

Continuous Innovations in Extending Services

Built Upon Integrity and Cutting Edge Technology





Continuous **Innovations** in **Extending Services**

Built Upon Integrity and Cutting Edge Technology

Demonstrates a strong commitment to support the development of micro, small, and medium enterprises as well as other segments throughout the country. BRI has consistently invested in network expansion and human resources development to enhance services quality and human resources competence.

Aiming to become a Bank with the best and sustainable performance through productive and efficient network and human resources to support the customers' business growth across the archipelago.

BRI once again became one of the banks with the best performance in Indonesia. Total assets grew to Rp801.9 trillion while total loans rose to Rp510.7 trillion with stable loan quality. Third Party Funds also rose to Rp622.3 trillion, resulted in Loan to Deposit Ratio (LDR) of 82.06%.

The development and implementation of cutting-edge technologies played an important role in improving operational efficiency, thus it contributed to net income of Rp24.3 trillion, representing 13.58% year on year growth. Bank BRI recorded as one of the SOEs with the largest dividend contribution to the state.

Going forward, BRI is determined to continue to spur its operational performance and human resources competencies in order to provide the best service to all customers, support the development of economic potential across the nation, and achieve sustainable quality growth.



Enhancing Network Quality through Measured Investments

In addition to 594 operational units, comprising branch offices, sub-branch offices, Cash Offices, BRI Units, and Teras BRI as well as 47,973 e-channel networks, BRI continues to develop the latest banking information technology applications. To enhance communications quality, BRI has initiated the communication satellite project, BRIsat, which will be managed by the Bank in the future.

Today, BRI has strengthened its position as the bank with the largest network that consisted of 10,396 outlets, 20,792 ATMs, and 131,204 EDCs spreadout across the country – all are integrated in real-time online.



The network has enabled BRI to significantly increase the volume of e-banking transactions with efficiency in order to accommodate the growing volume of customers' banking transactions regardless of their locations, as reflected from efficiency level ratio in the past three years and fee-based income increase from e-banking activities.





E-Banking Performance*



ATM Transactions

Total transactions
1.5 billion times

▲ **28.14%** YoY

Transaction value reached
Rp952.6 trillion

▲ **25.71%** YoY



SMS Banking

Total transactions
131.3 million times

▲ **56.23%** YoY

Transaction value
Rp48.5 trillion

▲ **130.52%** YoY



Internet Banking

Total transactions
57.4 million times

▲ **140.40%** YoY

Total transaction
Rp85.5 trillion

▲ **219.14%** YoY

e-banking Income*



Fee Based Income*



*) Bank only

Optimizing Human Resource Potential through Competency Building and Sound Integrity

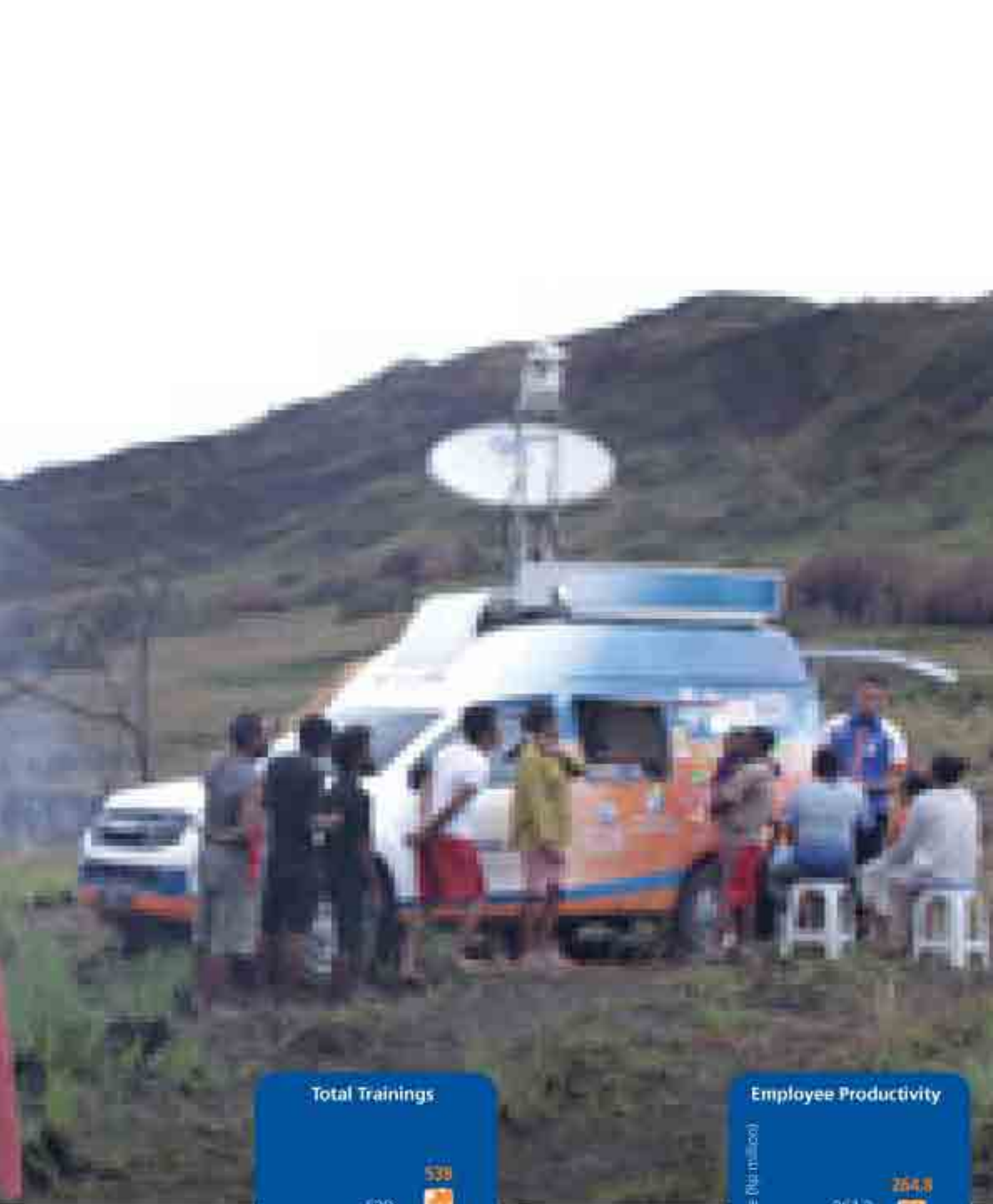


Various training programs that cover introduction, application, and development courses were aimed to enhance the employees' technical and managerial competencies, including strengthening employees' integrity.

In 2014, more than 132 training curriculums were developed and implemented, covering 468,062 participants. Total budget spending amounted to Rp664.6 billion, up by 22.02% from 2013.

In line with its business expansion plan, BRI consistently carries out substantial HR competency building through intensive and focused training programs.



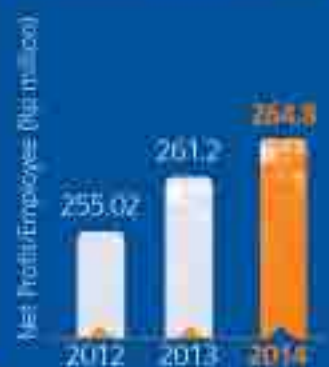


Total Trainings



Indicated by increasing employees' productivity ratio

Employee Productivity



Consistently Exercising Sound Management in Accordance with Good Corporate Governance Principles to Maintain Customers' Trust

BRI successfully improved total assets by growing its business whilst maintaining loan quality, as reflected by the sound level of NPL. On funding, BRI's ability to nurture customers' trust is illustrated by 23.45% deposits growth, above industry's growth.

BRI consistently applies the basic principles of GCG across all phases of the company management, through aspects of TARIF – Transparency, Accountability, Responsibility, Independency, and Fairness.





Consistently Delivers Exceptional Performance Despite Rigorous Competition and Challenging Economic Conditions

The endeavours that BRI has taken to increase competitiveness through network quality improvement and HR capacity building have resulted in an improved operational efficiency and productivity, which further reinforced the foundation to achieve distinguished performance.

BRI is determined to strengthen its operational quality in order to deliver the best and sustainable performance.



BBRI

▲ 16.63%

Net Interest Income



▲ 4.79%

Operating Expense to Operating Income



▲ 13.58%

Net Profit



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Financial Highlights

Financial Highlights (Rp billion)	Year				
	2010	2011	2012	2013	2014
Balance Sheets					
Total Assets	404,286	469,899	551,337	626,183	801,955
Total Earning Assets	379,696	432,647	499,042	568,546	728,094
Loans - Gross	252,489	294,515	362,007	448,345	510,697
Government Recap Bonds	13,626	8,996	4,316	4,511	4,304
Equity in Shares - Net	134	165	197	223	252
Total Liabilities	367,612	420,079	486,455	546,856	704,218
Third Party Funds	333,652	384,264	450,166	504,281	622,322
- Demand Deposits	77,364	76,779	79,723	79,337	90,052
- Savings	125,990	154,133	184,717	212,997	236,395
- Time Deposits	130,298	153,353	185,726	211,948	295,875
Other Interest Bearing Liabilities	17,297	19,361	15,784	14,873	49,177
Capital/Equity	36,673	49,820	64,882	79,327	97,737
Profit/Loss					
Interest Income					
- With Government Bonds Interest	44,615	48,164	49,610	59,461	75,122
- Without Government Bonds Interest	43,109	47,053	49,235	59,298	74,876
Net Interest Income:					
- With Government Bonds Interest	32,889	34,427	36,484	44,106	51,442
- Without Government Bonds Interest	31,382	33,316	36,109	43,943	51,197
Other Operating Income	5,545	5,776	8,390	8,348	9,299
Other Operating Expenses	(16,114)	(17,086)	(19,491)	(22,381)	(26,660)
Provision for Impairment Losses on Financial Assets	(7,917)	(5,533)	(2,700)	(3,946)	(5,719)
Income Before Tax	14,908	18,756	23,860	27,910	30,859
Net Income for the year	11,472	15,088	18,687	21,354	24,254
Income attributable to equity holders of parent entity	11,472	15,083	18,681	21,344	24,242
Income attributable to non-controlling interests	Nihil	5	6	10	12
Comprehensive profit and loss	11,559	15,296	18,661	19,917	24,760
Comprehensive income attributable to equity holders of parent entity	11,559	15,288	18,652	19,913	24,745
Comprehensive Income attributable to non-controlling interests	Nihil	8	9	3	15
Earnings per share (Rp)	478.36	628.91	757.26	865.22	982.67
Financial Ratio*					
Capital					
Capital Adequacy Rate	13.91%	14.99%	16.80%	16.97%	18.14%
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%
Non performing earning assets	2.24%	1.85%	1.46%	1.28%	1.26%
Allowance for possible losses to earning assets	4.58%	4.51%	3.43%	2.90%	2.40%
NPL Gross	2.78%	2.30%	1.78%	1.55%	1.69%
Profitability					
R O A	4.64%	4.93%	5.15%	5.03%	4.74%
R O E	43.83%	42.49%	38.66%	34.11%	31.22%
N I M	10.77%	9.58%	8.42%	8.55%	8.51%
Operating Expenses to Operating Income	70.86%	66.69%	59.93%	60.58%	65.37%

*) Bank only

Financial Highlights

Financial Highlights (Rp billion)	Year				
	2010	2011	2012	2013	2014
Liquidity					
L D R	75.17%	76.20%	79.85%	88.54%	81.68%
Compliance					
Violation of Legal Lending Limit					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Unrelated parties	Nil	Nil	Nil	Nil	Nil
Excess of Legal Lending Limit					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Unrelated parties	Nil	Nil	Nil	Nil	Nil
Statutory Reserves	8.05%	9.33%	10.64%	8.02%	8.07%
Net Open Position	4.45%	5.49%	3.00%	3.15%	3.86%

The financial figures above represent BRI's consolidated financial statements with the following subsidiaries for years 2011, 2012, 2013 and 2014: PT BRISyariah, PT Bank Agroniaga Tbk, BRIngin Remittance Co. Ltd; and only PT BRISyariah for year 2010.

