	12,223,755	9,177,873
Provision for impairment losses on financial assets - net	(8,581,076)	(5,612,959)
Other Operating Expenses		
Salaries and employee benefits	(15,961,035)	(13,608,571)
General and administrative	(9,917,770)	(8,671,798)
Premium paid to Government Guarantee Program	(1,248,259)	(991,339)
Unrealized losses from changes the fair value of securities	(6,879)	-
Others	(2,754,876)	(2,186,599)
Total Other Operating Expenses	(29,888,819)	(25,458,307)
OPERATING INCOME	30,264,734	28,226,598
NON OPERATING INCOME - NET	1,946,704	2,497,114
INCOME BEFORE TAX EXPENSE	32,211,438	30,723,712
TAX EXPENSE	(7,007,288)	(6,547,354)
INCOME FOR THE YEAR	25,204,150	24,176,358

*) As restated

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - PARENT ENTITY (continued)
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2015	2014 ^{*)}
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement on defined benefit plans	558,530	(335,171)
Income tax related to item not to be reclassified to profit or loss	(139,633)	83,793
Items to be reclassified to profit or loss		
Exchange rate differences on translation of foreign currency financial statements	(7,399)	(25,615)
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds - net	(1,127,957)	688,506
Income tax related to items to be reclassified to profit or loss	281,989	(172,126)
Other Comprehensive Income For the Year - After Tax	(434,470)	239,387
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	24,769,680	24,415,745
BASIC EARNINGS PER SHARE (full Rupiah)	1,022.57	980.02

*) As restated

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, 2015
(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 Gain (Loss) on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Retained Earnings		Total Equity - Parent Entity
						Appropriated	Unappropriated	
Balance as of December 31, 2013	6,167,291	2,773,858	82,083	(709,538)	-	11,005,528	59,550,694	78,889,916
Impact of adjustment of the implementation of SFAS No. 24 (Revised 2013)	-	-	-	-	364,889	-	(121,518)	243,371
Balance as of January 1, 2014 after restatement	6,167,291	2,773,858	82,083	(709,538)	364,889	11,005,528	59,429,176	79,113,287
Income for the year 2014	-	-	-	-	-	-	24,176,358	24,176,358
Other comprehensive income	-	-	(25,615)	516,380	(251,378)	-	-	239,387
Total comprehensive income for the year	-	-	(25,615)	516,380	(251,378)	-	24,176,358	24,415,745
Distribution of income	-	-	-	-	-	-	(6,348,046)	(6,348,046)
Dividends	-	-	-	-	-	4,443,632	(4,443,632)	-
Addition to general and specific reserves	-	-	-	-	-	-	-	-
Balance as of December 31, 2014	6,167,291	2,773,858	56,468	(193,158)	113,511	15,449,160	72,813,856	97,180,986

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, 2015
(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 Gain (Loss) on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Treasury Stocks	Retained Earnings	Unappropriated	Total Equity - Parent Entity
							Appropriated		
Balance as of December 31, 2014 (after restatement)	6,167,291	2,773,856	56,468	(193,160)	113,513	-	15,449,160	72,813,856	97,180,986
Income for the year 2015	-	-	-	-	-	-	-	25,204,150	25,204,150
Other comprehensive income	-	-	(7,399)	(845,968)	418,897	-	-	-	(434,470)
Total comprehensive income for the year	-	-	(7,399)	(845,968)	418,897	-	-	25,204,150	24,769,680
Distribution of income	-	-	-	-	-	-	-	(7,272,493)	(7,272,493)
Dividends	-	-	-	-	-	-	-	(2,666,581)	-
Addition to general and specific reserves	-	-	-	-	-	(2,286,375)	-	-	(2,286,375)
Treasury stocks	-	-	-	-	-	(2,286,375)	-	-	(2,286,375)
Balance as of December 31, 2015	6,167,291	2,773,856	49,069	(1,039,128)	532,410	(2,286,375)	18,115,741	88,078,932	112,391,798

Appendix 3

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS - PARENT ENTITY
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2015	2014^{*)}
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	81,805,176	72,453,826
Interest paid	(25,681,650)	(21,855,845)
Recoveries of assets written-off	2,333,966	2,087,416
Other operating income	8,976,313	5,696,735
Other operating expenses	(25,234,624)	(22,606,715)
Non-operating income - net	1,925,319	2,948,907
Payment of income tax and tax bill	(6,902,436)	(7,561,409)
Cash flows before changes in operating assets and liabilities	37,222,064	31,162,915
Changes in operating assets and liabilities:		
(Increase) decrease in operating assets:		
Placements with Bank Indonesia and other banks	(100,000)	2,796
Securities and Government Recapitalization Bonds at fair value through profit or loss	(215,705)	885,163
Export bills	3,247,102	(1,601,913)
Securities purchased under agreement to resell	38,158,470	(24,563,532)
Loans	(75,774,315)	(65,363,923)
Other assets	(1,210,597)	(1,445,039)
Increase (decrease) in operating liabilities:		
Liabilities due immediately	(1,917,779)	1,905,428
Deposits:		
Demand deposits	23,913,144	11,058,844
Saving deposits	35,193,315	22,410,082
Time deposits	(16,736,825)	80,569,072
Deposits from other banks and financial institutions	2,417,103	5,180,405
Securities sold under agreement to repurchase	(4,434,003)	15,456,092
Other liabilities	386,657	(1,668,468)
Net Cash Provided by Operating Activities	40,148,631	73,987,922
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of premises and equipment	21,386	13,086
Receipt of dividends	5,281	8,287
Investments	(2,528,765)	-
Acquisition of premises and equipment	(3,201,506)	(2,804,192)
Increase in available for sale and held to maturity securities and Government Recapitalization Bonds	(47,687,638)	(20,556,074)
Net Cash Used in Investing Activities	(53,391,242)	(23,338,893)

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS - PARENT ENTITY (continued)
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2015	2014^{*)}
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from fund borrowings	9,930,290	15,767,824
Treasury Stock	(2,286,375)	-
Dividends	(7,272,493)	(6,348,046)
Payments of subordinated loans	(21,179)	(2,019,442)
Proceeds from marketable securities issued	1,416,969	2,156,043
Net Cash Provided by Financing Activities	1,767,212	9,556,379
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,475,399)	60,205,408
EFFECT OF CHANGES ON FOREIGN CURRENCIES RATE	12,827	2,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	170,140,115	109,932,096
CASH AND CASH EQUIVALENTS AT END OF YEAR	158,677,543	170,140,115
Cash and cash equivalents at end of year consist of:		
Cash	28,470,316	22,188,566
Current accounts with Bank Indonesia	60,128,814	49,931,583
Current accounts with other banks	8,325,277	10,520,518
Placements with other banks - maturing within three months or less since the acquisition date	47,324,568	61,061,721
Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia - maturing within three months or less since the acquisition date	14,428,568	26,437,727
Total Cash and Cash Equivalents	158,677,543	170,140,115

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS - PARENT ENTITY
For the Year Ended December 31, 2015
(Expressed in millions of Rupiah, unless otherwise stated)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting basis for separate financial statements parent entity

Separate Financial Statements for parent entity prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 4 (Revised 2013), "Separate Financial Statements".

SFAS No. 4 (Revised 2013) addresses entity which presents separate financial statements. The report can only be presented as additional information in the consolidated financial statements. Separate financial statements are the financial statements presented by the parent entity which records investments in subsidiaries, associated and joint controlled entities, based on direct ownership not based on reporting of the results and net assets of investee.

Accounting policies applied in the preparation of separate financial statements of 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, 2015 and 2014, parent entity has investment in subsidiaries as follows:

	December 31, 2015		December 31, 2014	
	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership
PT Bank BRISyariah	2,004,375	99.99%	1,504,375	99.99%
PT Bank Rakyat Indonesia Agroniaga Tbk	1,088,418	87.23	686,296	80.42
BRI Remittance	2,289	100.00	2,289	100.00
PT Asuransi Jiwa Bringin Jiwa Sejahtera	1,626,643	91.00	-	-

**Program Kemitraan dan Bina Lingkungan/
Partnership and Community Development Program
PT Bank Rakyat Indonesia (Persero) Tbk**

Laporan keuangan Tanggal 31 Desember 2015 dan
untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/

***Financial statements as of December 31, 2015 and
for the year then ended with independent auditors' report***

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
TANGGAL 31 DESEMBER 2015 DAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT**

**BOARD OF DIRECTORS' 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, 2015 AND
FOR THE YEAR THEN ENDED**

Nomor: B. 190-DIR/PRG/02/2016
Nomor: B. 190-DIR/SKP/02/2016

Kami yang bertanda tangan dibawah ini :

We, the undersigned :

Nama
Jabatan

Mohammad Irfan
Direktur / Director

Name
Title

Alamat Kantor

PT Bank Rakyat Indonesia (Persero) Tbk
Gedung BRI I Lantai 19
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210

Office Address

Nama
Jabatan

Hari Siaga Amijarso
Pj. Kepala Divisi Sekretariat Perusahaan/
Head of Corporate Secretary Division
PT Bank Rakyat Indonesia (Persero) Tbk

Name
Title

Alamat Kantor

Gedung BRI I Lantai 20
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210

Office Address

Nama
Jabatan

Supardi Santoso
Pgs. Kepala Divisi Bisnis Program Pangan dan Kemitraan/
Acting Head of Business Program Food and Partnership Division
PT Bank Rakyat Indonesia (Persero) Tbk

Name
Title

Alamat Kantor

Gedung BRI II Lantai 28
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210

Office Address

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk;
2. Laporan Keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik di Indonesia dan berdasarkan Surat Edaran Kementerian BUMN No. SE-02/MBU/WK/2012 tanggal 23 Februari 2012 perihal Penetapan Pedoman Akuntansi Program Kemitraan dan Bina Lingkungan;
3. 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;
4. Kami bertanggung jawab atas sistem pengendalian internal Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk.

Declare that:

1. 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;
2. 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/WK/2012 dated February 23, 2012 Concerning Guidance of Accounting Standards for Partnership and Community Development Program;
3. 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;
4. We are responsible for the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk's internal control system.

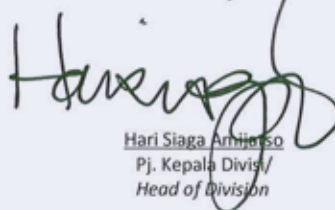
Demikian pernyataan ini dibuat dengan sebenarnya.

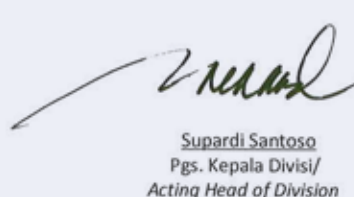
This statement has been made truthfully.

Jakarta, 23 Februari 2016 / February 23, 2016



Mohammad Irfan
Direktur/
Director


Hari Siaga Amijarso
Pj. Kepala Divisi/
Head of Division


Supardi Santoso
Pgs. Kepala Divisi/
Acting Head of Division

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2015 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, 2015 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

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Laporan Aktivitas	848	<i>Statement of Activities</i>
Laporan Arus Kas.....	849	<i>Statement of Cash Flows</i>
Catatan Atas Laporan Keuangan	850 - 874	<i>Notes to the Financial Statements</i>
Lampiran 1 - Laporan penyaluran dana program bina lingkungan.....	875 - 876	<i>Appendix 1 - Statement of community development program funds distribution</i>
Lampiran 2 - Laporan kualitas piutang pinjaman menurut wilayah dan sektor usaha program kemitraan	877 - 896	<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. RPC-119/PSS/2016/DAU

**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 dari laporan posisi keuangan pada tanggal 31 Desember 2015, 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. RPC-119/PSS/2016/DAU

**Management of Partnership and Community
Development Program
PT Bank Rakyat Indonesia (Persero) Tbk**

We have audited the financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk attached, which comprise the statement of financial position as of December 31, 2015, and the statement 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 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. RPC-119/PSS/2016/DAU (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 2015, 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. RPC-119/PSS/2016/DAU (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, 2015, and its activity and cash flows for the year then ended, in accordance with Financial Accounting Standards for Entities Without Public Accountability.