The financial ratio uses Bank data only.

*)Starting in 2004, the Bank took into account the market risk, and operational risk has been taken into account, starting in 2010.



*) Bank only

Event Highlights 2014



24

February

Launching of Financial Literacy Car (SIMOLEK)

"In collaboration with OJK, BRI operates 20 units of SIMOLEK to support OJK's efforts to raise financial literacy of the public"

March

19

BRI signed MOU with Board Members of Nahdlatul Ulama (PBNU)

"BRI is ready to serve 80 million of NU followers"



20

March

BRI E-Hospital Cooperation with Fatmawati Hospital

"BRI implemented E-Hospital program to serve the hospital and its customers"

March

23

Quarter I 2014 BRI Analyst Meeting and Press Conference

"Publication of BRI financial performance for the Q1 2014"



24

March

E-Filing Program Cooperation between BRI and DG Tax

"BRI collaborated with the Directorate General of Tax on tax reporting of 113 thousand BRI employees using e-filing system"

March

25

BRI signed MOU with the Ministry of Public Housing

"BRI and the Ministry of Public Housing cooperated in disbursing Funds Assistance for Housing (Bantuan Stimulan Perumahan Swadaya/BSPS)"



Event Highlights 2014



26

March

Annual General Meeting of Shareholders (AGMS) of BRI 2014

April

BRI Satellite (BRISAT) Procurement Contract Signing

"Contract signing between PT Bank Rakyat Indonesia (Persero) Tbk Space Systems/Loral, LLC and Arianespace regarding the BRI Satellite Program"

28



7

June

Teras BRI Nusantara Participated in Jakarta Great Sale Festival



"Teras BRI Nusantara brought its best customers to Jakarta's shopping centers. As many as 68 MSME customers participated in the Jakarta Great Sale Festival"

June

BRI Launched E-Ticketing in Collaboration with BNI and Mandiri

"BRI synergized with Bank Mandiri, BNI, and PT KAI Commuter Jabodetabek (KCI) and launched the prepaid card payment system."

16



17

June

Inauguration of BRI Lampung Regional Office



"BRI inaugurated its 19th regional office, BRI Lampung Regional Office"

July

BRI Issued Electronic Member Card (Kartu Tanda Anggota/KTA) for Indonesian National Police (POLRI)

"BRI innovated and developed KTA POLRI with multiple functions as ATM and electronic money (BRIZZI)"

1



Event Highlights 2014



10

July

Extraordinary General Meeting of Shareholders (EGMS) BRI 2014

"Agenda: Changes of the Bank's management composition"

BRI Peduli Program, Breakfasting with Orphaned Children

"BRI Peduli program organized a breakfasting event with the President and 3,500 orphaned children"

July

17



21

July

BRI Peduli Distributed Basic Food

"BRI distributed basic food in 15 poor areas in Jakarta"

BRI Homecoming Program

"BRI provides 125 free buses for the homecoming of 6,000 customers under the "Ngebuzz Bareng BRI" program"

July

24



14

August

BRI Participate in the Non-Cash National Movement

"BRI supports Non-Cash National Movement (GNNT) and signs memorandum of understanding concerning integration of Electronic Data Capture (EDC) with Bank BNI and Mandiri"

Indonesia Banking Expo (IBEX)

"BRI presents Hybrid Lounge and BRI Satellite in IBEX 2014"

August

14



10

November

Keel Laying of Floating Teras BRI

"BRI commenced the construction of Floating TerasBRI and will be the first bank in Indonesia to provide services on a vessel"

Event Highlights 2014



31 August Independence Day Run

"BRI supports the largest running competition event in Indonesia, Independence Day Run in celebration of the 69th Indonesian independence"

4 September BRI Participates in the National Customer Day

"BRI celebrates the National Customer Day with events at various Branch Offices"



10 September Launch of BRI Micro Insurance – Accident, Health, and Life

"BRI launched Micro Insurance – Accident, Health, and Life in cooperation with PT Bringin Jiwa Sejahtera, Asuransi Bringin Sejahtera Artamakmur, and PT AJ Jiwasraya"

22 October Quarter III 2014 BRI Analyst Meeting and Press Conference

"Publication of BRI financial performance for Q3 2014"



27 October Inauguration of BRI's Regional Office Building Jakarta 3

"Inauguration of BRI's Regional Office Building of Jakarta 3 in Bumi Serpong Damai"

29 October BRI Supports Indocomtech Exhibition 2014

"BRI participated in this largest gadget and IT exhibition, Indocomtech, themed Digital Lifestyle"



12 December Launching of BRILink

"BRI launched BRILink, an agent banking system support the Financial Inclusion program"

Awards and Certifications

External parties recognized the outstanding performance of BRI in 2014. BRI received over 30 international and national awards, covering:

International Awards



The 153rd Most Valuable Banking Brand in 2014

- **Category:**
 - The Most Valuable Banking Brand 2014
 - The Most Valuable Banking Brand 2011
- **Organizer:** Brand Finance PLC
- **Date:** 10 February 2014



"The World's Largest Public Companies"

- **Category:**
 - The World's Largest Public Companies 2014
 - The World's Largest Public Companies 2012
- **Organizer:** Forbes Magazine
- **Date:** 19 August 2014



- **4th Best Investor Relations**
- **5th Best Managed Company**
- **6th Best Corporate Governance**

- **Category:**
 - Asia's Best Companies 2014
 - Asia's Best Companies 2013
 - Asia's Best Companies 2010
- **Organizer:** Finance Asia
- **Date:** 5 June 2014



AsiaMoney Best Banks

- **Category:**
 - Best Domestic Bank in Indonesia 2014
 - Best Domestic Bank in Indonesia 2008
- **Organizer:** AsiaMoney
- **Date:** 26 September 2014



The Bankers Awards 2014

- **Category:**
 - Bank Of The Year Indonesia 2014
 - Bank Of The Year Indonesia 2011
- **Organizer:** The Banker
- **Date:** 21 October 2014

National Awards



Overall Winner Annual Report Award 2013

- **Category:**
Financial SOE - Listed
- **Organizer:**
KNKG,IDX,BI,OJK, DG Tax,
BUMN,IAI
- **Date:**
16 October 2014



Corporate Governance Conference and Award

- **Category:**
Best Financial Sector
- **Organizer:**
IICD (Indonesia Institute
Corporate Directorship)
- **Date:**
30 October 2014



Best Listed Finance Company and Insurance Sector 2014

- **Event:**
MNC Business Award 2014
- **Organizer:**
MNC Business
- **Date:**
9 June 2014



Top Performing Listed Company 2014

- **Event:**
Investor Award 2014
- **Category:**
Market Capitalization over Rp10 Trillion
- **Organizer:**
Investor Magazine
- **Date:**
8 May 2014

Awards and Certifications

Awards



TOP Brand Award
in Recognition of
Outstanding Achievement in
Building the Top Brand

Category:

- 1st Winner - Children's Savings Account : BRI JUNIO
- 2nd Winner- Deposits Account
- 2nd Winner- Savings Account : BritAma
- 3rd Winner- Mobile Banking : BRI Mobile
- 3rd Winner- Call BRI - Call Center
- 3rd Winner- Internet Banking BRI

- **Organizer:**
Marketing Magazine
- **Date:**
6 February 2014



Bank Loyalty Award 2014

- **Category:**
Credit Card, Conventional Banking
- **Organizer:**
Infobank and Mark Plus Insight Indonesian
- **Date:**
26 February 2014

- **Category:**
Saving Account, Conventional Banking (Asset > 100 T)
- **Organizer:**
Infobank and Mark Plus Insight Indonesian
- **Date:**
26 February 2014



**Indonesia Most Admired
Companies 2014**

- **Event:**
Most Admired Companies
- **Organizer:**
Warta Ekonomi
- **Date:**
29 April 2014



MURI

- **Category:**
River Clean-Up Community Service
with the Most Participants
- **Organizer:**
Indonesian World-Records
Museum (MURI)
- **Date:**
25 May 2014

Awards and Certifications



"Priority Banking" 2014

- **Event:** Service Quality Award
- **Organizer:** SQ
- **Date:** 5 June 2014



Investor Best Bank 2014

- **Event:** Investor Best Bank
- **Category:** Commercial Bank above Rp100 Trillion
- **Organizer:** Investor Magazine
- **Date:** 10 June 2014



Indonesia Property & Bank Award 2014

- **Category:** Commercial Bank with the Best Performance
- **Organizer:** Property & Bank
- **Date:** 20 June 2014



Green CEO Award 2014

- **Category:** Best Green CEO 2014 for Sofyan Basir
- **Organizer:** Warta Ekonomi
- **Date:** 26 June 2014

Awards and Certifications



Social Business Innovation Award 2014

- **Category:** State Owned (Best Sustainable Business Innovation Company In Developing Coffee Farmer Programme)
- **Organizer:** Warta Ekonomi
- **Date:** 26 June 2014



Indonesia Best Brand Award

- **Category:** Product "Bank" 4 consecutive years (2011 – 2014)
- **Organizer:** SWA Magazine & MARS
- **Date:** 17 September 2014



Infobank Award 2014

- **Category:** Bank Rated "Very Good" for Financial Performance of 2013
- **Organizer:** Infobank
- **Date:** 18 July 2014

Awards and Certifications



PKBL BUMN

- **Category:**

Exemplary Tribute II

- Small Enterprises: **Gold Rating**
- Community Education: **Gold Rating**,
- Community Health: **Gold Rating**,
- Nature and Environmental Preservation: **Gold Rating**,
- Social Aid and Mitigation of Social Welfare Issues: **Gold Rating**
- Public Facilities and Infrastructure Development: **Gold Rating**

- **Organizer:**

PKBL BUMN

- **Date:**

25 September 2014



- **Category:**

Saving Account

- **Organizer:**

Marketers

- **Date:**

22 October 2014

Indonesia Most Favorite Women and Youth Brand 2014



Indonesia Banking Awards 2014



- **Category:**

Bank of the Year 2014

- Category BUKU 4 with Core Capital 30 T, **First Place**
- Finance Value Creation, **First Place.**
- Finance Efficiency profit, **First Place.**
- CSR, **First Place.**
- Corporate Communication, **First Place.**
- GCG, **Second Place.**
- Risk Management, **Second Place.**
- Human Capital, **Second Place.**
- Marketing, **Second Place.**
- IT, **Second Place.**

- **Organizer:**

Economic Review

- **Date:**

18 November 2014

Awards and Certifications



Economic Challengers Awards 2014

- **Category:**
Financial Institution Industry
- **Organizer:**
Metro TV
- **Date:**
24 November 2014



Brand Activation Award 2014

- **Category:**
The Best Running Activation 2014
- **Organizer:**
Indonesia Most Experiential
- **Date:**
27 November 2014



Investor Award 2014

- **Category:**
Best SOE 2014 in Financial Industry, Banking Sector
- **Organizer:**
Investor Magazine
- **Date:**
10 December 2014



The Best Companies 2014

- **Category:**
The Best Companies 2014
- **Organizer:**
Kehati dan SWA
- **Date:**
11 December 2014

Certifications

ISO 9001:2008

- BRI's Financial Statements obtained the ISO 9001:2008 certificates, which covered the Process of Preparing Financial Statements. Certification and audit conducted by SGS (Societe Generale de Surveillance). The certificate is valid for 3 (three years), effective as of 9 December 2014 until 9 December 2017.