Purwantono, Sungkoro & Surja



Sinarta

Registrasi Akuntan Publik No. AP.0701/Public Accountant Registration No. AP.0701

23 Februari 2016/February 23, 2016

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2015
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION
As of December 31, 2015
(Expressed in Rupiah)**

	31 Desember/ December 31, 2015	Catatan/ Notes	31 Desember/ December 31, 2014	
ASET				ASSETS
Aset Lancar				Current Assets
Kas pada Bank	1.195.405.328.254	2b,4	1.310.107.782.689	Cash in Bank
Piutang kepada Badan Usaha Milik Negara ("BUMN") pembina lain/ lembaga penyalur (setelah dikurangi penyisihan kerugian penurunan nilai sebesar Rp6.562.744.862 dan Rp4.747.079.934 masing-masing pada tanggal 31 Desember 2015 dan 2014)	73.509.613.138	2c,2d,5	70.252.920.066	Receivables from other fostering State-Owned Enterprises ("SOE")/distributing partners (net of allowance for impairment losses amounting to Rp6,562,744,862 and Rp4,747,079,934 as of December 31, 2015 and 2014, respectively)
Piutang pinjaman mitra binaan (setelah dikurangi penyisihan kerugian penurunan nilai sebesar Rp33.090.458.534 dan Rp28.204.907.583 masing-masing pada tanggal 31 Desember 2015 dan 2014)	51.407.489.488	2c,2d,6	47.462.611.052	Loan receivables from foster partners (net of allowance for impairment losses amounting to Rp33,090,458,534 and Rp28,204,907,583 as of December 31, 2015 and 2014, respectively)
Pendapatan jasa administrasi pinjaman yang masih akan diterima	633.260.180	2j,7	785.417.608	Accrued loan administration services income
Piutang lain-lain	3.985.203.245	2c,8	1.007.943.999	Other receivables
Jumlah Aset Lancar	1.324.940.894.305		1.429.616.675.414	Total Current Assets
Aset Tidak Lancar				Non-Current Assets
Aset tetap (setelah dikurangi akumulasi penyusutan sebesar Rp67.754.105 dan Rp65.190.605 masing-masing pada tanggal 31 Desember 2015 dan 2014)	3.335.000	2e,9	5.898.500	Fixed assets (net of accumulated depreciation amounting to Rp67,754,105 and Rp65,190,605 as of December 31, 2015 and 2014, respectively)
Jumlah Aset Tidak Lancar	3.335.000		5.898.500	Total Non-Current Assets
JUMLAH ASET	1.324.944.229.305		1.429.622.573.914	TOTAL ASSETS
LIABILITAS DAN ASET NETO				LIABILITIES AND NET ASSETS
LIABILITAS				LIABILITIES
Beban yang masih harus dibayar	15.005.414.859	2f,10	19.343.935.899	Accrued expenses
ASET NETO				NET ASSETS
Aset neto tidak terikat	1.309.938.814.446	2g,11	1.410.278.638.015	Unrestricted net assets
JUMLAH LIABILITAS DAN ASET NETO	1.324.944.229.305		1.429.622.573.914	TOTAL LIABILITIES AND NET ASSETS

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN AKTIVITAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2015
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015
(Expressed in Rupiah)**

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2015	Catatan/ Notes	2014
PERUBAHAN ASET NETO TIDAK TERIKAT			
PENDAPATAN			
Pendapatan bunga	24.985.878.784	2i,13	25.907.066.819
Pendapatan jasa administrasi pinjaman	906.261.345	2j,14	950.701.439
Pendapatan lain-lain	12.399.740.974	2i,15	38.784.410.440
JUMLAH PENDAPATAN	38.291.881.103		65.642.178.698
BEBAN			
Dana pembinaan kemitraan	33.687.091	2m,16	172.350.000
Penyaluran dana program bina lingkungan	126.391.058.342	17	103.910.452.995
Beban pembinaan	-	2n,18	340.894.950
Beban penyusutan aset tetap	2.563.500	9	6.688.783
Beban penyisihan kerugian penurunan nilai piutang pinjaman	4.885.550.951	2o,6	11.713.345.231
Beban penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain	1.815.664.928	2o,5	4.747.079.934
Beban pajak	4.997.175.759	2p	5.181.413.367
Beban lain-lain	506.004.101	19	1.959.101.558
JUMLAH BEBAN	138.631.704.672		128.031.326.818
PENURUNAN ASET NETO TIDAK TERIKAT	(100.339.823.569)		(62.389.148.120)
PENURUNAN ASET NETO	(100.339.823.569)		(62.389.148.120)
ASET NETO PADA AWAL TAHUN	1.410.278.638.015		1.472.667.786.135
ASET NETO PADA AKHIR TAHUN	1.309.938.814.446		1.410.278.638.015

**CHANGES IN UNRESTRICTED
NET ASSETS**

REVENUE

Interest income

Loan administration services income

Other income

TOTAL REVENUE

EXPENSES

Fostering partnership funds

Community development

program funds distribution

Empowerment expenses

Fixed assets depreciation expenses

Allowance for impairment losses

of loan receivables expenses

Allowance for impairment losses on

receivable from other fostering

SOE expenses

Tax expenses

Other expenses

TOTAL EXPENSES

**DECREASE IN UNRESTRICTED
NET ASSETS**

DECREASE IN NET ASSETS

**NET ASSETS
AT BEGINNING OF YEAR**

NET ASSETS AT END OF YEAR

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2015
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015
(Expressed in Rupiah)**

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2015	Catatan/ Notes	2014
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Pengembalian piutang pinjaman mitra binaan	35.031.146.057		45.080.791.751
Pendapatan jasa administrasi pinjaman	1.058.418.773		1.303.109.054
Pendapatan bunga	24.985.878.784		25.907.066.819
Pendapatan lain-lain	11.955.761.284	15	38.784.410.440
Pengembalian dari BUMN pembina lain	3.000.000.000	5	15.000.000.000
Penyaluran piutang pinjaman mitra binaan	(46.394.855.000)		(29.150.385.000)
Penyaluran dana pembinaan kemitraan	(33.687.091)	16	(172.350.000)
Penyaluran dana program bina lingkungan	(130.729.579.382)		(88.106.318.096)
Beban pembinaan	-	18	(340.894.950)
Pembayaran pajak	(4.997.175.759)		(5.181.413.367)
Beban lain-lain	(506.004.101)		(2.498.810.813)
Penyaluran ke BUMN Pembina lain	(8.072.358.000)		-
Kas Neto yang (Digunakan untuk) Diperoleh dari Aktivitas Operasi	(114.702.454.435)		625.205.838
			Net Cash (Used in) Provided by Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITY
Pembelian aktiva tetap	-	9	(1.500.000)
			Acquisition fixed assets
(PENURUNAN) KENAIKAN NETO DALAM KAS DAN SETARA KAS	(114.702.454.435)		623.705.838
			NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN	1.310.107.782.689		1.309.484.076.851
			CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS AKHIR TAHUN	1.195.405.328.254		1.310.107.782.689
			CASH AND CASH EQUIVALENTS AT END OF YEAR

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements taken as a whole.

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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 mengenai 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 since 1990 with named Entrepreneur Weak 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 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.

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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.

Tanggal 3 Juli 2015 Kementerian BUMN mengeluarkan Peraturan Menteri No. PER-09/MBU/07/2015 tentang Program Kemitraan dan Program Bina Lingkungan Badan Usaha Milik Negara, dimana dana PKBL diambil dari bagian laba BUMN, yang menggantikan PER-07/MBU/05/2015.

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.

Program Bina Lingkungan (BL) adalah program pemberdayaan kondisi sosial masyarakat oleh BUMN di wilayah usaha BUMN tersebut melalui pemanfaatan dana dari bagian laba BUMN Pembina.

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1. GENERAL DESCRIPTION (continued)

a. Establishment and General Information (continued)

The Ministry Regulation above, latest 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 cost, 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, state 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 is revoked and declared invalid.

On July 3, 2015 the Ministry of State-Owned Enterprises issued the Ministerial Regulation No. PER-09/MBU/07/2015 regarding the Partnership and Community Development Program of the State-Owned Enterprises, where PKBL's fund was taken from SOE profits, replaced PER-07/MBU/05/2015.

Partnership Program for SOEs' and with small business, hereinafter called Partnership Program (PK) is a program to improve the ability of Small Business to strong and independent through the utilization funds from the profits of Fostering SOEs.

Community Development Program (BL) is the community social condition empowerment program by the SOEs in the SOEs' business area through the utilization of funds from the profits of Fostering SOEs.

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1. PENJELASAN UMUM (lanjutan)

b. Kegiatan Utama

Kegiatan utama yang dilakukan PKBL BRI meliputi kegiatan sebagai berikut:

1. Program Kemitraan (PK) meliputi kegiatan penyaluran dana berupa:
 - a) Pinjaman yang digunakan untuk membiayai investasi dan atau modal kerja semua sektor usaha atau ekonomi yang bersifat produktif dengan skala mikro - kecil dengan cara langsung kepada Mitra Binaan atau melalui BUMN Pembina lain;
 - b) Hibah kemitraan yang diarahkan untuk peningkatan kualitas SDM melalui pelatihan bagi Mitra Binaan. Hibah Program kemitraan meliputi kegiatan sebagai berikut:
 1. Pendidikan, pelatihan dan pemagangan dalam rangka meningkatkan keterampilan manajerial, wawasan bisnis dan pengelolaan administrasi serta pengembangan bisnis;
 2. Pemasaran dan promosi atas produk Mitra Binaan dalam kegiatan seperti pameran agar lebih dikenal dan mempermudah akses pada pasar sebagai upaya peningkatan produktivitas usaha Mitra Binaan;
 3. Kegiatan pengkajian/penelitian atau pendampingan kepada 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 untuk pengentasan kemiskinan.

1. GENERAL DESCRIPTION (continued)

b. Primary Activities

The primary activities of PKBL BRI include the following activities:

1. *Partnership Program (PK) includes the distribution of funds in the form of:*
 - a) *Loans used to finance investment and or working capital all micro-small productive business or economics sectors in a direct way to the Partners or through Foster Partners or other Fostering SOE;*
 - b) *Grant partnership directed to improving the quality of human resources through training for Partners. Grants partnership program includes the following activities:*
 1. *Education, training and apprenticeship in order to improve managerial skills, business insight and administrative management and business development;*
 2. *Marketing and promotion of the Foster Partners' products such as exhibitions to be better known and easier access to the market as an effort to increase the productivity of businesses Foster Partners;*
 3. *Undergo studies/research or assistance to Foster Partners.*
2. *Community Development Program (BL) includes the distribution of funds in the form of:*
 - a) *Help 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.*

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1. PENJELASAN UMUM (lanjutan)

b. Kegiatan Utama (lanjutan)

Kegiatan utama yang dilakukan PKBL BRI meliputi kegiatan sebagai berikut (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 adalah berasal dari:

1. Anggaran Perusahaan yang diperhitungkan sebagai biaya, maksimal (masing-masing) 2% dari laba bersih tahun sebelumnya;
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 setelah dikurangi beban operasional;
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) dibawah Divisi Sekretariat Perusahaan yang bertugas untuk mengelola dana Bina Lingkungan.

1. GENERAL DESCRIPTION (continued)

b. Primary Activities (continued)

The primary activities of PKBL BRI include the following activities (continued):

3. *Monitoring over the PKBL funds distribution in BRI working unit activities and the monitoring of business activities Foster Partners;*
4. *Reporting PKBL activities.*

c. Funding Resources

Source of PKBL BRI's funding is derived from:

1. *Company budgets that are calculated as cost, maximum (each) 2% of the net profit from previous year;*
2. *The PKBL funds balance that is set aside from profit of PT Bank Rakyat Indonesia (Persero) Tbk allocated until the end of 2012;*
3. *Administrative services from loan/margin/profit-sharing Partnership Program, time deposits interest and/or current account services from PKBL funds after deducting the operating expenses;*
4. *Partnership Program funds handed over from other SOEs, if any.*

d. Management Structure

Before April 27, 2011, PKBL BRI is a working unit called PKBL Section and Supervision of Microfinance Institution (MFI) that is 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 on the Organization of Corporate Secretary Division of PT Bank Rakyat Indonesia (Persero) Tbk, it was stated that functionality of Corporate Social Responsibility (CSR) is added under the Corporate Secretary Division in charge of managing the Community Development funds.

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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.

Susunan Pengelola PKBL BRI untuk tahun berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	31 Desember/December 31,	
	2015	2014
Direktur ^{*)}	Mohammad Irfan	Djarot Kusumayakti
Kepala Divisi Bisnis Program, Pangan dan Kemitraan	-	Teten Djaka Triana
Wakil Kepala Divisi	Supardi Santoso	Supardi Santoso
Kepala Bagian PKBL dan Pengawasan LKM	Tinny Purwaningsih	Tinny Purwaningsih
Wakil Kepala Bagian PKBL dan Pengawasan LKM	Faroman Avisena	Faroman Avisena
- Staf	Aditya Kharisma	Aditya Kharisma
- Staf	Renatasia Sari	Renatasia Sari
- Supervisor PKBL dan Pengawasan LKM	Mulyatno	-
- Pelaksana	-	Abdul Razak
- Pelaksana	Fabby Fabianto	Fabby Fabianto
- Pelaksana	Marthalena	Anita Hastiar
Kepala Divisi Sekretariat Perusahaan	Hari Siaga Amijarso	Budi Satria
Kepala Bagian Corporate Social Responsibility	Eko Prasetyo H	Eko Prasetyo H
- Staf	Abas Wahyudi	Abas Wahyudi
- Staf	M. Taufiqurahman	M. Taufiqurahman
- Supervisor Operasional CSR	Nurhidayati	Lilis Rachmatiah
- Pelaksana	Ceindry Indra Prayogo	Nurhidayati
- Pelaksana	Ariyanto Adi Nugroho	Dedy Hernawan
- Pelaksana	Lia Lidya Putri	Irma Novianti
- Pelaksana	-	Ceindry Prayoga

^{*)} Tahun 2014: Direktur Bisnis Usaha Mikro, Kecil dan Menengah
Tahun 2015: Direktur Mikro

Seluruh pegawai adalah pegawai yang memperoleh gaji dan manfaat lainnya dari BRI sehingga masalah penetapan Imbalan Kerja (PSAK No. 24) dilaksanakan dan menjadi beban BRI.