ISO 9001:2008

- BRI Operations Centre Division received the ISO 9001:2008 certificate, which covered 7 (seven) areas: Operations Banking System for RTGS, Clearing, Remittance, Card Production, Complaint Resolutions, Transaction Reconciliations, and ATM Reconciliations. This certification is expected to boost transaction processes quality in BRI, and eventually resulted in customer satisfaction improvement.

ISO 9001 : 2008

- BRI's Contact Centre Service (LCC) operates with management system that conforms with ISO 9001:2008 standard. The certification was conducted by Verification New Zealand Limited on 5 December 2011 and valid until 5 December 2014.

ISO 9001 : 2008

- BRI's Internal Audit has carried out audit function based on Quality Management System that complies with ISO 9001:2008 standard – in terms of audit quality, operations, and managerial aspects. The certification was initially started in 2003 and renewed every 3 years. Last re-certification was conducted by PT SGS Indonesia and effective as of 24 October 2014 with 3-year validity.

ISO 9001 : 2008

- Goods and Services Procurement Division has received the ISO 9001:2008 certificate from the Certification Agency PT Lloyd's Register Indonesia (LQRA), covering inventory, distribution, and administration areas. This certification has received national and international acknowledged from National Accreditation Committee (KAN) and United Kingdom Accreditation Services (UKAS) Management System.



Management Reports



Enhancing Human Resources qualities and strengthening information technology as well as networks to deliver better performance and to become the foundation of future business development.

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Message from the President Commissioner



BRI consistently showed strong performance throughout 2014, as evidenced by growth across consolidated financial ratio indicators – total assets grew by 28.07% (year-on-year), total loan by 13.91%, third party funds by 23.41% and net interest income by 16.63%, while profit after tax reached Rp 24.2 trillion and non-performing loans stood at around 1.78%. These achievements were successfully made as a result of reliable human capital, IT and network expansion carried out by the Bank.

Bunasor Sanim
President Commissioner
and Independent Commissioner

Message from the President Commissioner

Assalamualaikum Wr. Wb.

Esteemed shareholders, members of the Board of Commissioners and Board of Directors, all employees of the Bank and stakeholders,

Praises to Allah the Most High, the One and Only, for the blessings and grace bestowed, which have allowed the Bank to achieve an excellent performance in 2014.

In overall, global economic conditions experienced slowdown in 2014. The Indonesian economy in particular was largely unfavorable, as indicated by, among other things, tight liquidity that triggered intensified competition in the banking sector, especially in generating third-party funds.

Amid these conditions, throughout 2014 BRI was able to deliver strong performance growth as evidenced by financial ratio indicators – total assets grew by 28.07% (year-on-year), total loan grew by 13.91%, third-party funds by 23.41% and net interest income by 16.63%. Meanwhile, profit after tax reached Rp 24.2 trillion and non-performing loans stood at 1.78%.

These achievements were reached as a result of reliable human capital, IT and the Bank's office expansion. BRI opened 594 offices consisting of eight Branch Offices, 19 Sub-branch Offices, 149 BRI Units, 21 Cash Offices and 396 Teras BRI units, while e-channel services increased by 47,973 units. With these new additions, BRI constantly enhances the services it extends to customers in order to become "The Biggest Payment Bank in Indonesia", ready to reach and serve customers across different market segments from Sabang to Merauke.

Message from the President Commissioner

The year 2015 brings fresh challenges for BRI. The new government has been formed and the ASEAN Economic Community (AEC) is to be implemented. In 2015, the Bank has defined its destination statement to become "The Biggest National Payment Bank" supported by e-channel optimization, e-banking and IT technology reliability, higher human-capital productivity and a focus on low-cost funds.

To respond the new administration program, BRI's loan disbursement will be in line with the government's programs in energy, food and infrastructure sectors, while maintaining BRI's core business in the MSME segment and practicing prudential banking. In view of the dynamic and competitive nature of the business as well as the Bank's legal status as a listed company, the Board of Commissioners expects the utmost commitment of all employees anywhere Indonesia in carrying out their responsibilities in order to realize the destination statement.

The Board of Commissioners consistently endeavors to improve the quality of its supervision duty implementation and to work in harmony with the Board of Directors as stipulated by the Bank's Articles of Association as well as prevailing regulations. In addition, the Board of Commissioners expects that, in performing their duties and functions, all employees will strongly abide by the Code of Conduct and corporate culture values.

Message from the President Commissioner

The Board of Commissioners thanks and appreciates the Board of Directors and all employees for the dedication they showed in achieving 2014 company's performance. We would like to sincerely thank Mrs. Aviliani, member of the Board of Commissioners, and Mr. Sofyan Basir, Mr. Sarwono Sudarto and Mrs. Lenny Sugihat, members of the Board of Directors, who concluded their service to the Bank in 2014. May the guidance and protection of Allah the Most High, the One and Only, always accompany them in their new undertakings. We thank the government as the Bank's shareholder, customers, business partners, all stakeholders and the public at large for their trust and support. As I am about to reach the end of my service as the Bank's President Commissioner, allow me to apologize for any shortcomings during my time in office.

I pray that Allah the Most High, the One and Only, shall always guide all individuals in BRI. We believe that PT Bank Rakyat Indonesia (Persero) Tbk will continue to deliver better and stronger results in many years to come.

Aamiin.

Wassalamualaikum Wr. Wb.



Bunasor Sanim
President Commissioner
and Independent Commissioner

Board of Commissioners 2014 Supervisory Duty Report

The Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk performs its supervisory and advisory duties to the Board of Directors in good faith, responsibly and with prudence – all for the best interest of the Bank. The Board of Commissioners carries out its duties and functions independently, adhering to the Bank's Articles of Association, prevailing laws and regulations and the principles of good governance. The Board of Commissioners oversees operational policies and management of the Bank carried out by the Board of Directors; the Board of Commissioners advises the Board of Directors and ensures that it complies with the Bank's Articles of Association as well as other prevailing laws and regulations.

The supervisory and advisory functions of the BOCs are carried out to support the interest of the company and to ensure that BODs has conducted its duties and responsibilities inline with the company's aims and objectives, in order to assure that the company is well managed for the benefit of stakeholders. In optimizing its duties, BOC has supporting committees namely the Audit Committee, Risk Management Oversight Committee and Remuneration & Nomination Committee.

As a Board, the Board of Commissioners has all the necessary core competences. To maintain objectivity and independence, 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.

THE COMPANY'S PERFORMANCE EVALUATION AND SUPERVISORY IN 2014

The Board of Commissioners expressed their appreciation for the BOD success in overcoming challenges in 2014. The Board of Directors has laid a strong foundation that will propel the Bank's business in the future. As we know, economic slowdown which occurred in the middle of 2014 happened as a result of the uncertainties in the global economic condition. The slowdown in GDP growth of several main trade partners, a decrease in the global commodity prices, tapering off issue in the US economic as well as internal situation such as widening current account deficit, depreciation of Rupiah currency, and an increase in inflation rate have contributed to tight liquidity situation in the banking industry which accompanied by the pressure from an increase in cost of fund.

Nevertheless, throughout 2014, the Board of Directors was able to deliver significant performance growth. Net profit reached Rp 24.2 trillion and consolidated assets stood at Rp 801.9 trillion. Further, other important indicators also showed substantial improvements – loans grew by 13.91% year-on-year and fee-based income reached Rp 6.1 trillion, or grew 24.89% higher year-on-year. The Company also booked strong financial ratios*; return on equity stood at 31.22%, return on assets reached 4.74% and the operating expense to operating income (BOPO) ratio achieved 65.37%. Spurred by business-development initiatives, the Board of Directors was also able to maintain asset quality – gross NPL stood at 1.78% and net NPL at 0.39%. The Board of Directors has been able to maintain liquidity by maintaining primary reserves in rupiah and foreign currency at around 8%, while LDR reached 82.06%.

Even tough achieving business growth target is considered as vital, it is more important to ensure that the growth is sustainable. The Board of Commissioners has strived to perform strict supervisory of micro financial and macro external parameters as a form of early warning system.

*) Financial ratio figures are Bank only data

Board of Commissioners 2014 Supervisory Duty Report

1. RISK PROFILE

Throughout 2014, BRI's business risks were mitigated by comprehensive risk-management implementation. Risk management is embedded across all levels of the organization so that all individuals in BRI may continuously apply a risk-management culture in their day-to-day activities.

An increase in the complexity of its business activities and network, BRI requires a highly and effective risk-management implementation so that current and future potential risks need to be identified. The effectiveness of risk management at the Bank is reflected composite risk level that shows low to moderate category (score 2), with low risk levels for market and compliance risks and low to moderate level for credit, liquidity, operational, legal, strategic and reputation risks.

2. GOOD CORPORATE GOVERNANCE (GCG)

The Bank implements corporate governance based on the five principles of transparency, accountability, responsibility, independence and fairness. In practice, the five principles are implemented as follows:

- 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 responsibilities and duties of the Bank's management are clearly defined; therefore the Bank's management is carried out accountably in an efficient and effective manner. This is reflected from 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 consistently adhere to prevailing laws and regulations as well as sound corporate principles, as evidenced by the regular reports from the Bank to regulators and other authorities as stated in the prevailing regulations.
- d. The Bank's management is carried out professionally without conflicts of interest or influence or pressure from any other parties that contradict prevailing laws and regulations or the principles of a healthy 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 evidenced by performance-driven rewards and objective punishments that the Bank implements for stakeholders. The Bank also provides equal treatment to all customers.

The Board of Commissioners believes that in overall, the Bank applied Good Corporate Governance (GCG) principles in all aspects of its activities. The Bank achieved a composite score of (1.14) for GCG self-assessment. This score improved from the composite score in the preceding year (1.29).

Board of Commissioners 2014 Supervisory Duty Report

3. PROFITABILITY

In 2014, BOC viewed that BOD has successfully and aptly implemented strategies that the Bank had defined. In numbers, the Bank delivered net profit of Rp 24.2 trillion, which represented 13.58% growth from the previous year. The net profit achievement was supported by the ability to maintain NIM at 8.51%

The Board of Directors also delivered strong financial ratios, such as return on equity (ROE) that stood at 31.22% and return on assets (ROA) that stood at 4.74%. Indeed, compared with the preceding period, the ROE and ROA ratios decreased; in the earlier period, ROE and ROA stood at 34.11% and 5.03%, respectively. The decrease was due to the high cost of funds, which contributed to the increase in interest expenses then finally affected returns negatively.

Efficiency levels which represented by BOPO and CER ratios, each at 65.37% and 43.10%, higher than the preceding period, when they stood at 60.58% and 42.13%, respectively.

4. CAPITAL

In general, in the view of Board of Commissioners viewed that, the Board of Directors has effectively carried out capital management in a way that consistent with the Bank's characteristics, business scale and business complexity. The Board of Directors was able to maintain the Bank's capital level above the minimum requirement from Bank Indonesia. At the end of 2014, the Capital Adequacy Ratio (CAR) of the Bank stood at 18.14%.

PERFORMANCE EVALUATION OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

In 2014, committees under the Board of Commissioners – the Audit Committee, Risk Management Supervisory Committee and Remuneration & Nomination Committee – performed their duties and responsibilities well. The committees provided significant and positive support to the supervisory duty of the Board of Commissioners.

The Audit Committee ensured the adequacy of internal control, including the financial reporting process. The Audit Committee also reviewed the effectiveness and compliance of audit activities performed by Public Accounting Office and reviewed Financial Statements as well as other financial information to assess their consistency with prevailing standards and regulations.

In terms of risk management, BRI's quality is inseparable from the successful coordination of the Risk Management Supervisory Committee with the Compliance Directorate in carrying out their duties to review and monitor risk-management practices in BRI. The "Low to Moderate" risk profile, healthy loan portfolio and low percentage of non-performing loans in 2014 represented the real results of strong risk-management synergy.

The Nomination and Remuneration Committee also rendered an important contribution in terms of remuneration policy for the Board of Commissioners, Board of Directors, Executive Offices and employees. The Nomination and Remuneration Committee offered constructive suggestions and input on systems and procedures to appoint and/or replace members of Board of Commissioners, Board of Directors and independent parties.

The Board of Commissioners deeply appreciates the work of the committees; the Board of Commissioners expects that the performance of the committees will always improve and that the committees can build strong synergy with relevant units in order to provide greater contributions to BRI and the Indonesian banking sector overall.

*) Financial ratio figures are Bank only data

Board of Commissioners 2014 Supervisory Duty Report

SUPERVISORY ACTIVITIES AND RECOMMENDATIONS

In performing supervisory duties, the Board of Commissioners:

1. Convened Board of Commissioners meetings at least once every week.
2. Convened Board of Directors and Board of Commissioners meetings at least once every month.
3. Conducted scheduled visits to operational areas of BRI across Indonesia.
4. Organized meetings between the Board of Commissioners and related divisions and working units.
5. Discussed with the Board of Directors and related working units regarding important matters, in order to arrive at solutions immediately.

Based on the meetings and visits, the Board of Commissioners recommends the following:

1. Lending

The Board of Commissioners recommends in putting a consistent emphasis on prudential banking principles with respect to loan disbursement, to improve internal control quality and to effectively implement credit-risk mitigation.

In view of the Bank's vision and mission as the "Leading Bank for Micro, Small and Medium Enterprises", the Board of Commissioners also reminds the Bank to maintain its focus on loan disbursement for the MSME segment.

The Board of Commissioners supports the Board of Directors' goal to boost loan expansion through a trickle-down business strategy. In addition, in the credit consultation forum organized for the loan disbursement of certain amounts to certain debtors, the Board of Commissioners actively provided advice and input to the Board of Directors.

2. Funding

The Board of Commissioners always recommends that the Bank 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 that the Bank establishes, so that the credit expansion and liquidity targets of the Bank can be met.

3. Income and Expenses

The Board of Commissioners recommends that the Bank boost non-interest income, for instance through e-banking activities, trade finance, remittance, cash management and others, by leveraging BRI working units located across Indonesia. In terms of expenses, the Board of Commissioners always provides recommendations to the Bank to increase efficiency.

4. Capital

The Board of Commissioners recommends optimizing the Bank's capital growth through increase of 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 terms and conditions that will benefit the Bank and to be carried out in accordance with prevailing laws and regulations.

Board of Commissioners 2014 Supervisory Duty Report

5. Human Capital

Human capital plays an important role in the company to the Bank. For that reason, the Board of Commissioners put attention in the the Bank's human-capital management. Throughout 2014, the Board of Commissioners provided recommendations to the management on human-capital management, for example the importance of developing human capital and manpower planning in an integrated manner with the corporate plan, business plan and work and budget plan

In addition, the fulfillment of human capital has to maintain its focus on competence and leadership quality. The Bank should enhance the quality of education, training, development and mentorship by senior employees as well as internalizing and implementing corporate culture to support business growth.

The Board of Commissioners appreciates the steps that have been taken to achieve the ideal balance in the composition of business and supporting employees. The role of IT has to be enhanced, so as to support the Bank's human capital in carrying out business operations. In addition, the Board of Commissioners supports a human-capital management strategy that elevates the function of front-line staff as the spearhead in achieving fund targets and e-channel utilization. The Board of Commissioners also regularly monitors the readiness of human-capital management with respect to the Bank's plan to operate a satellite.

6. Information Technology

IT is critical to enhance efficiency and customer service. Therefore, the Board of Commissioners suggests that IT development be focused on improving network reliability. The Board of Commissioners recommends that the Board of Directors optimize the use of IT to bolster the accuracy, speed and quality of the Bank's operations.

7. Risk Management

Risks increase as the Bank's office network expands, number of employees rises and more products are innovated. To mitigate risks, steps are needed to strengthen risk-management infrastructure and internal control systems.

8. Internal Control

The Board of Commissioners recommends improving the quality of internal control, among others in terms of:

- a. Increasing embedded monitoring in operational processes in each working unit.
- b. Optimizing the role and function of risk management in all working units.
- c. Enhancing the quality of internal control by carrying out risk-based audit of operational processes in all working units, improving the quality of internal auditors and improving IT auditing.
- d. Increasing monitoring by working unit managers of follow-ups to findings from internal and external auditing within working units.

Board of Commissioners 2014 Supervisory Duty Report

9. Investment

Investments in subsidiaries have to be preceded by thorough and comprehensive analysis based on prudential principles and in accordance with prevailing regulations. Investment also needs to take into account the development strategy of subsidiaries; it has to be synergetic and mutually beneficial, with monitoring of the subsidiary's business-plan implementation.

10. Capital Expenditure

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

11. Network

Network expansion needs to be accompanied by the following strategic steps:

- a. Increase coordination between working units to support target achievements. Coordination includes the following units:
 - Human capital – manning analysis, formation set-up and formation completion are conducted under active coordination with relevant working units.
 - Information Technology – e-channel procurement, involving the Information System Technology Division, Fixed Asset Management Division, Procurement Division, Micro Business Network Division, Retail Business Network Division and users' working units.
 - Supporting logistics – land, building and office facility procurement by the Fixed Asset Management Division, Procurement Division and users' units.

- b. Evaluation of new branch-office opening should be aligned with branchless banking policy; which need further cooperation with third parties as agents.
- c. Optimization of the use of ATM and e-channel features by socializing and educating customers to drive fee-based income growth.

12. Good Corporate Governance (GCG)

The Board of Commissioners urges all individuals in the Bank to maintain consistency and to enhance the quality of GCG implementation in all operational aspects, and to incorporate GCG practices in corporate culture.

13. Community Partnership and Environmental Development (PKBL)

PKBL fund disbursement should be focused on environmental-development efforts and not limited to group disbursement; PKBL programs should also reach individuals. Fund utilization and disbursement need to be recorded in accordance with standard accounting principles to ensure their accountability.

Board of Commissioners 2014 Supervisory Duty Report

BUSINESS OUTLOOK

In the view of the Board of Commissioners, Indonesia's economy in 2015 will improve in comparison with 2014. In terms of business expansion, the Bank is expected to exhibit as much prudence as it did throughout 2014 - growth in 2015 needs to focus more on organic growth and less on non-organic growth. In addition, the Bank needs to reinforce its infrastructure and office network in order to strengthen its domestic market leadership. This will allow the Bank to be well prepared to compete in a free market, particularly the AEC. The Bank's growth should also be aligned with government programs in energy, maritime affairs, food and infrastructure while maintaining the Bank's core focus on MSME financing.

The Board of Commissioners hopes that sustainable growth strategy, such as business expansion; development of network and technology infrastructure and human-capital quality improvement can be maintained. Development of network and technology infrastructure should also be accompanied by an increasing ability to collect low-cost funds and generate higher fee-based income.

Board of Commissioners 2014 Supervisory Duty Report

CHANGES IN BOARD OF COMMISSIONERS COMPOSITION

Pursuant to the resolutions of Extraordinary General Meeting of Shareholders (EGMS) dated 10 July 2014, there were changes in the composition of the Board of Commissioners, as follows:

- Mrs. Aviliani, Independent Commissioner, effective as of May 2014 was appointed as member of the Board of Commissioners at other SOEs, thereby the EGMS ratified her dismissal. The Board of Commissioners conveys our appreciation on her dedication and contribution during her tenure as member of BRI's Board of Commissioners.
- Changed of position for Mr. Mustafa Abu Bakar and Mr. Hermanto Siregar, from Commissioner to serve as Independent Commissioner.
- Mrs. Dwijanti Tjahjaningsih was appointed as member of BRI's Board of Commissioners. The appointment is effective upon the approval of fit and proper test by IFSA.

Hereby we concluded the Board of Commissioners Supervisory Duty Report on the implementation of BRI's business in 2014.

Board of Commissioners
PT Bank Rakyat Indonesia (Persero) Tbk

Board of Commissioners

From left to right:

Vincentius Sonny Loho
Commissioner

Ahmad Fuad
Independent Commissioner

Mustafa Abubakar
Vice President
Commissioner and
Independent Commissioner

Bunasor Sanim
President Commissioner and
Independent Commissioner

Adhyaksa Dault
Independent Commissioner

Hermanto Siregar
Independent Commissioner

Heru Lelono
Commissioner



Board of Commissioners



Message from the President Director



BRI has been preparing network infrastructure by setting up outlets and electronic channels, preparing professional banking talents in terms of quantity and quality and elevating the role of technology in the banking operations. By strengthening these support functions, the Bank aims to create a strong fundament for BRI's future growth.

Sofyan Basir
President Director

Message from the President Director

Assalamualaikum Wr. Wb.

We praise Allah SWT for the blessings that have enabled BRI to journey through the challenging year of 2014 and end the year with a strong performance. On behalf of the BRI Board of Directors, we would like to present a number of BRI's key results in 2014 to our shareholders and stakeholders.