Pemotongan dan penyetoran atas PPh Pasal 21 atas pegawai BRI yang ditempatkan di PKBL BRI dilakukan oleh BRI.

1. GENERAL DESCRIPTION (continued)

d. Management Structure (continued)

Establishment of CSR Department Corporate Secretary Division has existed since April 27, 2011, but the Community Development Programs Funds Management that was once managed by PKBL Section and Supervision MFI of Partnership and Business Program Division was transferred to the Corporate Social Responsibility (CSR) Department of Corporate Secretary Division effective on March 30, 2012 in accordance with the Office Memorandum No. B.64.SKP/CSR/03/2012 and No. B.148.PRG/KBL/03/2012 dated March 30, 2012.

Management structure of PKBL BRI for the years ended December 31, 2015 and 2014 is as follows:

	Director ^{*)}
Division Head of Business Program, Food and Partnership	
Deputy Head of Division	
Head of PKBL and MFI Supervision	
Deputy Head of PKBL and MFI Supervision	
Staff -	
Staff -	
PKBL Supervisor and -	
MFI Supervisor	
Executive -	
Executive -	
Executive -	
Division Head of Corporate Secretary	
Head of Corporate Social Responsibility	
Staff -	
Staff -	
Operational Supervisor CSR -	
Executive -	
Executive -	
Executive -	
Executive -	

^{*)} Year 2014: Director of Micro, Small and Medium Enterprises Business
Year 2015: Director of Micro

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 conducted by BRI.

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1. PENJELASAN UMUM (lanjutan)

e. Unit Kerja Penyalur PKBL BRI

Unit PKBL BRI terdiri dari 2 (dua) bagian yaitu:

1. Bagian PKBL dan Pengawasan LKM, Divisi Bisnis Program 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 I Lantai 20 Jalan Jenderal Sudirman Kav. 44-46, Jakarta Pusat sebagai penyalur dana Bina Lingkungan.

Pada tanggal 31 Desember 2015 dan 2014 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	Working Units	No.
1.	Kantor Wilayah Aceh	11	15	Aceh Regional Office	1.
2.	Kantor Wilayah Medan	24	34	Medan Regional Office	2.
3.	Kantor Wilayah Padang	14	8	Padang Regional Office	3.
4.	Kantor Wilayah Pekanbaru	22	20	Pekanbaru Regional Office	4.
5.	Kantor Wilayah Palembang	21	28	Palembang Regional Office	5.
6.	Kantor Wilayah DKI Jakarta 1	26	54	DKI Jakarta 1 Regional Office	6.
7.	Kantor Wilayah DKI Jakarta 2	32	67	DKI Jakarta 2 Regional Office	7.
8.	Kantor Wilayah DKI Jakarta 3	36	57	DKI Jakarta 3 Regional Office	8.
9.	Kantor Wilayah Bandung	30	45	Bandung Regional Office	9.
10.	Kantor Wilayah Semarang	22	37	Semarang Regional Office	10.
11.	Kantor Wilayah Yogyakarta	33	34	Yogyakarta Regional Office	11.
12.	Kantor Wilayah Surabaya	25	39	Surabaya Regional Office	12.
13.	Kantor Wilayah Malang	24	34	Malang Regional Office	13.
14.	Kantor Wilayah Denpasar	31	26	Denpasar Regional Office	14.
15.	Kantor Wilayah Banjarmasin	31	31	Banjarmasin Regional Office	15.
16.	Kantor Wilayah Makassar	36	28	Makassar Regional Office	16.
17.	Kantor Wilayah Manado	17	18	Manado Regional Office	17.
18.	Kantor Wilayah Jayapura	13	12	Jayapura Regional Office	18.
19.	Kantor Wilayah Bandar Lampung	14	16	Bandar Lampung Regional Office	19.
Jumlah		462	603	Total	

Unit Kerja penyalur meliputi Kantor Cabang dan Kantor Cabang Pembantu dibawah kelolaan masing-masing Kantor Wilayah BRI.

1. GENERAL DESCRIPTION (continued)

e. Distributor Working Units PKBL BRI

PKBL BRI units consists of 2 (two) parts:

1. The PKBL Section and Supervision of MFI, Business Program and Partnership Division located in BRI II Building 28th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as the distributor of funds partnerships receivables.
2. Corporate Social Responsibility (CSR) Section, Corporate Secretariat Division located at BRI I Building 20th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as distributor of funds of Community Development.

As of December 31, 2015 and 2014 the distribution of funds of PKBL BRI conducted by BRI working unit with details are as follows (unaudited):

Distributor Working Units includes Branches and Sub-Branches each managed by BRI Regional Office.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

Kebijakan akuntansi signifikan dan diterapkan dalam menyusun laporan keuangan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 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.

b. Kas dan Setara Kas

Kas dan setara kas terdiri dari 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 penyisihan kerugian penurunan nilai.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial statements for the years ended December 31, 2015 and 2014 are as follows:

a. Basis of Preparation of Financial Statements

The Financial statements are 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.

Presentation currency used in the financial statements is the Indonesian rupiah.

b. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, bank and all short-term investment maturities in 3 (three) months or less than acquisition date, and net off overdraft not pledged as collateral also not restricted in use.

c. Receivables

Foster Partners loan receivables are loans distributed by PKBL through PKBL working units dealer to Foster Partners according to applicable regulations. Foster partners loan receivables is recognized when the loans disbursed to foster partners, measured and recorded at the net amount after deducting allowance for impairment losses.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
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c. Piutang (lanjutan)

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 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;
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. Penyisihan Kerugian Penurunan Nilai
Piutang**

Penyisihan kerugian penurunan nilai piutang adalah penyisihan atas estimasi kerugian terhadap piutang yang mungkin tidak tertagih di masa yang akan datang.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

c. Receivables (continued)

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.

Loans other than those describe above are presented in the Statement of Financial Position in Other Receivables account.

The classification of receivables partnership based on collectibility is as follows:

1. *Current, when principal installment and administration service income payment are paid on time or those late payments of principal and/or administration service of maximum 30 (thirty) days from the agreed payment date.*
2. *Substandard, when 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.*
3. *Doubtful, when late payment of principal and/or administration service income payment are between 180 (one hundred eighty) days and 270 (two hundred seventy) days from the agreed payment date.*
4. *Loss, when late payment of principal and/or administration service income payment are over 270 (two hundred 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 arise from uncollectible receivables in the future.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

d. Penyisihan Kerugian Penurunan Nilai Piutang (lanjutan)

Penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung secara kolektif berdasarkan prosentase tertentu tingkat keterlambatan (collection) data historis yang ada (minimal 2 tahun) sedangkan penyisihan 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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Allowance for Impairment Losses on Receivables (continued)

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 asset acquired in the form of ready-made or build first and used in PKBL operations and have a useful life of more than one year.

Fixed assets is recognized at their historical costs less accumulated depreciation.

Fixed assets except 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, significant amount of renewal and addition is capitalized to relevant fixed assets account. If the fixed asset is derecognized, BRI PKBL should determine the gain or loss arising on 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 due to service received in the current period but no payment has been made until end of accounting period because payment is due in the next year.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Aset Neto

g. Net Assets

Aset neto adalah aset dikurangi dengan liabilitas. Aset neto diklasifikasikan menjadi Aset Neto Terikat (ANT) dan Aset Neto Tidak Terikat (ANTT).

Net assets are assets less liabilities. Net assets are classified as Restricted Net Assets (ANT) and Unrestricted Net Assets (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 (ANTP). 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.

ANT is a resource which is restricted for a specific purpose or not can be used for normal operating activities. ANT is classified to Temporary-Restricted Net Assets (ANTT) and Permanent-Restricted Net Assets (ANTP). Temporary restriction consist of allowance of SOEs Care fund which is community development fund that set aside by PKBL BRI for Community Development program of SOEs Care that derived from beginning balance cash funds Community Development program, the refund from community development which being cancelled to realized and allocation BRI profit for community development program.

ANTT adalah sumber daya yang penggunaannya tidak dibatasi untuk tujuan tertentu.

ANTT are resources whose usage is unrestricted for a specific purpose.

h. Aset Neto Terikat Temporer (ANTT) - Berakhir Pemenuhan Program

h. Temporary Restricted Net Assets - Ending Realization 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.

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 a contra account ANTT - Released.

i. Pendapatan Bunga

i. Interest Income

Pendapatan bunga adalah pendapatan yang diperoleh dari hasil penempatan dana program kemitraan pada rekening giro bank. Pendapatan diakui menggunakan basis akrual.

Interest income is the income generated from fund placement partnership program on current account. Income is recognized on an accrual basis.

j. Pendapatan Jasa Administrasi Pinjaman

j. Loan Administration Services Income

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.

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 been matured in accordance with the contract. Loan administration services income is accrued on loan with current and substandard collectibility.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

k. Alokasi Bagian Laba dari BUMN Pembina

Alokasi bagian laba dari BUMN pembina adalah pendapatan yang berasal dari alokasi atas penyisihan laba setelah pajak BRI yang ditetapkan oleh RUPS untuk dana PKBL. Alokasi bagian laba dari BUMN pembina diakui pada saat ditetapkan oleh RUPS dan diukur serta dicatat sebesar jumlah dana yang dialokasikan untuk PKBL sesuai dengan keputusan RUPS. Mulai tahun 2013, PKBL BRI sudah tidak lagi mendapatkan alokasi bagian laba dari BUMN Pembina.

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. Beban Pembinaan

Beban pembinaan adalah beban yang dikeluarkan PKBL BRI berkaitan dengan penyaluran pinjaman kepada Mitra Binaan yang meliputi biaya survei, biaya *monitoring*, biaya penagihan pinjaman, dan biaya pelatihan pekerja atau pengurus PKBL BRI. Beban pembinaan diukur dan dicatat sebesar beban yang telah menjadi liabilitas sebagai akibat transaksi keuangan yang dilakukan oleh PKBL BRI.

o. Beban Penyisihan Kerugian Penurunan Nilai Piutang Pinjaman

Beban penyisihan kerugian penurunan nilai piutang pinjaman adalah beban yang timbul akibat pembentukan penyisihan kerugian penurunan nilai atas piutang pinjaman yang mungkin tidak tertagih.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Allocation of Profit from Fostering SOE

Allocation of profit from fostering SOE is an income from allocation allowance of profit after tax BRI which is set by GMS for PKBL funds. Allocation of profit from fostering SOEs is recognized at the time set by the GMS measured and recorded at the amount of PKBL funds allocated in accordance to GMS's decision. Since 2013, PKBL BRI is no longer being allocated a share of profit from fostering SOEs.

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 PKBL BRI distribution funds as an implementation of Partnership Program, which is distributed through several programs designed to help the Foster Partner to expand its business with the amount of maximum 20% of current year partnership program funds and only given to Foster Partners. The expenses are recognized when the funds were distributed.

n. Empowerment Expenses

Empowerment expenses represent the expenses incurred by PKBL BRI associated with the distribution of Foster Partner loan which includes survey cost, monitoring cost, loan collection cost, and training cost of worker or management PKBL BRI. Empowerment expenses are measured and recognized as incurred and have become a liability as a result of financial transaction of PKBL BRI.

o. Allowance for Impairment Losses on Loan Receivables

Allowance for impairment losses on loan receivables represent expense from allowance for impairment losses on loan receivables which may be uncollectible.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

p. Beban Pajak

Beban pajak adalah jumlah pajak yang ditanggung oleh PKBL BRI berupa Pasal 23 yang muncul dari simpanan dana PKBL BRI pada Bank.

**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:

Penentuan mata uang fungsional

Mata uang fungsional PKBL BRI adalah mata uang dari lingkungan ekonomi primer dimana PKBL BRI beroperasi. Mata uang tersebut adalah mata uang yang mempengaruhi pendapatan dan beban dari jasa yang diberikan. PKBL BRI menentukan bahwa mata uang fungsionalnya adalah Rupiah.

**Penyisihan kerugian penurunan nilai
piutang pinjaman**

Apabila terdapat bukti objektif bahwa rugi penurunan nilai telah terjadi atas piutang pinjaman mitra binaan, PKBL BRI mengestimasi penyisihan untuk kerugian penurunan nilai atas piutang yang secara khusus diidentifikasi sebagai piutang yang kemungkinan tidak dapat ditagih. Tingkat penyisihan 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Tax Expense

Tax expense represent the amount of PKBL BRI tax in the form of Article 23 from PKBL BRI deposits in Bank.

**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:

Determination of functional currency

PKBL BRI's functional currency is the currency from economic environment where PKBL BRI operates. The related currency is the currency that influence revenues and expenses from services given. PKBL BRI determines that its functional currency is Rupiah.

**Allowance for impairment losses on loan
receivables**

If there is objective evidence that losses because of impairment has been incurred on loan to foster partners, PKBL BRI estimates an allowance for impairment losses of those loan specifically identified as possibly uncollectible. The level of allowance is examined by Management based on several factors influencing the receivables collectibility.

If there is objective evidence that losses because of impairment has been incurred on Loan to other Fostering SOEs, the level of allowance for impairment losses of those loan 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.

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**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI
DAN ASUMSI (lanjutan)**

a. Pertimbangan (lanjutan)

**Penyisihan kerugian penurunan nilai
piutang pinjaman (lanjutan)**

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.

b. Estimasi dan asumsi

PKBL BRI berkesinambungan mengevaluasi adanya bukti objektif bahwa piutang mengalami penurunan nilai pada tiap akhir periode pelaporan. Tingkat penyisihan 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 penyisihan spesifik (individu) terhadap jumlah yang jatuh tempo untuk menurunkan piutang PKBL BRI ke jumlah yang diharapkan dapat ditagih.

Untuk penyisihan 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 datang.

PKBL BRI juga meneliti penyisihan kerugian penurunan nilai secara kolektif terhadap resiko kredit Mitra Binaan yang dikelompokkan berdasarkan karakteristik kredit yang sama, yang meskipun tidak diidentifikasi secara spesifik memerlukan penyisihan tertentu, memiliki risiko yang lebih besar tidak tertagih dibandingkan dengan piutang yang diberikan kepada Mitra Binaan. Penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung berdasarkan kajian nilai terkini dan historis tingkat ketertagihan dari piutang. Penyisihan 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). Penyisihan ini disesuaikan secara berkala untuk mencerminkan hasil aktual dan estimasi.

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**3. ACCOUNTING JUDGEMENTS, ESTIMATION
AND ASSUMPTION (continued)**

a. Judgment (continued)

**Allowance for impairment losses on loan
receivables (continued)**

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.

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 that receivables. In this case, PKBL BRI uses judgment based on the best facts available to recognize a specific allowance (individual) against the amount due to lower receivables PKBL BRI to the expected collectible amount.

Allowance for impairment losses on loans receivables from other SOE are calculated based on the estimated losses that not can 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 been identified specifically, 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) historical rate of loan collectibility. This allowance is adjusted periodically to reflect actual result and estimation.

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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, 2015	31 Desember/ December 31, 2014
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	291.339.691.020	248.944.519.974
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	110.703.109.025	162.066.600.308
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	51.493.440.563	50.879.517.337
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	26.627.050.723	18.339.503.719
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	4.788.397.640	4.731.308.649
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	3.880.967.846	3.834.697.558
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	542.852.728	638.781.299
	489.375.509.545	489.434.928.844
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	461.838.771.096	583.455.010.613
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	243.459.566.449	236.495.083.048
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	731.481.164	722.760.184
	706.029.818.709	820.672.853.845
Jumlah Kas pada Bank	1.195.405.328.254	1.310.107.782.689

Tingkat suku bunga giro pada tanggal-tanggal 31 Desember 2015 dan 2014 masing-masing sebesar 2,00% dan 1,00%.

4. CASH IN BANK

Cash in Bank consist of PKBL placement funds as current account in PT Bank Rakyat Indonesia (Persero) Tbk 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 Cash in Bank

The current account's interest rate for December 31, 2015 and 2014 are 2.00% and 1.00%, respectively.

5. PIUTANG KEPADA BUMN PEMBINA LAIN/LEMBAGA PENYALUR

Piutang kepada BUMN Pembina Lain/Lembaga Penyalur pada tanggal-tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	31 Desember/ December 31, 2015	31 Desember/ December 31, 2014
PKBL PT Perkebunan Nusantara IX (Persero)	72.000.000.000	75.000.000.000
PKBL PT Rajawali Nusantara Indonesia (Persero)	8.072.358.000	-
Jumlah	80.072.358.000	75.000.000.000
Dikurangi penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur	(6.562.744.862)	(4.747.079.934)
Neto	73.509.613.138	70.252.920.066

5. RECEIVABLES FROM OTHER FOSTERING SOE/DISTRIBUTING PARTNERS

Receivables from other Fostering SOE/Distributing Partners as of December 31, 2015 and 2014 are as follows:

PKBL PT Perkebunan Nusantara IX (Persero)
PKBL PT Rajawali Nusantara Indonesia (Persero)
Total
Less: allowance for impairment losses on receivables from other fostering SOE/distributing partners
Net

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**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

Perubahan penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur adalah sebagai berikut:

	31 Desember/ December 31, 2015
Saldo awal tahun	4.747.079.934
Pembentukan penyisihan selama tahun berjalan	1.815.664.928
Saldo akhir tahun	6.562.744.862

Berdasarkan Perjanjian Kerjasama No. B.1041-DIR/PRG/12/2014 dan No. 174/S,Pj/RNI.01/XII/2014 antara PT Bank Rakyat Indonesia (Persero) Tbk dan PT Rajawali Nusantara Indonesia (Persero) tanggal 29 Desember 2014, dinyatakan bahwa PKBL BRI menyalurkan pinjaman kemitraan maksimum sebesar Rp9.609.950.000 yang diperuntukkan kepada petani/kelompok tani untuk budidaya tanaman tebu untuk masa tanam 2014/2015 dengan tingkat bunga sebesar 6% flat per tahun dan memiliki jangka waktu selama 18 (delapan belas) bulan. Pengembalian pinjaman tersebut (pokok pinjaman dan jasa administrasi) dimulai pada bulan Januari 2016 dan Februari 2016 masing-masing sebesar Rp8.556.699.480 dan Rp1.629.847.520.

Berdasarkan Persetujuan Kredit No. B.171-DIR/PRG/03/2013 dan No. PTPN IX-0/KOTR/009/2013. SL 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 sebesar 6% flat 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.

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**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, 2014	
	-	Beginning balance
	4.747.079.934	Allowance for impairment during the year
	4.747.079.934	Ending balance

Based on Contract No. B.1041-DIR/PRG/12/2014 and No. 174/S,Pj/RNI.01/XII/2014 between PT Bank Rakyat Indonesia (Persero) Tbk and PT Rajawali Nusantara Indonesia (Persero) dated December 29, 2014 it was stated that PKBL BRI distributed the partnership loan maximum amounting to Rp9,609,950,000 for farmers/farmers group for cultivation of sugar cane planting season 2014/2015 with flat annual interest rate at 6% for a term 18 (eighteen) months. The repayment (principal and administrative services) began in January 2016 and February 2016 amounting to Rp8,556,699,480 and Rp1,629,847,520, respectively.

Based on Credit Agreement No. B.171-DIR/PRG/03/2013 and No. PTPN IX-0/KOTR/009/2013. SL 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 planting season 2013/2014 with flat annual interest rate at 6% for a term 24 (twenty four) months and with maturity date on March 11, 2015.

On November 10, 2014, PT Perkebunan Nusantara IX (Persero) proposed extending the partnership loan repayment until December 2015, which was approved by PKBL BRI dated February 17, 2015.

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**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

Pada tanggal 8 Januari 2016, PT Perkebunan Nusantara IX (Persero) mengajukan kembali permohonan perpanjangan pengembalian pinjaman kemitraan sampai dengan Desember 2019.

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)**

On January 8, 2016, PT Perkebunan Nusantara IX (Persero) repropose for extending the partnership loan repayment until December 2019.

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, 2015
Bandung	8.814.127.236
Denpasar	8.593.789.573
Yogyakarta	7.631.024.757
Makassar	7.526.762.243
Surabaya	6.446.912.220
Malang	6.369.605.711
Semarang	4.907.947.984
Manado	4.237.815.148
Palembang	3.942.187.333
Bandar Lampung	3.387.316.076
Banjarmasin	3.212.966.464
Banda Aceh	2.949.512.072
Medan	2.890.395.567
DKI Jakarta 2	2.838.716.299
Padang	2.774.120.304
Jayapura	2.578.703.158
DKI Jakarta 3	2.409.357.972
Pekanbaru	2.361.505.670
DKI Jakarta 1	625.182.235
Jumlah	84.497.948.022
Dikurangi penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan	(33.090.458.534)
Neto	51.407.489.488

**6. LOAN RECEIVABLES FROM FOSTER
PARTNERS**

a. By Regional Offices

31 Desember/ December 31, 2014	Regional Offices
8.619.588.495	Bandung
11.160.486.734	Denpasar
7.577.722.142	Yogyakarta
4.241.497.960	Makassar
4.301.054.215	Surabaya
5.363.998.080	Malang
3.517.003.748	Semarang
3.306.787.584	Manado
3.617.369.471	Palembang
1.606.135.429	Bandar Lampung
5.098.737.658	Banjarmasin
2.566.879.609	Banda Aceh
3.192.801.312	Medan
2.122.947.181	DKI Jakarta 2
1.934.616.749	Padang
3.316.722.190	Jayapura
2.217.537.983	DKI Jakarta 3
1.493.787.992	Pekanbaru
411.844.103	DKI Jakarta 1
75.667.518.635	Total
(28.204.907.583)	Less: allowance for impairment losses on loan receivables from foster partners
47.462.611.052	Net

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6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

b. Berdasarkan Sektor Ekonomi

	31 Desember/ December 31, 2015	31 Desember/ December 31, 2014
Perdagangan, Restoran dan Hotel	42.655.016.591	38.552.827.115
Pertanian	28.999.056.588	23.493.786.318
Industri Pengolahan	4.722.728.584	4.217.031.467
Jasa Lainnya	4.207.239.277	5.384.210.406
Pengangkutan, Pergudangan dan Komunikasi	3.504.101.749	3.391.560.458
Perumahan	311.552.788	518.355.255
Listrik, Gas dan Air	26.030.445	68.333.800
Konstruksi	72.222.000	41.413.816
Jumlah	84.497.948.022	75.667.518.635
Dikurangi penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan	(33.090.458.534)	(28.204.907.583)
Neto	51.407.489.488	47.462.611.052

6. LOAN RECEIVABLES FROM FOSTER PARTNERS (continued)

b. By Economic Sector

	31 Desember/ December 31, 2014	
Trading, Restaurants and Hotels	38.552.827.115	Trading, Restaurants and Hotels
Agriculture	23.493.786.318	Agriculture
Processing Industries	4.217.031.467	Processing Industries
Other Services	5.384.210.406	Other Services
Transportation, Warehousing and Communications	3.391.560.458	Transportation, Warehousing and Communications
Housing	518.355.255	Housing
Electricity, Gas and Water	68.333.800	Electricity, Gas and Water
Construction	41.413.816	Construction
Total	75.667.518.635	Total
Less: allowance for impairment losses on loan receivables from foster partners	(28.204.907.583)	
Net	47.462.611.052	Net

c. Berdasarkan Kualitas Piutang Pinjaman

	31 Desember/ December 31, 2015	31 Desember/ December 31, 2014
Piutang Pinjaman Mitra Binaan		
Lancar	47.821.409.270	39.518.383.275
Kurang Lancar	4.182.048.661	6.598.785.493
Diragukan	860.973.437	3.282.210.637
Macet	31.633.516.654	26.268.139.230
Jumlah	84.497.948.022	75.667.518.635
Dikurangi penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan	(33.090.458.534)	(28.204.907.583)
Neto	51.407.489.488	47.462.611.052

c. Loan Receivables By Collectibility

	31 Desember/ December 31, 2014	
Loan Receivables from Foster Partners		
Current	39.518.383.275	Current
Substandard	6.598.785.493	Substandard
Doubtful	3.282.210.637	Doubtful
Loss	26.268.139.230	Loss
Total	75.667.518.635	Total
Less: allowance for impairment losses on loan receivables from foster partners	(28.204.907.583)	
Net	47.462.611.052	Net

**d. Penyisihan Kerugian Penurunan Nilai
Piutang Pinjaman Kepada Mitra Binaan**

Perubahan penyisihan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

	31 Desember/ December 31, 2015	31 Desember/ December 31, 2014
Saldo awal tahun	28.204.907.583	16.491.562.352
Pembentukan penyisihan selama tahun berjalan	4.885.550.951	11.713.345.231
Saldo akhir tahun	33.090.458.534	28.204.907.583

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	16.491.562.352
Allowance for impairment during the year	11.713.345.231
Ending balance	28.204.907.583

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6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

**d. Penyisihan Kerugian Penurunan Nilai
Piutang Pinjaman Kepada Mitra Binaan
(lanjutan)**

Alokasi penyisihan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

31 Desember 2015/December 31, 2015

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi penyisihan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net
Lancar	47.821.409.270	(883.038.238)	46.938.371.032
Kurang lancar	4.182.048.661	(349.105.382)	3.832.943.279
Diragukan	860.973.437	(224.798.260)	636.175.177
Macet	31.633.516.654	(31.633.516.654)	-
Jumlah	84.497.948.022	(33.090.458.534)	51.407.489.488