STRATEGIC POLICY OUTPUT

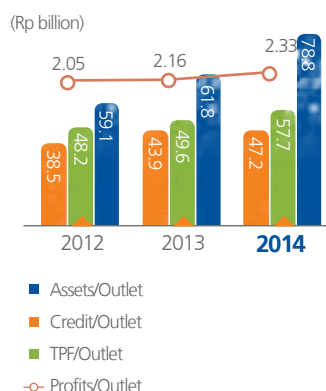
Year of 2014 was a challenging year for the banking sector; the first half was marked by political events - the general elections - while the global macro economic conditions and Indonesian economy presented a dynamic for the development of the Indonesian banking industry. The tight monetary policy that Bank Indonesia implemented also had significant repercussions on banking industry performance. However, with an unwavering focus on the MSME sector, BRI grew robustly – the Bank was able to maintain optimum returns for stakeholders, especially BRI shareholders.

In 2014, to enhance BRI's intermediary function as an entity that collects customers' funds and disburses the funds as loans, BRI's priority was to strengthen the Bank's supporting functions – office network, human capital and technology. BRI has been actively preparing network infrastructure by setting up offices outlets and electronic channels, preparing professional banking talents in terms of quantity and quality and elevating the role of technology in BRI's banking operations. By strengthening these support functions, the Bank aims to create a strong fundament for BRI's future growth.



*including outsourcing employee

Message from the President Director



Optimization of networks, including e-channel

To enhance the access to BRI's banking services, the Bank develops its network, not only office network but also its electronic channels.

In 2014, BRI opened 594 working units comprising one Regional Office, 8 Branch Offices, 19 Sub-Branch Offices, 149 BRI Units, 21 Cash Offices, 251 Teras BRI and 145 Teras BRI Mobile. In total, by the end of 2014, the BRI network was constituted by 10,396 offices. Some of the new operating units were upgraded from existing units; to optimize business potential in several locations, existing units were scaled up. As many as five Branch Offices were previously Sub-Branch Offices, while 102 BRI Units were upgraded from Teras BRI.

BRI's consistency in carrying out network expansion was followed by increased productivity across the network. Earnings per unit grew from Rp 1.6 billion in 2010 to Rp 2.3 billion in 2014.

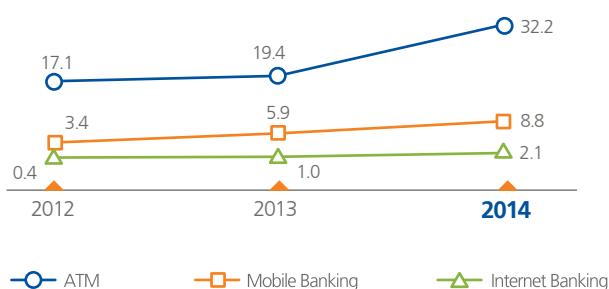
Outlets Productivity

To meet demand for better service quality and outreach, BRI continuously develops its electronic network. In 2014, BRI strengthened its e-channel by adding 2,500 ATMs to its network. With a total of 20,792 ATMs at year's end, BRI owns the largest and most extensive ATM network in Indonesia, even in remote and rural areas. Moreover, BRI also expanded its EDC distribution, adding 45,268 EDC (electronic data capture) machines, 200 CDMs (cash deposit machine), and 5 e-Buzz devices. With these additions, as of the end of December 2014, BRI managed a network of 152,443 e-channels comprising 20,792 ATMs, 131,204 EDCs, 392 CDMs and 55 e-Buzz devices. This focus on e-channels has driven the increase in transactions performed using BRI's electronic network.

*) Bank only

Message from the President Director

E-Channel users (million)



BRI's e-channel network expansion and quality enhancement drove up the number of BRI e-banking users, reflected in the increase in fee-based income. In 2014, the total fee-based income that BRI received reached Rp 6.1 trillion, rising by 24.87% from Rp 4.8 trillion in the previous year. The growth of fee-based income derived from transactions using BRI's e-channels represented the highest growth and contributed 19.92% to the total fee-based income in 2014 from 14.51% in 2013.

With 49 million customers, BRI has ample opportunity to increase fee-based income growth from its e-banking services.

BRI E-Channel and E-Banking Users Growth

E Banking Performance	2012	2013	2014
Fee Based Income (Rp billion)	3,923	4,860	6,068
E-Banking Related Fee (Rp billion)	394	705	1,209
Total User (Million Users)	20.9	26.3	43.1
ATM (Million Users)	17.1	19.4	32.2
SMS Banking (Million Users)	3.4	5.9	8.8
Internet Banking (Million Users)	0.4	1.0	2.1

*) Bank only

Message from the President Director

EXPANDING ACCESS TO FINANCIAL SERVICES "BRI IS CREATING BUSINESSES"

Embracing financial inclusion, BRI is extending its network to remote areas through both conventional and innovative outlets, such as branchless banking. Bank BRI is one of the pioneers of branchless banking. Using BRILink and T-Bank systems, BRI is able to provide easy banking access via mobile phones to members of the community without bank accounts.

Currently, there are 20,000 BRILink agents derived from BRI's customer base and located throughout Indonesia. Through BRILink, BRI has been able to broaden its coverage to deeper community members (bank and non-bank customers) and provides ease of access, proximity, convenience, speed and security in banking transactions via BRILink agents. For the Bank, this system accelerates the low-cost funds gathering, increases the number of customers and supports the growth of fee-based income. In addition, BRILink will also drive the Bank's operational efficiency in the future.

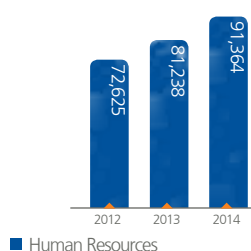
To provide financial access to fishermen and coastal communities, BRI is committed to operate Floating Teras BRI in 2015. This shows BRI's commitment not only to develop tangible economic potential, but also to create business by tapping into new potential. Thus, BRI's presence is directly and indirectly felt by the people of Indonesia. BRI is proud to be able to perform its function as a financial intermediary and agent of development to build the nation's economy.

Professional and competent human capital with strong integrity

To BRI, human capital is a vital asset and partner in growing the Bank's business. Human capital is also one of the keys to meaningful and sustainable business growth. BRI has developed a performance review system based on balanced score cards as well as individual and team key performance indicators (KPI) – a system supported by integrated IT to ensure that all individuals in BRI perform to the best of their abilities and to support BRI's business development efforts.

Message from the President Director

BRI Total employees



In line with the Bank's business growth, to fulfill human resource needs, in 2014 BRI recruited 337 employees through the officer Development Program (PPS), non-Officer recruitment and professional hiring programs. As of 2014, BRI had 91,364 employee.

To boost human capital productivity, BRI provides continuous learning and training programs to all employees through the Bank's eight education centers located across Indonesia. In 2014, there were 500 training programs organized with a total of 468,062 participants. Regularly, BRI also sends its best talents to pursue overseas Master's degrees in universities in Europe, UK, the United States and Australia. BRI granted scholarships for Master's degree to 14 employees in 2014.

BRI's employee composition also shifts from time to time. Presently, by age, BRI's employees are predominantly young professionals who are technology-savvy (Gen Y, 65.56%) and employees with Bachelor's degrees (62.82%). In view of this employee composition, BRI's employee productivity is expected to increase, considering that technological adaptation and banking technology updates will be easier.

Technology Optimization – Enhancing service quality, efficiency and productivity

BRI realizes that technology will be the main element of the future banking industry. The Bank has carried out numerous efforts to improve the quality of its banking technology, from connecting all BRI units by means of an online network, building IT infrastructure, improving server quality, developing IT personnel capacity and designing technology-driven banking products.

One of BRI's technology-development initiatives is BRISat, started in 2014. This initiative will make BRI the only bank in the world to own and operate a satellite. BRI signed its satellite and satellite launcher procurement (BRI-Sat) memorandum of understanding (MoU) in April 2014 with Space Systems/Loral, LLC and Arianespace. BRI-Sat is expected to be operational in 2016.

Moreover, BRI is continuing to innovate technology-driven banking products. For example, the Bank has developed the Host-to-Host system with corporate customers such as regional government, hospitals, universities, government agencies and ministries, State Owner Enterprises, and Retail Owner Enterprises. BRI has also introduced products such as Cash Management, Payroll, e-Tax, Payment for Land & Building tax and duty (BPHTB), e-Hospital and Second Generation of State Revenue Module (MPN).

*) Bank only, excluding outsourcing employee

Message from the President Director

Utilization of technology has also directly boosted efficiency in BRI's daily operations. Among the new innovations is green-banking policy, where the Bank started to implement e-office applications. The policy ensures that BRI's administrative processes are now done electronically, or paperless. BRI also has in place the BRISTARS application, a self-service app for employees to fulfill their needs, and has developed the Tax Automation System connected directly to the Generation II State Revenue Module under the Finance Ministry, enabling direct tax payment. The Bank has also implemented e-filing for income-tax reporting and automated tax-payment receipt generation by system (1421A form).

TARGET ACHIEVEMENTS – GENERATING HIGH PERFORMANCE

In 2014, despite the challenges posed by Indonesia's macro economic conditions, Bank BRI delivered an outstanding performance. BRI's net profit rose by Rp 2.9 trillion or 13.58% from Rp 21.3 trillion in 2013 to Rp 24.2 trillion in 2014. With such a strong net income, BRI's profitability ratios were above industry average - Return on Equity (ROE) stood at 31.22%, while Return on Asset (ROA) reached 4.74%. Net profit growth was also supported by continuous efficiency programs, as reflected in the operating expense to operating income ratio, which stood in the range of 60% to 70%.

Stable net profit growth was part of BRI's strategy to strengthen its capital as the basis of the

Bank's business development going forward. Through prudent management of net profit utilization, BRI reinforced its capital structure, allowing the Bank to anticipate all key risks inherent in its management – from market and credit to operational risks. The Total Capital Adequacy Ratio (CAR) of BRI in 2014 was 18.31%, up from 16.99% in 2013. With Tier 1 Capital at approximately 90% of the total capital (Tier 1 CAR 2014: 17.54%), BRI's business growth continuity will remain strong.

Tight liquidity in 2014 resulted in an increase in costs of funds. However, robust asset management and the ability to maintain credit quality proved successful at maintaining BRI's net interest margin, which in 2014 stood at 8.51% compared with 8.55% in 2013.

BRI also showed a positive balance sheet performance. BRI's assets increased by 28.06% (year-on-year) to Rp 801.9 trillion, up by Rp 175.7 trillion from Rp 626.2 trillion in 2013. BRI's asset growth was mainly driven by a third-party fund penetration strategy that BRI carried out; the Bank's third-party funds grew by Rp 118.0 trillion or 23.41% from Rp 504.3 trillion in 2013 to Rp 622.3 trillion in 2014. Deposits grew on the back of BRI's strategy of financial inclusion and banking service-access expansion to reach more Indonesians. This is reflected in the increase in customer accounts in 2014 by 9.9 million accounts from 40.1 million accounts in 2013 to 50.0 million accounts in 2014.