Current
Substandard
Doubtful
Loss
Total

31 Desember 2014/December 31, 2014

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi penyisihan kerugian penurunan nilai/ Accumulated allowance for impairment	Neto/Net
Lancar	39.518.383.275	(496.971.401)	39.021.411.874
Kurang lancar	6.598.785.493	(594.983.862)	6.003.801.631
Diragukan	3.282.210.637	(844.813.090)	2.437.397.547
Macet	26.268.139.230	(26.268.139.230)	-
Jumlah	75.667.518.635	(28.204.907.583)	47.462.611.052

Current
Substandard
Doubtful
Loss
Total

Manajemen berpendapat bahwa saldo penyisihan 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, 2015
Malang	201.535.035
Denpasar	72.625.729
Bandung	67.651.934

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME**

Accrued loan administration services income by regional offices are as follows:

31 Desember/ December 31, 2014	Regional Offices
148.745.125	Malang
83.267.701	Denpasar
115.904.138	Bandung

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**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, 2015	31 Desember/ December 31, 2014
Manado	41.281.733	22.830.106
Bandar Lampung	31.147.490	9.942.714
Makassar	30.373.888	33.685.130
Semarang	27.373.639	29.439.214
Banjarmasin	25.948.408	64.526.053
Surabaya	23.074.420	27.435.955
Yogyakarta	20.920.225	63.383.712
Medan	20.347.798	16.669.882
DKI Jakarta 2	13.980.273	16.347.145
Palembang	13.146.399	28.328.094
Pekanbaru	10.949.585	14.438.457
Banda Aceh	10.720.961	21.221.155
Padang	9.822.705	41.368.336
Jayapura	9.091.768	39.871.253
DKI Jakarta 3	2.062.895	3.716.350
DKI Jakarta 1	1.205.295	4.297.088
Jumlah	633.260.180	785.417.608

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME (continued)**

Accrued loan administration services income by regional offices are as follows (continued):

Regional Offices	31 Desember/ December 31, 2014
Manado	22.830.106
Bandar Lampung	9.942.714
Makassar	33.685.130
Semarang	29.439.214
Banjarmasin	64.526.053
Surabaya	27.435.955
Yogyakarta	63.383.712
Medan	16.669.882
DKI Jakarta 2	16.347.145
Palembang	28.328.094
Pekanbaru	14.438.457
Banda Aceh	21.221.155
Padang	41.368.336
Jayapura	39.871.253
DKI Jakarta 3	3.716.350
DKI Jakarta 1	4.297.088
Total	785.417.608

8. PIUTANG LAIN-LAIN

Piutang lain-lain pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp3.985.203.245 dan Rp1.007.943.999, terdiri dari alokasi dana dari PKBL BRI kepada Unit Kerja (cabang) Penyalur PKBL BRI tetapi belum disalurkan kepada Mitra Binaan sampai dengan akhir periode pelaporan dan pada tahun 2015 termasuk juga pendapatan bunga yang diakui dimuka atas piutang dari PT Rajawali Nusantara Indonesia (Persero).

8. OTHER RECEIVABLES

Other receivables as of December 31, 2015 and 2014 amounting to Rp3,985,203,245 and Rp1,007,943,999, respectively, consist of allocated funds from PKBL BRI to PKBL BRI distributor working unit (branches) but not yet distributed to foster partner until the end of the reporting period and for 2015 also include interest revenue which being recognized in the advance for receivable from PT Rajawali Nusantara Indonesia (Persero).

9. ASET TETAP

Aset tetap adalah sebagai berikut:

9. FIXED ASSETS

Fixed assets are as follows:

	31 Desember/December 31, 2015			
	Saldo 1 Januari 2015/ Balance January 1, 2015	Mutasi/Movement		Saldo 31 Desember 2015/ Balance December 31, 2015
		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	65.190.605	2.563.500	-	67.754.105 Premises and equipment
Nilai Buku Neto	5.898.500			3.335.000 Net Book Value

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9. ASET TETAP (lanjutan)

9. FIXED ASSETS (continued)

31 Desember/December 31, 2014				
	Saldo 1 Januari 2014/ Balance January 1, 2014	Mutasi/Movement		Saldo 31 Desember 2014/ Balance December 31, 2014
		Penambahan/ Addition	Pengurangan/ Disposal	
<u>Harga Perolehan</u>				<u>Acquisition Cost</u>
Inventaris dan peralatan	69.589.105	1.500.000	-	71.089.105 Premises and equipment
<u>Akumulasi Penyusutan</u>				<u>Accumulated Depreciation</u>
Inventaris dan peralatan	58.501.822	6.688.783	-	65.190.605 Premises and equipment
Nilai Buku Neto	11.087.283			5.898.500 Net Book Value

10. BEBAN YANG MASIH HARUS DIBAYAR

Beban yang masih harus dibayar pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp15.005.414.859 dan Rp19.343.935.899, yang terdiri dari bina lingkungan yang telah atau sedang dilaksanakan oleh Unit Kerja (cabang) PKBL BRI namun belum ditagihkan ke Unit PKBL BRI.

10. ACCRUED EXPENSES

Accrued expenses as of December 31, 2015 and 2014 amounted to Rp15,005,414,859 and Rp19,343,935,899, respectively, which consist of community development that have been or being performed by the PKBL BRI working unit (branches) but not yet charged to PKBL BRI Unit.

11. ASET NETO

Aset Neto Tidak Terikat

	31 Desember/ December 31, 2015
Saldo awal tahun	1.410.278.638.015
Penurunan Aset Neto Tidak Terikat	(100.339.823.569)
Saldo akhir tahun	1.309.938.814.446

11. NET ASSETS

Unrestricted Net Assets

	31 Desember/ December 31, 2014	
Saldo awal tahun	1.472.667.786.135	Beginning balance
Penurunan Aset Neto Tidak Terikat	(62.389.148.120)	Decrease in Unrestricted Net Assets
Saldo akhir tahun	1.410.278.638.015	Ending balance

12. ALOKASI BAGIAN LABA 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, yang menyatakan 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.

12. ALLOCATION OF PROFIT 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, which stated that one of the the fund sources of Partnership and Community Development Program before 2013 is from the allowance from profit after tax and the source in 2013 is from the Company's budget calculated as cost, maximum of 2% from prior year's net profit.

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**12. ALOKASI BAGIAN LABA DARI BUMN PEMBINA
(lanjutan)**

Pada tahun 2015, dikeluarkan Peraturan Menteri Badan Usaha Milik Negara yang terbaru 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.

Alokasi penyisihan laba pada tahun 2015 dan anggaran biaya pada tahun 2014 sebagai berikut:

Tahun 2015

Berdasarkan Berita Acara RUPS Tahunan No. 45 tanggal 19 Maret 2015 yang telah disahkan oleh Notaris dan Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH dinyatakan tidak ada pembentukan biaya untuk PKBL untuk tahun 2015.

Berdasarkan Berita Acara RUPS Luar Biasa (RUPS LB) No. 13 tanggal 14 Desember 2015 yang telah disahkan oleh Notaris dan Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH ditetapkan bahwa pemberlakuan Peraturan Menteri BUMN No. PER-09/MBU/2015 tanggal 3 Juli 2015 tentang Program Kemitraan dan Program Bina Lingkungan diberlakukan pada tahun 2016.

Tahun 2014

Berdasarkan Surat Notaris & Pejabat Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH No. 39/Ket/Not/111/2014 tanggal 26 Maret 2014, tidak terdapat alokasi bagian laba tahun buku 2013 dari BUMN Pembina untuk PKBL BRI.

13. PENDAPATAN BUNGA

Pendapatan bunga dari jasa giro untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

**Tahun yang berakhir pada tanggal
31 Desember/
For the year ended December 31,**

	2015	2014
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	5.460.215.208	4.244.752.715
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	2.729.307.252	3.485.364.793
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	767.404.034	758.254.768

**12. ALLOCATION OF PROFIT FROM FOSTERING
SOE (continued)**

In 2015, the newly issued Ministry of SOEs' Regulation No. PER-09/MBU/07/2015 dated July 3, 2015 stated that the PKBL fund set aside from profit after tax set by GMS/Ministry's Approval of Annual Report of Foster SOEs is at maximum of 4% (four percent) from net profit after tax of prior year.

Allocation of reserve from profit in 2015 and 2014 budget are as follows:

Year 2015

Based on the Minutes of General Meeting of Shareholders No. 45 dated March 19, 2015 which is confirmed by Notary and Land Deed Fathiah Helmi, SH it was stated that there is no allocation of profit from fostering SOEs for PKBL BRI for the fiscal year 2015.

Based on the Minutes of Extraordinary General Meeting of Shareholders No. 13 dated December 14, 2015 which is confirmed by Notary and Land Deed Fathiah Helmi, SH it was stated that the Ministry of SOEs' Regulation No. PER-09/MBU/2015 dated July 3, 2015 regarding Partnership and Community Development Program will be applied in 2016.

Year 2014

Based on Letter from Notary and Land Deed Fathiah Helmi, SH No. 39/Ket/Not/111/2014 dated March 26, 2014 there is no allocation of profit for fiscal year 2013 from foster SOE for PKBL BRI.

13. INTEREST INCOME

Interest income from current account for the years ended December 31, 2015 and 2014 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

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13. PENDAPATAN BUNGA (lanjutan)

13. INTEREST INCOME (continued)

	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,	
	2015	2014
Program Kemitraan (lanjutan)		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	380.160.288	348.042.366
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	71.361.238	70.510.444
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	57.837.860	57.148.295
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	8.731.149	9.683.425
	9.475.017.029	8.973.756.806
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	10.706.446.250	12.625.527.554
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	4.793.514.280	4.297.009.468
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	10.901.225	10.772.991
	15.510.861.755	16.933.310.013
Jumlah	24.985.878.784	25.907.066.819

Partnership Program (continued)
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

14. PENDAPATAN JASA ADMINISTRASI PINJAMAN

14. LOAN ADMINISTRATION SERVICES INCOME

Pendapatan Jasa Administrasi Pinjaman Program Kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

Loan administration services income of Partnership Program for the years ended December 31, 2015 and 2014 are as follows:

	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,	
Kantor Wilayah	2015	2014
Malang	131.421.125	152.605.440
Denpasar	95.055.798	86.618.592
Manado	72.108.734	34.131.562
Palembang	70.958.890	9.997.548
Semarang	65.141.828	37.105.202
Bandung	59.783.655	111.299.039
Banjarmasin	52.123.632	148.919.645
Makassar	51.912.144	4.668.652
Bandar Lampung	50.382.333	9.942.714
Medan	47.223.864	62.183.640
Surabaya	46.051.086	49.245.383
DKI Jakarta 2	44.099.347	32.788.745
DKI Jakarta 3	29.242.101	5.697.070
Banda Aceh	29.091.995	39.977.903
Yogyakarta	28.806.930	84.811.276
Pekanbaru	24.494.848	21.970.770
DKI Jakarta 1	3.571.309	10.340.378
Padang	2.516.620	11.376.596
Jayapura	2.275.106	37.021.284
Jumlah	906.261.345	950.701.439

Regional Offices

Malang
Denpasar
Manado
Palembang
Semarang
Bandung
Banjarmasin
Makassar
Bandar Lampung
Medan
Surabaya
DKI Jakarta 2
DKI Jakarta 3
Banda Aceh
Yogyakarta
Pekanbaru
DKI Jakarta 1
Padang
Jayapura

Total

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**14. PENDAPATAN JASA ADMINISTRASI PINJAMAN
(lanjutan)**

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 perbaharui dengan Surat No. B.176-DIR/PRG/03/2013 tanggal 13 Maret 2013 tentang perubahan distribusi/komposisi bunga Pinjaman Kemitraan sebagai berikut:

	Setelah 13 Maret/ After March 13, 2013
Jasa Administrasi/Suku Bunga	6%
Distribusi jasa administrasi/suku bunga sebagai berikut:	
Pelimpahan ke Kantor Pusat	1%
Dana kompensasi beban operasional Kantor Cabang	1,5%
Dana pembinaan kemitraan Kantor Cabang	2,5%
Dana pembinaan dan pengawasan kemitraan Kantor Wilayah	1%

**14. LOAN ADMINISTRATION SERVICES INCOME
(continued)**

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 have been updated with Letter No. B.176-DIR/PRG/03/2013 dated March 13, 2013 regarding changes in distribution/composition of interest Partnership Loan as follows:

	Sebelum 13 Maret/ Before March 13, 2013	
Jasa Administrasi/Suku Bunga	6%	Administration Services/Interest Rates
Distribusi jasa administrasi/suku bunga sebagai berikut:		Distribution of administration services/ interest rates are as follows:
Pelimpahan ke Kantor Pusat	3%	Transferred to Head Office
Dana kompensasi beban operasional Kantor Cabang	1,5%	Operating compensation fund expenses of Branch Office
Dana pembinaan kemitraan Kantor Cabang	1%	Fostering partnership funds of Branch Office
Dana pembinaan dan pengawasan kemitraan Kantor Wilayah	0,5%	Fostering and monitoring Partnership funds of Regional Office

15. PENDAPATAN LAIN-LAIN

Pendapatan lain-lain sebesar Rp12.399.740.974 untuk tahun yang berakhir pada tanggal 31 Desember 2015 antara lain terdiri dari pendapatan bunga dari PT Perkebunan Nusantara IX (Persero) sebesar Rp6.925.000.000, pengembalian dana dari koordinator sektor BUMN Peduli sebesar Rp3.129.671.978, pendapatan bunga yang masih akan diterima dari PT Rajawali Nusantara Indonesia sebesar Rp443.979.690, pengembalian dana pinjaman kemitraan karena tidak jadi realisasi sebesar Rp933.000.000 dan pengembalian kelebihan dana bina lingkungan sebesar Rp951.273.476. Sedangkan untuk tahun yang berakhir pada tanggal 31 Desember 2014 pendapatan lain-lain sebesar Rp38.784.410.440 antara lain terdiri dari pengembalian dana dari Koordinator Sektor BUMN Peduli sebesar Rp25.326.169.500, pendapatan bunga program kemitraan dengan PT Perkebunan Nusantara XI (Persero) sebesar Rp675.000.000, pengembalian dana pinjaman kemitraan karena tidak jadi realisasi sebesar Rp802.470.000 dan pengembalian kelebihan dana bina lingkungan sebesar Rp756.243.291.

15. OTHER INCOME

Other income amounting to Rp12,399,740,974 for the year ended December 31, 2015 consist of, among other, interest income from Partnership Program with PT Perkebunan Nusantara IX (Persero) amounting to Rp6,925,000,000, refund from BUMN Peduli Coordinator amounting to Rp3,129,671,978, accrued interest from PT Rajawali Nusantara Indonesia amounting to Rp443,979,690, refund from Partnership Loan not realized amounting to Rp933,000,000 and return of excess fund from community development amounting to Rp951,273,476. While for the year ended December 31, 2014, other income amounting to Rp38,784,410,440 consist of, among other, refund from BUMN Peduli Coordinator Sector amounting to Rp25,326,169,500, interest income from Partnership Program with PT Perkebunan Nusantara XI (Persero) amounting to Rp675,000,000, refund from Partnership Loan not realized amounting to Rp802,470,000 and return of excess fund from community development amounting to Rp756,243,291.

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16. DANA PEMBINAAN KEMITRAAN

Dana pembinaan kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp33.687.091 dan Rp172.350.000 digunakan untuk penyelenggaraan pameran atas usaha Mitra Binaan.

16. FOSTERING PARTNERSHIP FUNDS

Fostering partnership funds for the year ended December 31, 2015 and 2014 amounting to Rp33,687,091 and Rp172,350,000, respectively, were used for business exhibitions of foster partners.

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,		
	2015	2014	
Bantuan Sarana Umum	31.397.242.073	12.017.508.523	Public Facility Donation
Bantuan Pendidikan	31.029.002.836	29.483.055.775	Aid for Education Donation
Bantuan Sosial			Social Assistance in order to
Pengentasan Kemiskinan	23.546.868.028	12.695.409.557	Alleviate Poverty
Bantuan Peningkatan Kesehatan	17.452.033.345	22.704.965.784	Aid for Health Improvement
Bantuan Sarana Ibadah	17.385.011.551	16.863.564.955	Improvement of Worship Facilities
Bantuan Korban Bencana Alam	3.194.027.094	6.088.871.196	Help Victims of Nature Disaster
Pelestarian Alam	2.386.873.415	4.057.077.205	Nature Preservation
Jumlah	126.391.058.342	103.910.452.995	Total

18. BEBAN PEMBINAAN

Beban pembinaan untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar RpNihil dan Rp340.894.950, yang terdiri dari biaya operasional program kemitraan yang dikeluarkan untuk pelatihan dan workshop pengurus PKBL BRI.

18. EMPOWERMENT EXPENSES

Empowerment expenses for the years ended December 31, 2015 and 2014, amounting to RpNil and Rp340,894,950, respectively, which consisted of operational expenses of Partnership Program to paid training and workshop expenses for worker of PKBL BRI.

19. BEBAN LAIN-LAIN

Beban lain-lain untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp506.004.101 dan Rp1.959.101.558, dimana sebagian besar terdiri dari biaya operasional penyaluran bina lingkungan masing-masing sebesar Rp401.895.530 dan Rp1.610.863.558 pada tahun 2015 dan 2014, biaya sosialisasi otomatisasi Program Kemitraan sebesar Rp102.913.491 pada tahun 2015 dan pemberian jasa administrasi kepada PT Perkebunan Nusantara XI (Persero) sebesar Rp337.500.000 pada tahun 2014.

19. OTHER EXPENSES

Other expenses for the years ended December 31, 2015 and 2014, amounted to Rp506,004,101 and Rp1,959,101,558, respectively, which mostly consisted of operational expenses of Community Development distribution amounting to Rp401,895,530 and Rp1,610,863,558, for the year 2015 and 2014, respectively, Partnership Program's automation socialization expenses to Rp102,913,491 for the year 2015 and administration services to PT Perkebunan Nusantara XI (Persero) amounting to Rp337,500,000 for the year 2014.

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20. PENYELESAIAN LAPORAN KEUANGAN

Manajemen PKBL BRI bertanggung jawab terhadap penyusunan dan penyajian laporan keuangan PKBL PT Bank Rakyat Indonesia (Persero) Tbk yang telah diselesaikan dan disetujui untuk diterbitkan pada tanggal 23 Februari 2016.

20. COMPLETION OF FINANCIAL STATEMENTS

The Management of PKBL BRI is responsible for the preparation and presentation of financial statements of PKBL PT Bank Rakyat Indonesia (Persero) Tbk which has been completed and approved to be issued on February 23, 2016.

Lampiran/Appendix 1

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
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LAPORAN PENYALURAN DANA
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STATEMENT OF COMMUNITY
DEVELOPMENT PROGRAM FUNDS DISTRIBUTION
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**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2015**

**Statement of Community Development Program
Funds Distribution Year 2015**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Help Victims of Nature Disaster	Bantuan Pendidikan/ Aid for Education Donation	Bantuan Peningkatan Kesehatan/ Aid for Health Improvement	Sarana 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	847.071.000	100.229.500	2.086.449.836	832.270.700	360.000.000	-	467.822.000	4.693.843.036
2	Bandar Lampung	1.559.350.000	-	196.297.000	530.734.000	691.215.000	215.500.000	-	3.193.096.000
3	Bandung	1.436.265.900	142.500.000	923.934.990	1.748.335.799	530.520.000	10.000.000	534.279.080	5.325.835.769
4	Banjarmasin	1.535.899.000	140.125.000	268.170.000	839.100.001	100.820.000	-	230.185.750	3.114.299.751
5	Denpasar	662.899.508	54.088.500	1.536.111.392	737.664.091	711.210.000	199.008.420	230.000.000	4.130.981.911
6	DKI Jakarta 1	581.072.500	50.777.010	189.080.000	1.239.152.500	190.189.000	119.850.100	137.085.306	2.507.206.416
7	DKI Jakarta 2	637.221.586	69.142.000	527.120.380	788.998.364	2.431.709.001	20.000.000	307.600.000	4.781.791.331
8	DKI Jakarta 3	339.760.000	40.603.600	942.510.000	814.043.053	226.684.686	-	79.195.000	2.442.796.339
9	Jayapura	447.721.000	25.000.000	318.400.000	-	350.025.000	-	51.300.000	1.192.446.000
10	Kantor Pusat	5.063.973.100	1.587.590.210	10.347.281.071	357.567.636	7.918.257.864	441.995.295	11.042.394.421	36.759.059.597
11	Makassar	3.017.900.000	24.950.000	5.498.340.456	559.150.000	1.594.000.000	165.100.000	2.069.302.047	12.928.742.503
12	Malang	6.734.491.650	74.732.000	1.913.663.600	1.033.691.000	-	126.313.900	101.700.000	9.984.592.150
13	Manado	1.325.226.500	75.000.000	367.880.000	362.550.000	1.129.347.000	120.000.000	168.550.000	3.548.553.500
14	Medan	1.642.702.400	-	1.011.294.992	2.431.900.001	-	181.448.420	-	5.267.345.813
15	Padang	310.744.500	1.440.000	183.300.000	-	70.000.000	113.588.000	682.958.500	1.362.031.000
16	Palembang	646.212.759	8.470.500	373.800.000	-	454.330.000	15.200.000	443.790.000	1.941.803.259
17	Pekanbaru	1.389.378.000	24.640.000	355.400.000	319.898.000	100.000.000	120.000.000	-	2.309.316.000
18	Semarang	2.068.700.700	88.200.000	607.656.200	735.830.000	68.000.000	194.700.280	45.674.305	3.808.761.485
19	Surabaya	571.885.000	24.998.500	1.176.065.453	2.002.410.000	64.100.000	203.424.000	165.500.000	4.208.382.953
20	Yogyakarta	578.766.970	661.540.274	2.206.247.466	2.118.738.200	394.604.000	140.745.000	6.789.531.619	12.890.173.529
	Jumlah/ Total	31.397.242.073	3.194.027.094	31.029.002.836	17.452.033.345	17.385.011.551	2.386.873.415	23.546.868.028	126.391.058.342

Lampiran/Appendix 1

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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2014**

**Statement of Community Development Program
Funds Distribution Year 2014**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Help Victims of Nature Disaster	Bantuan Pendidikan/ Aid for Education Donation	Bantuan Peningkatan Kesehatan/ Aid for Health Improvement	Sarana 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	422.140.000	50.000.000	-	-	-	-	100.000.000	572.140.000
2	Bandar Lampung	413.050.000	-	-	604.900.000	28.727.000	-	-	1.046.677.000
3	Bandung	676.306.480	184.318.182	1.366.513.000	1.686.550.000	633.119.700	126.500.000	225.000.000	4.898.307.362
4	Banjarmasin	378.132.000	10.000.000	629.034.500	256.000.000	-	-	169.365.000	1.442.531.500
5	Denpasar	1.056.936.812	44.850.000	610.078.000	308.953.250	360.000.000	210.000.000	825.372.000	3.416.190.062
6	DKI Jakarta 1	30.000.000	63.212.850	11.675.000	96.250.000	-	-	-	201.137.850
7	DKI Jakarta 2	206.961.000	253.001.293	395.210.000	369.145.000	779.469.000	37.000.000	50.000.000	2.090.786.293
8	DKI Jakarta 3	324.667.000	36.750.970	153.890.000	744.500.000	50.000.000	70.000.000	-	1.379.807.970
9	Jayapura	21.618.750	-	390.000.000	448.809.000	21.560.000	-	45.535.004	927.522.754
10	Kantor Pusat	2.938.878.368	2.735.007.789	17.190.286.719	13.464.675.534	13.264.996.657	3.200.237.205	8.649.305.553	61.443.387.825
11	Makassar	462.280.000	99.997.200	235.835.000	669.375.000	-	-	222.850.000	1.690.337.200
12	Malang	460.400.000	683.387.502	3.672.694.000	469.550.000	20.000.000	48.335.000	140.000.000	5.494.366.502
13	Manado	325.525.000	476.118.960	564.824.000	210.700.000	178.890.000	-	145.000.000	1.901.057.960
14	Medan	260.005.000	729.025.000	244.200.000	429.600.000	290.000.000	175.000.000	-	2.127.830.000
15	Padang	168.160.000	23.900.000	31.000.000	-	75.000.000	-	141.250.000	439.310.000
16	Palembang	681.780.297	-	259.850.000	80.100.000	220.000.000	-	472.687.000	1.714.417.297
17	Pekanbaru	201.750.000	-	185.890.000	220.620.000	-	-	249.776.000	858.036.000
18	Semarang	820.336.100	257.301.310	225.787.950	1.210.000.000	152.800.000	107.000.000	231.200.000	3.004.425.360
19	Surabaya	401.165.000	47.500.000	1.099.591.000	787.400.000	30.000.000	83.005.000	65.000.000	2.513.661.000
20	Yogyakarta	1.767.416.716	394.500.140	2.216.696.606	647.838.000	759.002.598	-	963.069.000	6.748.523.060
	Jumlah/ Total	12.017.508.523	6.088.871.196	29.483.055.775	22.704.965.784	16.863.564.955	4.057.077.205	12.695.409.557	103.910.452.995

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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015**

No.	Kantor Wilayah/ Regional Offices	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Komunikasi, Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurant and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
1	Banda Aceh									
	Lancar/ Current	40.566.662	34.444.800	-	-	13.541.300	1.099.825.573	231.171.652	-	1.419.549.987
	Kurang Lancar/ Substandard	-	-	-	-	41.238.578	32.135.800	-	-	73.374.378
	Diragukan/ Doubtful	-	-	-	-	2.894.067	-	-	41.666.600	44.560.667
	Mace/ Loss	-	11.988.700	-	-	81.275.000	1.161.800.906	140.662.434	16.300.000	1.412.027.040
	Sub jumlah/ Sub total	40.566.662	46.433.500	-	-	138.948.945	2.293.762.279	371.834.086	57.966.600	2.949.512.072
2	Bandar Lampung									
	Lancar/ Current	20.139.200	50.000.000	-	-	34.507.334	1.015.088.118	1.516.488.811	-	2.636.223.463
	Kurang Lancar/ Substandard	3.332.000	-	-	-	-	68.620.995	-	-	71.952.995
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Mace/ Loss	17.925.133	14.609.667	-	-	68.566.667	368.622.784	209.415.367	-	679.139.618
	Sub jumlah/ Sub total	41.396.333	64.609.667	-	-	103.074.001	1.452.331.897	1.725.904.178	-	3.387.316.076