Third-Party Fund Strategy

The excellent deposit performance reflected a strategy implemented by BRI's management since early 2014, involving establishing 2014 as the year of funds. As mentioned above, total customer deposits grew by 23.41% (year-on-year) in 2014 to Rp 622.3 trillion. This growth was mainly derived from time deposits, which rose by 39.60% (year-on-year) to Rp 295.9 trillion. Total deposits showed an increase in time deposit composition, which presently account for 47.54% of total deposits, although low-cost funds still dominate with 52.46%. The significant difference in interest rates on savings and time deposit products was one of the factors that influenced the change in customers' preferences when choosing their banking products.

BRI's low-cost fund, named Savings, showed excellent progress. Savings recorded a total amount of Rp 236.4 trillion, represented 10.99% growth (year-on-year) in 2014 and higher than the growth of the national banking industry at 5.92%. BRI carried out a number of strategies to augment savings, among others Employee Get Member (EGM) program, which essentially leveraged BRI's competitive advantage in terms of employee numbers. The strategy delivered satisfactory results; BRI's total account volume grew by 9.7 million accounts. At the end of 2014, BRI had 49.2 million accounts.

*) Financial ratio figures are Bank only data

Message from the President Director

BRI also focused on efforts to increase the value of demand deposits in BRI. As of the end of 2014, standing demand deposit stood at Rp 90.0 trillion, an increase of 13.51% from 2013. Currently, BRI is intensively driving demand deposits with the support of its IT system, among others. The Bank has developed a cash management system that offers a variety of benefits for customers, including a payroll system, BRIVA (BRI Virtual Account) and transfer service through RTGS, SKN or SWIFT outgoing remittance. With the comprehensive and reliable features of demand deposit products today, the Bank's focus on existing customers is key to boosting BRI's demand deposits.

Optimizing the potential of the micro segment while maintaining credit quality

BRI's total loan in 2014 grew by 13.91% or Rp 62.3 trillion to Rp 510.7 trillion, while total loan accounts also increased by 711,2 thousand to 8.8 million accounts.

Micro loans also grew above BRI's total loan growth. This segment has become the focus of BRI's business development, and thus its share in BRI's total loans is maintained at above 30%. BRI has implemented various strategies to develop growth in this sector, including designating a specific working unit for micro business – Teras BRI. In 2014, BRI added 251 new Teras BRI and 145 Teras BRI mobile. In total, the Teras BRI network comprises 3,067 working units.

The Bank's consistent network expansion was followed with the growth of outlet productivity throughout 2014, especially TerasBRI. Total loans through Teras BRI were up by 36.1%, while total deposits rose by 26.58%. The productivity of Teras BRI also increased to Rp 4.4 billion per working unit for loans and Rp 2.0 billion per working unit for deposits, from Rp 3.7 billion per Teras for loans and Rp 1.9 billion per Teras for deposits in 2013.

Through this business strategy implementation, BRI was able to book loan growth by focusing on its competitive advantage. BRI's micro loan outstanding in 2014 was up by Rp 21.1 trillion (bank only), or 15.99%, to Rp 153.2 trillion. With this growth, BRI was able to maintain its market leadership in the micro segment.

Significant growth in the SoE and Corporate segment reflected BRI's efforts to optimize yield while continued its endeavors to maintain loan quality. The growth of retail and medium loans, a result of trickle-down business, at by 15.64% to Rp 7.0 trillion in 2014 from Rp 6.0 trillion in 2013, evidenced the implementation of the growth-integration strategy between business segments, which has resulted in balanced growth across segments.

In the current economic climate, with high interest rates in place and a possible rise in the inflation rate, the Bank's consolidation efforts, cross-selling initiative between products of different segments and trickle-down business from the corporate segment to the MSME segment have brought excellent strategic results, maintaining loan quality across all business segments. This achievement reflected BRI's ability to maintain asset quality, as shown by the level of non-performing loans (NPL) at less than 2%. At 1.78%, the level of NPL slightly increased from 2013 position's at 1.63%, although it remained far below the maximum NPL level allowed by Bank Indonesia of 5%.

CORPORATE GOVERNANCE – IMPROVING THE QUALITY OF GCG EXCELLENCE

The Company's commitment to implementing Good Corporate Governance (GCG) is delineated in BRI's vision and mission. BRI's vision, to become the leading commercial bank that always prioritizes customer satisfaction, is further articulated in BRI's mission to provide prime services to customers through a widespread network supported by professional human resources and reliable IT by implementing robust risk management and GCG practices. This commitment requires the implementation of GCG principles in all aspects of BRI's business activities, incorporation of GCG in core values and policy strategies and implementation of GCG in the Bank's operations.

*) Financial ratio figures are Bank only data

Message from the President Director

For BRI, the implementation of GCG best practices is about more than just fulfilling regulatory requirements. The practices have evolved into efforts to innovate and sustainably refine management activities in order to enhance the quality of the Bank's management.

BRI believes that consistent and continuous GCG-principle implementation will elevate the Bank's value as a company, which will in turn allow the Bank to be highly competitive in the national and international market. This will ensure the Bank's long-term business and eventually enable the Bank to achieve its goal of generating optimum benefits for its stakeholders.

Throughout 2014, with respect to efforts to improve the quality of GCG implementation, BRI executed a number of activities: enhancing the implementation of GCG transparency principles through websites, refinement and update of BRI's GCG manual and policies, management information system development to support business process and control and internalization and dissemination of GCG values.

The Bank seeks feedback in order to improve its GCG-implementation quality. To do so, BRI periodically carries out GCG-implementation assessment. The assessment results show the progress of GCG implementation, its effect on BRI's business activities and operations and how to improve in the future.

BRI monitors, develops and carries out GCG implementation based on prevailing laws and regulations, the Indonesian Corporate Governance Code and the GCG Charter. The Bank also takes into account the latest developments, including the fulfillment of the ASEAN Corporate Governance Scorecard to gain feedback on GCG-implementation quality. The scorecard also shows GCG-implementation improvement over time.

BRI's consistency in implementing GCG is widely recognized. The Bank obtained recognition as the Most Trusted Indonesian Company in Good Corporate Governance from the Indonesian Institute for Corporate Governance. BRI was also the general winner of the Annual Report Award 2013, an achievement that spoke volumes for BRI's success in its internal efforts to raise the standard of its GCG implementation. These efforts represent BRI's participation in realizing a sound banking system in Indonesia based on GCG principles.

RISK MANAGEMENT – EARLY DETECTION TO MITIGATE RISKS

The role of risk management in enhancing the quality of the Bank's management is twofold: firstly, it protects capital, and secondly, it optimizes return against risks. With a vast operational scale and an ever-growing business volume, BRI applies an enterprise-wide risk management system to identify, measure, monitor and control risk exposure across the

organization. This consists of four pillars: active oversight by the Board of Commissioners and Board of Directors, policy adequacy, procedure and limit-setting regularly evaluated and updated in line with BRI's operational and business developments.

Risk management in BRI's organization is a function that is independent from the business and audit functions. These functions actively apply risk management with different scopes of authority as the first, second and third line of defense. The three-line defense concept is carried out consistently, therefore ensuring that decisions are made independently and without bias, not in favor of certain operational working units or ignoring other operational working units.

In 2014, the Bank conducted regular evaluations of risk-management policy and strategy implementation, including verifying that all necessary follow-up steps had been taken against all material risks and that corrective steps had been carried out to resolve issues or deviations in BRI's business activities. The Bank also makes sure that risk culture has been deeply instilled in BRI so that risk awareness may be present across all levels of BRI's organization. In 2014, BRI engaged independent consultants to validate BRI's risk-management practice to confirm that it was in line with the Basel rules and regulations from BI and the OJK.

*) based on BI regulation

Message from the President Director

ORGANIZATIONAL DEVELOPMENT

In 2014, recognizing that BRI's business was increasingly complex, and to be able to quickly capture new potential, BRI took steps to develop its organization by establishing new functions under the Board of Directors. These functions are to coordinate a number of BRI's core activities.

There are four newly established coordinators: Retail Business Coordinator, Information System and Technology Coordinator, Change Management Coordinator and Internal Audit Coordinator. The Retail Business Coordinator position was formed to accelerate the growth of BRI's MSME business amid intense industry competition. The Information System and Technology Coordinator position was established to strengthen the role of technology and information systems as a business enabler, including a satellite communications network in order to support BRI's financial inclusion aspirations and the realization of destination statements as an integrated banking solution by 2017. Change Management is important to accelerate strategic work programs between directorates including corporate transformation. Meanwhile, with the growing scale of BRI's organization, Internal Audit has become imperative. The Internal Audit Coordinator is to optimize the function of Internal Audit as the third line of defense in BRI's business development efforts.

2015 BUSINESS OUTLOOK

All in all, 2015 is expected to unfold better than 2014. Economic growth is projected at around 5.2-5.4%, driven mainly by domestic consumption, household consumption and government expenditure as the government's fiscal room widens following fuel and energy subsidy shifts.

The governmental succession transpired peacefully. The transition program of the new government was well prepared, as evidenced by the formation of the government transition team. There are positive expectations that there will be an increasing number of government projects, especially in infrastructure. Infrastructure development plans entail a number of infrastructure types across regions, such as seaports, airports, power plants, roads and reservoirs. These projects are expected to bring positive effects to BRI in line with micro, small and medium business growth connected to the projects. With more than 10,000 working units located throughout Indonesia and focusing on the MSME segment, BRI expects to capture opportunities and generate loan growth in the range of 15%-17%.

The expectations of macro economic growth are related to the government's efforts to improve fiscal structure – even though the increase in fuel prices prompted a rise in inflation levels to 8.36% at the end of December 2014. However, the drop in global crude oil prices has enabled the Government to adjust fuel prices and lower inflation in 2015. On the other hand, as the economy of the United States is projected to recover, Bank Indonesia plans to focus on macro economic stability in 2015 – which will create challenges for banks, both in terms of funding and lending.

The competition to garner third-party funds will remain high. Nevertheless, as the bank with the largest customer base in Indonesia, BRI expects to maintain low-cost fund composition in its portfolio in order to mitigate the increase of cost of funds. In terms of lending, BRI will carefully adjust interest rates, as inflation hikes are usually followed by lower lending quality.

Indonesia is also facing an open market in ASEAN, the ASEAN Economic Community (AEC) scheduled to be implemented in 2015. Indonesia has the greatest business potential in the region, especially in banking, with a large portion of the population still untapped by financial services. Recognizing this, BRI will maintain its expansion focus on the domestic market, especially by expanding its micro business network, while increasing its presence in ASEAN.

Message from the President Director

STRATEGIC PLANS FOR 2015

In view of the present economic conditions and competition in the banking industry in the future, in lending and third-party fund collection, and taking into account the Bank's competitive advantage, BRI has formulated a growth strategy for 2015 and several years ahead with emphasis on selective growth by:

1. Optimizing market penetration
2. Sharpening focus on product channels and delivery
3. Optimizing business portfolios
4. Selectively developing markets
5. Maximizing synergy with subsidiaries

These five corporate strategies are translated into business strategies that comprise asset, fund, capital and fee-based income strategies, e.g. focus to maintain credit quality, lending to segments with high yield and low RWA, driving product cross-selling through customer relationship management and increasing e-banking utilization to boost fee-based income. In terms of support strategy, BRI is focusing on enhancing IT performance and effectiveness of business process as well as service quality without compromising the implementation of robust risk management and GCG principles.