Lampiran/Appendix 2

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**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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Offices	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	Perumahan/ Housing	Jumlah/ Total
3	Bandung									
	Lancar/ Current	400.806.062	267.773.830	22.222.000	24.999.800	24.444.600	3.164.576.601	1.071.416.737	-	4.976.239.630
	Kurang Lancar/ Substandard	45.682.100	-	-	-	30.426.467	171.081.596	507.750.088	-	754.940.251
	Diragukan/ Doubtful	-	-	-	-	-	47.126.100	23.655.000	-	70.781.100
	Mace/ Loss	121.188.600	150.184.401	-	-	-	889.128.290	1.851.664.964	-	3.012.166.255
	Sub jumlah/ Sub total	567.676.762	417.958.231	22.222.000	24.999.800	54.871.067	4.271.912.587	3.454.486.789	-	8.814.127.236
4	Banjarbaru									
	Lancar/ Current	140.560.600	69.428.267	-	-	131.095.545	581.451.771	410.626.764	48.573.700	1.381.736.647
	Kurang Lancar/ Substandard	10.417.300	28.660.000	-	-	52.249.429	119.251.204	8.528.903	-	219.106.836
	Diragukan/ Doubtful	-	19.300.680	-	-	16.666.400	77.090.600	24.250.287	-	137.307.967
	Mace/ Loss	102.328.467	78.698.667	-	-	91.251.000	931.373.796	271.163.184	-	1.474.815.014
	Sub jumlah/ Sub total	253.306.367	196.087.514	-	-	291.262.374	1.709.167.371	714.569.138	48.573.700	3.212.966.464

Lampiran/Appendix 2

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**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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Offices	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Komunikasi, Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
5	Dempasar									
	Lancar/ Current	157.332.630	65.498.687	-	-	234.512.546	1.351.265.681	1.263.425.327	24.999.800	3.097.034.671
	Kurang Lancar/ Substandard	-	-	-	-	-	106.810.655	37.998.299	-	144.808.954
	Diragukan/ Doubtful	-	-	-	-	-	6.094.067	35.000.000	-	41.094.067
	Mace/ Loss	177.552	63.851.799	-	-	124.696.067	669.014.695	4.438.668.968	14.442.800	5.310.851.881
	Sub jumlah/ Sub total	157.510.182	129.350.486	-	-	359.208.613	2.133.185.098	5.775.092.594	39.442.600	8.593.789.573
6	DKI Jakarta 1									
	Lancar/ Current	-	8.951.335	50.000.000	-	-	266.245.634	33.333.200	-	358.530.169
	Kurang Lancar/ Substandard	-	-	-	-	-	-	-	-	-
	Diragukan/ Doubtful	1.257.201	-	-	-	-	722.600	5.554.800	-	7.534.601
	Mace/ Loss	-	-	-	-	23.719.233	149.899.132	85.499.100	-	259.117.465
	Sub jumlah/ Sub total	1.257.201	8.951.335	50.000.000	-	23.719.233	416.867.366	124.387.100	-	625.182.235

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**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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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	Perumahan/ Housing	Jumlah/ Total
7	DKI Jakarta 2									
	Lancar/ Current	94.945.116	40.277.700	-	-	301.104.986	1.101.666.741	310.334.526	-	1.848.328.069
	Kurang Lancar/ Substandard	-	-	-	-	-	88.073.148	-	-	88.073.148
	Diragukan/ Doubtful	-	-	-	-	10.000.000	38.071.000	-	-	48.071.000
	Macer/ Loss	-	136.791.830	-	-	45.044.333	554.211.792	114.761.360	3.434.767	854.244.082
	Sub jumlah/ Sub total	94.945.116	177.069.530	-	-	356.149.319	1.782.021.681	425.095.886	3.434.767	2.838.716.299
8	DKI Jakarta 3									
	Lancar/ Current	-	-	-	-	-	279.304.789	152.777.867	-	432.082.656
	Kurang Lancar/ Substandard	-	-	-	-	-	48.402	-	-	48.402
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Macer/ Loss	87.105.680	710.945.688	-	-	-	938.892.912	240.282.634	-	1.977.226.914
	Sub jumlah/ Sub total	87.105.680	710.945.688	-	-	-	1.218.246.103	393.060.501	-	2.409.357.972

Lampiran/Appendix 2

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**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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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	Perumahan/ Housing	Jumlah/ Total
9	Jayapura									
	Lancar/ Current	25.000.200	-	-	-	25.014.826	550.782.365	185.277.300	-	786.074.691
	Kurang Lancar/ Substandard	-	-	-	-	-	127.735.349	1.166.600	-	128.901.949
	Diragukan/ Doubtful	-	-	-	-	-	44.106.034	901.619	-	45.007.653
	Maceul/ Loss	11.921.933	181.152.504	-	-	194.494.833	1.100.627.061	81.108.500	49.414.034	1.618.718.865
	Sub jumlah/ Sub total	36.922.133	181.152.504	-	-	219.509.659	1.823.250.809	268.454.019	49.414.034	2.578.703.158
10	Makassar									
	Lancar/ Current	453.549.744	40.077.032	-	-	387.111.603	3.497.555.496	967.049.787	14.583.300	5.359.926.962
	Kurang Lancar/ Substandard	40.999.600	11.110.400	-	-	-	135.163.482	33.387.471	-	220.660.953
	Diragukan/ Doubtful	-	754.333	-	-	-	-	45.007.342	-	45.761.675
	Maceul/ Loss	66.202.067	48.686.332	-	-	189.469.975	917.565.070	678.489.209	-	1.900.412.653
	Sub jumlah/ Sub total	560.751.411	100.628.097	-	-	576.581.578	4.550.284.048	1.723.933.809	14.583.300	7.526.762.243

Lampiran/Appendix 2

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**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 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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, Komersial/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
11	Malang									
	Lancar/ Current	243.888.569	65.277.700	-	-	58.307.100	1.798.242.307	2.364.796.912	45.833.300	4.576.345.888
	Kurang Lancar/ Substandard	6.944.100	-	-	-	-	264.025.866	775.285.428	-	1.046.295.394
	Diragukan/ Doubtful	2.777.400	-	-	-	-	126.216.500	18.389.150	-	147.383.050
	Mace/ Loss	7.053.233	-	-	-	26.564.750	359.028.912	196.974.484	10.000.000	599.621.379
	Sub jumlah/ Sub total	260.663.302	65.277.700	-	-	84.871.850	2.547.513.585	3.355.445.974	55.833.300	6.369.605.711
12	Manado									
	Lancar/ Current	56.944.500	36.143.269	-	1.030.645	129.288.791	1.427.261.357	789.990.957	29.166.787	2.469.926.306
	Kurang Lancar/ Substandard	34.672.267	-	-	-	70.555.800	229.412.809	165.326.134	-	499.966.810
	Diragukan/ Doubtful	-	-	-	-	-	7.175.268	-	-	7.175.268
	Mace/ Loss	167.963.038	226.249.700	-	-	14.790.000	588.079.124	263.764.902	-	1.260.946.764
	Sub jumlah/ Sub total	259.579.805	262.392.969	-	1.030.645	214.634.391	2.251.928.558	1.219.081.993	29.166.787	4.237.815.148

Lampiran/Appendix 2

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**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 2015 dan
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(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, 2015 and
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(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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	Perumahan/ Housing	Jumlah/ Total
13	Medan									
	Lancar/ Current	92.539.300	115.138.700	-	-	35.948.626	1.220.320.350	219.789.267	7.916.100	1.691.652.343
	Kurang Lancar/ Substandard	-	-	-	-	-	73.357.287	137.985.600	-	211.342.887
	Diragukan/ Doubtful	-	-	-	-	-	3.998.211	46.667.200	-	50.665.411
	Macet/ Loss	107.477.222	256.713.466	-	-	7.783.267	353.296.115	211.464.856	-	936.734.926
	Sub jumlah/ Sub total	200.016.522	371.852.166	-	-	43.731.893	1.650.971.963	615.906.923	7.916.100	2.890.395.567
14	Padang									
	Lancar/ Current	122.777.800	41.666.600	-	-	121.388.300	1.211.549.224	255.576.271	-	1.752.968.195
	Kurang Lancar/ Substandard	-	-	-	-	17.333.200	22.241.200	35.802.368	-	75.376.768
	Diragukan/ Doubtful	-	-	-	-	-	80.325.214	-	-	80.325.214
	Macet/ Loss	11.391.832	31.824.068	-	-	-	284.010.030	538.234.197	-	865.480.127
	Sub jumlah/ Sub total	134.169.632	73.490.668	-	-	138.721.500	1.598.125.668	829.612.836	-	2.774.120.304

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
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(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
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(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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 and Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
15	Palembang									
	Lancar/ Current	80.446.700	98.481.955	-	-	22.818.729	1.280.552.711	871.976.350	-	2.354.276.445
	Kurang Lancar/ Substandard	4.400.000	-	-	-	-	47.913.600	29.167.200	-	81.480.800
	Diragukan/ Doubtful	-	-	-	-	-	7.283.600	-	-	7.283.600
	Macet/ Loss	485.211.866	109.393.999	-	-	19.632.300	735.328.890	149.579.433	-	1.499.146.488
	Sub jumlah/ Sub total	570.058.566	207.875.954	-	-	42.451.029	2.071.078.801	1.050.722.983	-	3.942.187.333
16	Pekanbaru									
	Lancar/ Current	77.222.901	-	-	-	77.777.600	1.184.409.693	483.213.167	-	1.822.623.361
	Kurang Lancar/ Substandard	-	-	-	-	-	48.360.387	4.167.162	-	52.527.549
	Diragukan/ Doubtful	2.758.200	-	-	-	-	-	2.941.500	-	5.699.700
	Macet/ Loss	-	32.519.833	-	-	38.041.800	376.222.427	33.871.000	-	480.655.060
	Sub jumlah/ Sub total	79.981.101	32.519.833	-	-	115.819.400	1.608.992.507	524.192.829	-	2.361.505.670

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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STATEMENT OF LOAN RECEIVABLES
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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	Perumahan/ Housing	Jumlah/ Total
17	Semarang									
	Lancar/ Current	408.251.870	175.415.000	-	-	91.721.855	1.547.112.974	1.593.213.570	-	3.755.715.269
	Kurang Lancar/ Substandard	-	58.054.800	-	-	-	181.693.696	4.846.774	-	244.595.270
	Diragukan/ Doubtful	-	-	-	-	-	3.332.400	113.905.764	-	117.238.164
	Macet/ Loss	100.888.485	157.514.701	-	-	-	436.349.745	95.646.350	-	790.399.281
	Sub jumlah/ Sub total	509.140.355	390.984.501	-	-	91.721.855	2.168.488.815	1.747.612.458	-	4.907.947.984
18	Surabaya									
	Lancar/ Current	282.487.830	163.059.302	-	-	209.552.200	2.562.136.919	1.488.647.588	-	4.705.883.839
	Kurang Lancar/ Substandard	-	-	-	-	57.295.800	105.995.017	-	-	163.291.817
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Macet/ Loss	261.920.692	37.249.900	-	-	-	767.050.255	511.515.717	-	1.577.736.564
	Sub jumlah/ Sub total	544.408.522	200.309.202	-	-	266.848.000	3.435.183.191	2.000.163.305	-	6.446.912.220

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (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	Perumahan/ Housing	Jumlah/ Total
19	Yogyakarta									
	Lancar/ Current	48.888.500	10.050.960	-	-	280.832.475	1.452.184.185	624.444.559	-	2.396.400.679
	Kurang Lancar/ Substandard	-	-	-	-	15.556.800	37.703.800	52.083.100	-	105.343.500
	Diragukan/ Doubtful	-	-	-	-	-	5.084.300	-	-	5.084.300
	Macet/ Loss	274.384.432	559.298.772	-	-	105.587.767	2.176.732.179	2.002.971.528	5.221.600	5.124.196.278
	Sub jumlah/ Sub total	323.272.932	569.349.732	-	-	381.977.042	3.671.704.264	2.679.499.187	5.221.600	7.631.024.757
	Jumlah/Total	4.722.728.584	4.207.239.277	72.222.000	26.030.445	3.504.101.749	42.555.016.591	28.999.056.588	311.552.788	84.497.948.022