Change of Management

There were changes in BRI's management at the end of 2014. The Bank's President Director Mr. Sofyan Basir, Operational Director Mr. Sarwono Sudarto and Credit Risk Control Director Mrs. Lenny Sugihat have accepted new assignments. Our new positions bring new challenges for us, but we believe that our experience with BRI has formed a strong foundation for us to contribute in our new posts. We would like to sincerely thank the support of all stakeholders of BRI, through which we have been able to deliver our best performance for BRI.

Message from the President Director

ACKNOWLEDGEMENT

BRI's outstanding performance in 2014 is the result of the trust, commitment and collaboration of BRI's stakeholders. The hard work and commitment of all employees in BRI are the integral element of the achievements; our highest appreciation goes to all employees for the highly successful results. Throughout 2014, guidance from the Board of Commissioners has also enabled BRI to perform well, and therefore we deeply thank the Board of Commissioners for its strong and positive cooperation. We also would like to express our gratitude for the support from shareholders, customers and BRI's work partners.

Going forward, we are confident that the new leadership of BRI will keep the spirit of hard work alive. BRI and its services will grow and evolve alongside the people of Indonesia, becoming an integral part of Indonesia's economy, and deliver the best results for shareholders and all stakeholders.

Wassalamualaikum Wr. Wb.



Sofyan Basir
President Director

Board of Directors



Board of Directors

From left to right:

Djarot Kusumayakti
Director of Micro, Small,
and Medium Enterprises
Business

Sulaiman Arif Arianto
Director of Commercial
Business

Lenny Sugihat
Director of Credit Risk
Management

Randi Anto
Director of Compliance

Suprajarto
Director of Network
and Services

Sofyan Basir
President Director

Achmad Baiquni
Director of Finance

Asmawi Syam
Director of Institutional
and State-Owned
Enterprises Business

Gatot Mardiwasiso
Director of Human
Resources Management

A. Toni Soetirto
Director of
Consumer Business

Sarwono Sudarto
Director of Operations



Statement from Members of the Board of Commissioners

Statement of Responsibility for the 2014 Annual Report
PT Bank Rakyat Indonesia (Persero) Tbk.

We, the undersigned hereby declare that all information presented in the 2014 Annual Report of PT Bank Rakyat Indonesia (Persero) Tbk has been comprehensively published and that we are fully responsible for the accuracy of the contents of this Annual Report.

This statement is hereby made in all truthfulness.



Bunasor Sanim
President Commissioner
and Independent Commissioner



Mustafa Alubakar
Vice President Commissioner
and Independent Commissioner



Heru Lelono
Commissioner



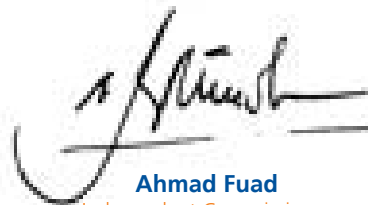
Vincentius Sonny Loho
Commissioner



Hermanto Siregar
Independent Commissioner



Adhyaksa Dault
Independent Commissioner



Ahmad Fuad
Independent Commissioner

Statement from Members of the Board of Directors

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Sofyan Basir
President Director



Lenny Sugihart
Director of Credit Risk Management



Sarwono Sudarto
Director of Operations



Asmawi Syam
Director of Institutional and
State-Owned Enterprises Business



Achmad Baiquni
Director of Finance



A. Toni Soetirto
Director of Consumer Business



Sulaiman Arif Arianto
Director of Commercial Business



Suprajarto
Director of Network
and Services



Djarot Kusumayakti
Director of Micro, Small,
and Medium Enterprises
Business



Randi Anto
Director of
Compliance



Gatot Mardiwasisito
Director of Human Resources
Management



Company Profile

Sustainable business growth with innovative banking products and services, supported by reliable information technology and networks that extends throughout Indonesia.

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Company Name, Address, and Information

Company Name

PT. Bank Rakyat Indonesia (Persero) Tbk.

Business Segment

Banking

Date of Incorporation

18 December 1968

Legal Basis of Incorporation

Law No 21 of 1968

Ownership

Government of Indonesia 56.75%
Public 43.25%

Authorized Capital

Rp15,000,000,000,000

Issued and Fully Paid Up Capital

Rp6,167,290,500,000

Listing

The Company shares were listed in Jakarta Stock Exchange on 10 November 2003 under ticker code BBRI.

Head Office

BRI I Building Jln. Jend Sudirman
No. 44-46 Jakarta, 10210
Tel. : (62-21) 251-0244,
251-0254, 251-0264, 251-0269,
251-0279

Fax: (62-21) 250-0077

Website: www.bri.co.id

Contact Address

Corporate Secretary Division
BRI 1 Building, 20th Floor
Jl. Jend. Sudirman Kav. 44-46
Jakarta 10210

Email:

humas@bri.co.id

Call center:

14017 / (62-21) 57987400

Number of Employees

Item	2011	2012	2013	2014
Total Employees	40,044	72,625	81,238	91,364

* Excluding outsourced employees

BRI Rating (2014)

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+, Stable Outlook
Fitch	BBB-, Stable Outlook
Moody's	Baa3, Stable Outlook
Japan Credit Rating Agency	BBB-, Stable Outlook

Consistently focusing on Micro, Small, and Medium Enterprises segment (MSME) through more than 10,000 outlets which integrated online across Indonesia, enables BRI to be one of the largest Micro Banking institution in Indonesia and in the world.

Company Name, Address, and Information

BRI undertakes its business activities according to the last Deed of Amendment No.57 dated 28 March 2012, approval from the Minister of Justice and Human Rights of the Republic of Indonesia No. AHU-AH.01.10-20726 dated 8 June 2012, and Article 3 Paragraph (2) of BRI Articles of Association.

- a. Collecting deposit from the public in the form of demand deposits, time deposits, deposit certificates, savings and/or other forms equivalent to the foregoing;
- b. Provide Lending;
- c. Issue promissory notes/Loan Agreement (SPH);
- d. Purchase, sell, or put encumbrance over, at the Bank's own risk or for the benefit of and under the instructions of the customers:
 - I. 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;
 - II. Promissory notes/Loan agreement and other commercial papers, valid for a period not exceeding the common practice for trading of such papers;
 - III. State treasury notes and government guarantees;
 - IV. Bank Indonesia Certificates (SBI);
 - V. Bonds;
 - VI. Commercial papers, with validity period in accordance with prevailing laws and regulations;
 - VII. 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 and 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 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.

BRI at a Glance

The history of PT Bank Rakyat Indonesia (Persero) Tbk ("BRI", "Bank", or "Perseroan") started on 16 December 1895 in Purwokerto, Central Java, established 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 Law No. 21 of 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 which the composition of government's ownership in BRI became 56.75% and the remaining 43.25% shares are owned by the public.

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

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

BRI continually develops its businesses in line with the demographic development of the people and always tailored its services to meet the needs of Indonesian communities.

In addition to its focus on the MSME segment, BRI also develops various consumer banking products and institutional services for the customers in urban areas. To support these endeavors, BRI steadily builds its network and BRI is currently recognized as the largest bank in terms of network, managing 10,396 outlets, including 3 overseas units, all of which are connected real time online.

BRI at a Glance

BRI has a strong commitment to continue enhancing the efficiency of national economy activities and at the same time also improving the customers' transaction convenience and ease that in line with the needs of banking services of all Indonesian's community. All are possible through over 10,000 conventional working units and e-banking services, in which supported by more than 20,000 units of ATM and more than 130,000 units of EDC in Indonesia.

With the immense customer base of over 49 million accounts, BRI develop e-banking services that are accessible through the internet, cell phones, Short Message Service (SMS), and other e-channel services, such as Automatic Teller Machines (ATM), Cash Deposit Machines (CDM), Electronic Data Capture (EDC), and Kiosks. In total, the e-channel network reached 152,443 units.

BRI is also committed to provide banking services for micro-business owners in traditional markets through TerasBRI, launched at the end of 2009. TerasBRI is a means to reach entrepreneurs in traditional markets who have never enjoyed optimum banking services.

On 20 December 2013, signifying BRI's commitment to enhance the 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 the integrated e-channel services, ATM, CDM, EDC, and Internet Banking.

By only using e-ID as the source of data connected and integrated with the population data administered by the Ministry of Home Affairs, and by completing an electronic form, it requires only four minutes for a customer to open a new account. BRI is the first bank to implement e-ID as the 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 working unit has signed the Satellite Procurement and BRI Satellite (BRIsat) Launch Contract with Space System/Loral (SSL) and Arianespace on 28 April 2014.

Serving 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. Supported by strong financial performance, BRI is confident to enhance its capacity in stimulating the sustainable economic growth in line with the increase in the livelihoods of Indonesian people.

BRI's Milestone

1895

On 16 December 1895, Raden Aria Wiriatmaja founded De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofden in Purwokerto as a mosque-fund manager whose function was to manage and disburse funds to the people through a simple scheme.

The institution experienced several name changes, from Hulp-en Spaarbank der Inlandsche 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.

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.

1992

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

1984

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

1960

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

BRI's Milestone

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).

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 and Launcher Procurement Contract of BRI Satellite (BRIsat) with Space System/Loral (SSL) and Arianespace on 28 April 2014.

2013

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

Vision, Missions, and Corporate Values

Vision

To become a Leading Commercial Bank that always prioritizes Customer Satisfaction

Missions

- “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 stated in the Decree of the BRI's Board of Directors No: 81-DIR/REN/02/2013 dated 13 February 2013.

Vision, Missions, and Corporate Values

Corporate Values

Integrity

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

Profesionalism

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.

Statement of Corporate Values were States Through Decision Letter of BRI Board of Directors No: S.85-DIR/KPS/04/2014 dated 30 April 2014 on Corporate Culture Revitalization.

Banking Products and Services

For further details on Products and Services, please see Sub chapter "Business Review."