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2014**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Komersial/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
1	Banda Aceh									
	Lancar/ Current	-	83.057.600	-	-	42.685.236	861.139.979	48.785.000	66.549.100	1.102.216.915
	Kurang Lancar/ Substandard	-	49.230.900	-	-	10.395.921	276.454.508	24.999.800	-	361.081.129
	Diragukan/ Doubtful	-	-	-	-	-	171.858.553	-	-	171.858.553
	Macet/ Loss	-	-	-	-	81.275.000	721.585.378	128.862.634	-	931.723.012
	Sub jumlah/ Sub total	-	132.288.500	-	-	134.356.157	2.031.038.418	202.647.434	66.549.100	2.566.879.609
2	Bandar Lampung									
	Lancar/ Current	31.110.000	70.110.890	-	-	-	591.477.272	50.897.900	-	743.596.062
	Kurang Lancar/ Substandard	-	-	-	-	-	87.176.183	-	-	87.176.183
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Macet/ Loss	17.925.133	14.609.667	-	-	68.566.667	422.090.917	252.170.800	-	775.363.184
	Sub jumlah/ Sub total	49.035.133	84.720.557	-	-	68.566.667	1.100.744.372	303.068.700	-	1.606.135.429

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2014 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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	Perumahan/ Housing	Jumlah/ Total
3	Bandung									
	Lancar/ Current	346.368.000	303.213.000	38.888.800	41.666.600	105.950.368	2.868.098.204	1.281.146.791	-	4.985.331.763
	Kurang Lancar/ Substandard	19.305.600	-	-	-	-	172.767.799	474.037.358	-	666.110.757
	Diragukan/ Doubtful	-	-	-	-	-	134.437.033	163.509.667	-	297.946.700
	Macet/ Loss	122.326.467	150.184.401	-	-	-	630.232.262	1.767.456.145	-	2.670.199.275
	Sub jumlah/ Sub total	488.000.067	453.397.401	38.888.800	41.666.600	105.950.368	3.805.535.298	3.686.149.961	-	8.619.588.495
4	Banjamasin									
	Lancar/ Current	364.072.468	253.164.705	-	-	117.319.834	1.825.922.409	659.840.671	144.599.934	3.364.920.021
	Kurang Lancar/ Substandard	-	-	-	-	6.850.000	230.714.387	93.869.285	-	331.433.672
	Diragukan/ Doubtful	-	5.618.700	-	-	30.614.133	94.888.811	53.750.287	-	184.871.931
	Macet/ Loss	92.335.467	73.079.867	-	-	58.426.200	699.698.701	293.971.799	-	1.217.512.034
	Sub jumlah/ Sub total	456.407.935	331.863.272	-	-	213.210.167	2.861.224.308	1.101.432.042	144.599.934	5.098.737.658

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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, Komersial/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
5	Dempasar									
	Lancar/ Current	235.239.868	273.792.326	-	-	492.443.005	2.479.120.757	1.808.860.070	47.338.467	5.336.794.483
	Kurang Lancar/ Substandard	-	-	-	-	-	258.712.000	135.653.100	-	394.365.100
	Ditajukan/ Doubtful	-	63.979.034	-	-	23.139.900	71.159.500	21.453.700	-	179.732.134
	Macet/ Loss	11.937.216	53.073.332	-	-	104.239.567	610.555.625	4.454.686.467	15.102.800	5.249.595.007
	Sub jumlah/ Sub total	247.177.084	390.844.692	-	-	619.822.472	3.419.547.882	6.420.653.337	62.441.267	11.160.486.734
6	DKI Jakarta 1									
	Lancar/ Current	3.566.868	17.284.135	-	-	21.988.667	62.923.901	36.712.289	810.920	143.286.780
	Kurang Lancar/ Substandard	-	6.143.334	-	-	-	1.737.724	18.055.300	-	25.936.358
	Ditajukan/ Doubtful	-	-	-	-	-	26.397.033	17.305.300	-	43.702.333
	Macet/ Loss	-	-	-	-	23.719.233	116.866.399	58.333.000	-	198.918.632
	Sub jumlah/ Sub total	3.566.868	23.427.469	-	-	45.707.900	207.925.057	130.405.889	810.920	411.844.103

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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	Perumahan/ Housing	Jumlah/ Total
7	DKI Jakarta 2									
	Lancar/ Current	-	20.139.800	-	-	201.505.499	874.772.153	14.167.300	-	1.110.584.752
	Kurang Lancar/ Substandard	-	-	-	-	18.750.000	136.262.717	87.499.995	3.434.767	245.947.479
	Diragukan/ Doubtful	-	-	-	-	-	19.096.785	38.870.000	-	57.966.785
	Macev/ Loss	-	136.791.830	-	-	36.094.333	450.554.069	85.007.933	-	708.448.165
	Sub jumlah/ Sub total	-	156.931.630	-	-	256.349.832	1.480.685.724	225.545.228	3.434.767	2.122.947.181
8	DKI Jakarta 3									
	Lancar/ Current	21.861.900	-	-	-	-	165.808.334	2.290.800	-	189.961.034
	Kurang Lancar/ Substandard	-	-	-	-	-	19.062.926	52.777.642	-	71.840.568
	Diragukan/ Doubtful	-	-	-	-	-	-	2.371.250	-	2.371.250
	Macev/ Loss	87.105.680	714.645.688	-	-	-	966.480.021	185.133.742	-	1.953.365.131
	Sub jumlah/ Sub total	108.967.580	714.645.688	-	-	-	1.151.351.281	242.573.434	-	2.217.537.983

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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	Perumahan/ Housing	Jumlah/ Total
9	Jayapura									
	Lancar/ Current	8.802.826	30.661.001	-	-	130.486.279	1.031.457.849	104.436.176	31.310.733	1.337.154.864
	Kurang Lancar/ Substandard	13.721.933	24.572.833	-	-	-	435.728.365	20.359.834	27.684.967	522.067.932
	Diragukan/ Doubtful	-	5.606.800	-	-	63.555.300	114.482.367	27.004.820	7.626.067	218.275.354
	Macet/ Loss	-	145.385.301	-	-	147.627.566	842.733.573	73.952.300	29.525.300	1.239.224.040
	Sub jumlah/ Sub total	22.524.759	206.225.935	-	-	341.669.145	2.424.402.154	225.753.130	96.147.067	3.316.722.190
10	Makassar									
	Lancar/ Current	89.563.857	267.527.899	2.525.016	-	160.679.700	941.092.686	227.546.913	-	1.688.936.070
	Kurang Lancar/ Substandard	66.013	-	-	-	20.405.000	87.212.357	315.670.440	-	423.353.810
	Diragukan/ Doubtful	-	-	-	-	8.376.067	271.862.765	189.144.983	-	469.383.815
	Macet/ Loss	66.202.067	51.853.165	-	-	149.042.784	724.507.873	668.218.376	-	1.659.824.265
	Sub jumlah/ Sub total	155.831.937	319.381.064	2.525.016	-	338.503.551	2.024.675.680	1.400.580.712	-	4.241.497.960

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
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Tanggal 31 Desember 2015 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, 2015 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2014 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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, Komersial/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
11	Malang									
	Lancar/ Current	76.664.800	-	-	-	39.933.976	1.478.127.911	3.107.517.734	23.332.000	4.725.576.421
	Kurang Lancar/ Substandard	-	-	-	-	-	191.290.000	117.904.503	-	309.194.503
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Maceh/ Loss	8.153.233	-	-	-	26.564.750	203.917.344	90.591.829	-	329.227.156
	Sub jumlah/ Sub total	84.818.033	-	-	-	66.498.726	1.873.335.255	3.316.014.066	23.332.000	5.363.998.080
12	Manado									
	Lancar/ Current	25.354.300	140.277.700	-	5.832.600	119.774.200	889.226.414	285.604.988	68.055.300	1.534.125.502
	Kurang Lancar/ Substandard	-	6.718.900	-	-	-	147.123.159	46.900.133	-	200.742.192
	Diragukan/ Doubtful	100.000.000	34.233.964	-	-	-	120.395.532	150.000.000	-	404.629.596
	Maceh/ Loss	176.316.671	231.028.333	-	-	14.790.000	503.065.588	242.089.902	-	1.167.290.494
	Sub jumlah/ Sub total	301.670.971	412.258.797	-	5.832.600	134.564.200	1.659.810.693	724.595.023	68.055.300	3.306.787.584

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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2014 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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, Komersial/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
13	Medan									
	Lancar/ Current	111.369.809	69.971.300	-	-	111.886.131	1.449.640.188	295.133.134	12.916.500	2.050.917.062
	Kurang Lancar/ Substandard	47.222.200	-	-	-	-	138.027.963	-	-	185.250.163
	Diragukan/ Doubtful	-	-	-	-	-	45.777.482	-	-	45.777.482
	Maceh/ Loss	107.877.222	258.093.466	-	-	7.783.267	318.637.794	218.464.856	-	910.856.605
	Sub jumlah/ Sub total	266.469.231	328.064.766	-	-	119.669.398	1.952.083.427	513.597.990	12.916.500	3.192.801.312
14	Padang									
	Lancar/ Current	59.446.500	15.558.334	-	-	93.889.000	808.665.564	85.340.434	-	1.062.899.832
	Kurang Lancar/ Substandard	8.371.690	21.203.000	-	-	-	60.978.154	3.968.678	-	94.521.522
	Diragukan/ Doubtful	3.338.965	-	-	-	-	13.120.000	-	-	16.458.965
	Maceh/ Loss	8.052.867	13.905.067	-	-	-	212.416.499	526.361.997	-	760.736.430
	Sub jumlah/ Sub total	79.210.022	50.666.401	-	-	93.889.000	1.095.180.217	615.671.109	-	1.934.616.749

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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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	Perumahan/ Housing	Jumlah/ Total
15	Palembang									
	Lancar/ Current	306.786.744	63.720.078	-	-	31.986.229	1.160.950.725	533.140.969	16.666.400	2.113.251.145
	Kurang Lancar/ Substandard	-	-	-	-	-	179.283.216	50.970.100	-	230.253.316
	Diragukan/ Doubtful	97.049.000	-	-	-	4.295.371	59.206.467	18.715.000	-	179.265.838
	Macet/ Loss	203.666.766	101.796.999	-	-	19.632.300	647.078.674	122.424.433	-	1.094.599.172
	Sub jumlah/ Sub total	607.502.510	165.517.077	-	-	55.913.900	2.046.519.082	725.250.502	16.666.400	3.617.969.471
16	Pekanbaru									
	Lancar/ Current	99.956.595	15.148.234	-	-	91.666.600	668.146.629	92.544.526	-	967.462.584
	Kurang Lancar/ Substandard	-	-	-	-	-	150.111.343	-	-	150.111.343
	Diragukan/ Doubtful	-	-	-	-	-	30.554.826	-	-	30.554.826
	Macet/ Loss	-	32.519.833	-	-	48.866.100	228.412.306	35.861.000	-	345.659.239
	Sub jumlah/ Sub total	99.956.595	47.668.067	-	-	140.532.700	1.077.225.104	128.405.526	-	1.493.787.992

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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2014 (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	Perumahan/ Housing	Jumlah/ Total
17	Semarang									
	Lancar/ Current	342.788.701	357.199.067	-	-	109.733.100	1.215.175.649	345.924.167	-	2.370.820.684
	Kurang Lancar/ Substandard	-	35.555.600	-	-	-	148.133.354	80.000.000	-	263.688.954
	Diragukan/ Doubtful	-	-	-	-	-	-	95.646.350	-	95.646.350
	Macev/ Loss	100.888.485	158.648.601	-	-	-	443.838.574	83.472.100	-	786.847.760
	Sub jumlah/ Sub total	443.677.186	551.403.268	-	-	109.733.100	1.807.147.577	605.042.617	-	3.517.003.748
18	Surabaya									
	Lancar/ Current	144.097.600	125.698.215	-	20.834.600	210.009.250	2.041.731.576	69.440.900	-	2.611.812.141
	Kurang Lancar/ Substandard	66.666.000	-	-	-	-	218.539.626	79.166.100	-	364.371.726
	Diragukan/ Doubtful	-	-	-	-	-	287.311.180	-	-	287.311.180
	Macev/ Loss	220.821.424	37.249.900	-	-	-	337.304.827	442.183.017	-	1.037.559.168
	Sub jumlah/ Sub total	431.585.024	162.948.115	-	20.834.600	210.009.250	2.884.887.209	590.790.017	-	4.301.054.215

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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	Perumahan/ Housing	Jumlah/ Total
19	Yogyakarta									
	Lancar/ Current	83.367.900	282.471.235	-	-	225.899.676	1.218.826.299	268.170.040	-	2.078.735.150
	Kurang Lancar/ Substandard	12.787.333	391.655.555	-	-	5.939.433	304.291.299	939.998.766	16.666.400	1.671.338.786
	Diragukan/ Doubtful	27.193.933	-	-	-	-	1.940.833	567.322.979	-	596.457.745
	Macet/ Loss	247.281.366	177.830.917	-	-	104.774.816	2.134.449.946	560.117.816	6.735.600	3.231.190.461
	Sub jumlah/ Sub total	370.630.532	851.957.707	-	-	336.613.925	3.659.508.377	2.335.609.601	23.402.000	7.577.722.142
	Jumlah/Total	4.217.031.467	5.384.210.406	41.413.816	68.333.800	3.391.560.458	38.552.827.115	23.493.786.318	518.355.255	75.667.518.635



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