A. Savings Products

1. BritAma Rupiah (Savings account in Rupiah)
2. BritAma Valas (Savings account in Foreign Exchange)
3. BRI Junio
4. Simpedes
5. Simpedes TKI
6. Hajj Savings
7. Deposito BRI Rupiah (Time Deposit in Rupiah)
8. Deposito BRI Valas (Time Deposit in Foreign Exchange)
9. Deposit On Call (DOC)
10. GiroBRI Rupiah (Current Accounts in Rupiah)
11. GiroBRI Valas (Current Accounts in Foreign Exchange)

B. Loan Products

• Micro Loan

1. Kupedes
2. KUR Mikro

• Small 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) Loan
13. Pre-Financing Loan
14. Post-Financing Loan
15. Distributor Financing

• Consumer Loan

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 (salary based loan for pensioners)

• 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
2. Working Capital Loan for Export
3. Working Capital Loan for Import
4. Working Capital Loan for Construction
5. Investment Loan
6. Syndicated Loan

Banking Products and Services

C. Bank 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 System
5. Tuition Fee Online 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)

- **International Business Service:**

1. Import Services
 - i. Issuance of Letter of Credit (LC)
 - ii. Issuance of LC Amendment
 - iii. Import Facilities
 - iv. Pre-Import Financing (Suspension of Import Guarantees)
 - v. Post-Import Financing (KMKI & Trust Receipt)

2. Export Services

- a. Advising LC
- b. LC Confirmation
- c. Export Billing Services
 - i. Outward Documentary Collection
 - ii. Outward Clean Collection
- d. Pre-Shipment Financing (KMKE)
- e. Post-Shipment Financing
 - i. Negotiated Money Order for Export
 - ii. Export Discounted Bills
 - iii. Export Rediscounting Bills

3. Refinancing LC

4. Risk Participation
5. Banker Acceptance
6. USD Local Settlement
7. Guarantee (Standby LC)
8. Letter of Credit with Domestic Documentation (SKBDN)
9. Bill Purchase Financing
10. Money Changer
11. BRI Remittance

- **Treasury Services:**

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

- **BRI Prioritas (Priority Banking)**

Various exclusive services and selected products

- **BRI Wealth Management**

Various mutual funds products, securities, insurance, and others.

Networks Coverage

- BRI currently services its customers through over 10,396 operating units and 152,443 e-channel networks spread across Indonesia.
- BRI operates 8 levels of service office, consisting of Head Office, 19 Regional Offices, 461 Branch Offices (including 3 Overseas Operating Units), 584 Sub-Branch Offices, 971 Cash Offices, 5,293 BRI Units, 2,457 TerasBRI, and 610 Mobile TerasBRI.



Networks Coverage

	2010	2011	2012	2013	2014
Head Office	1	1	1	1	1
Regional Office	18	18	18	18	19
Branch Office	413	431	446	453	461
Sub-Branch Office	470	502	545	565	584
Cash Office	822	870	914	950	971
BRI Unit	4,649	4,849	5,000	5,144	5,293
Teras BRI	617	1,304	1,778	2,212	2,457
Mobile Teras BRI		100	350	465	610
Total Outlets	6,990	8,075	9,052	9,808	10,396
Audit Office	14	14	16	17	18
Total Operating Units	7,004	8,089	9,068	9,825	10,414

E-Channel	2010	2011	2012	2013	2014
ATM	6,085	7,292	14,292	18,292	20,792
EDC	12,719	31,590	44,715	85,936	131,204
CDM	39	89	92	192	392
E-Buzz	2	19	42	50	55
Total	18,845	38,990	59,141	104,470	152,443



Outlets



Head Office



Regional Office
Jakarta 3



Branch Office
Rantingren



Sub-Branch Office
Tugu Mulyo



Priority Service Centre
Makassar A. Yani



Hybrid Branch
Pacific Place

Outlets



BRI Unit
Sukoharjo



Teras BRI
Tanah Abang Market

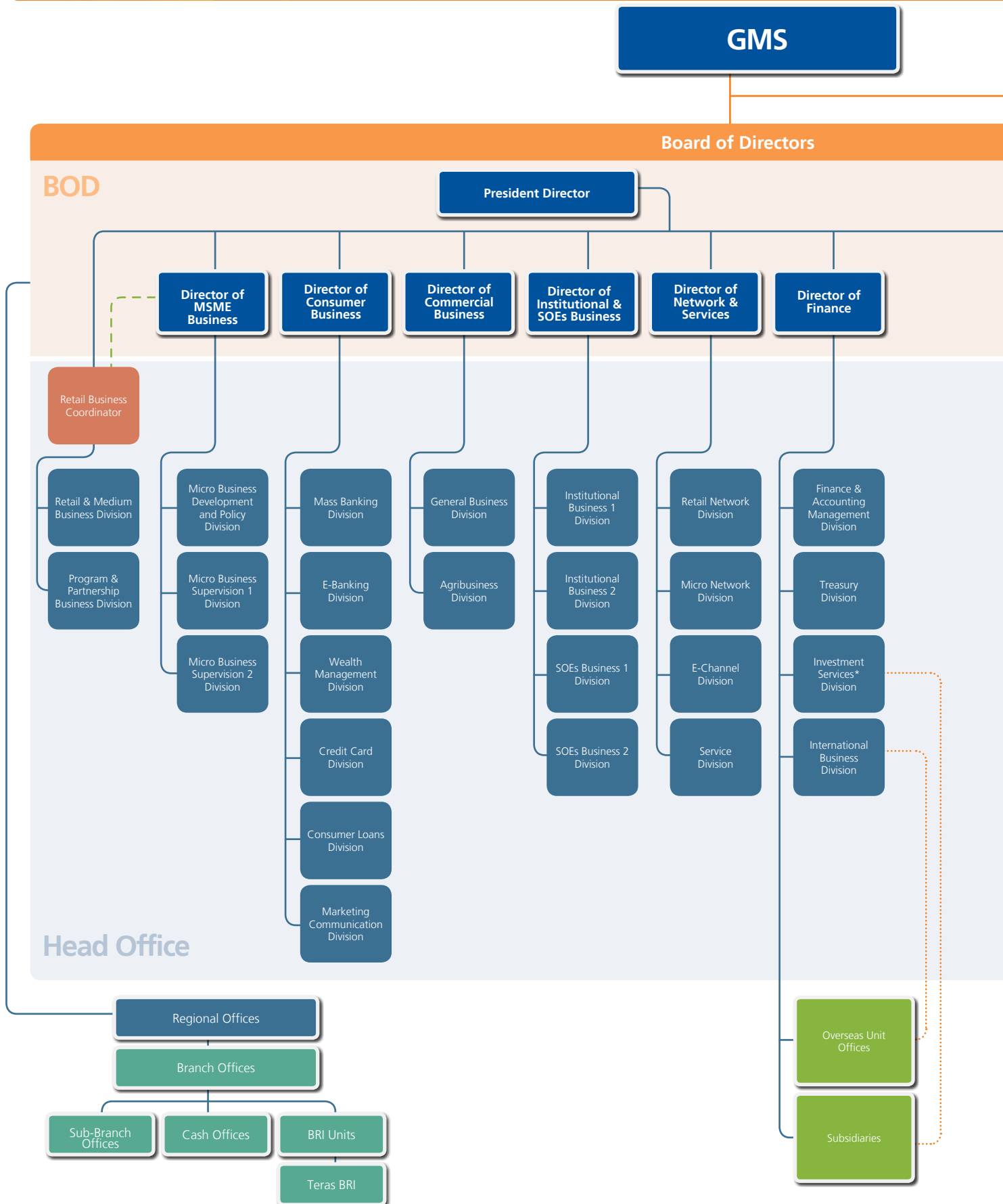


Cash Office
Gambir Station



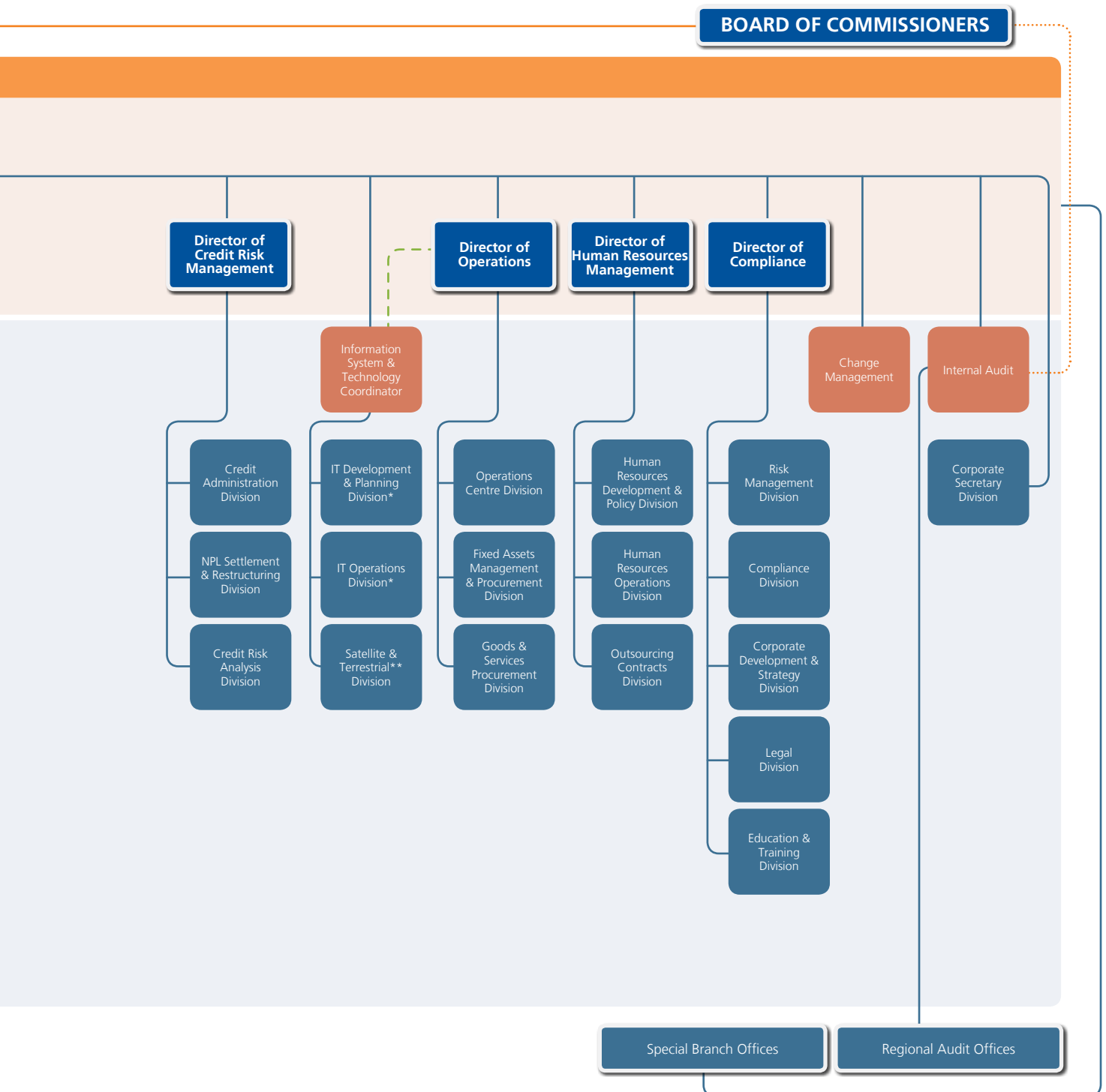
Mobile Teras BRI

Organizational Structure



Organizational Structure

In accordance with the Decree of BRI's Board of Directors Number: S.102-DIR/REN/09/2014 dated 4 September 2014.



— Guidance/Supervision Line

- - - Technical Supervision and Daily Operations Line

... Coordinating Line

*) Effective as of 1 January 2015

**) Effective subsequent to handover of the satellite operations

Committees under the Board of Commissioners

Committees under the Board of Directors

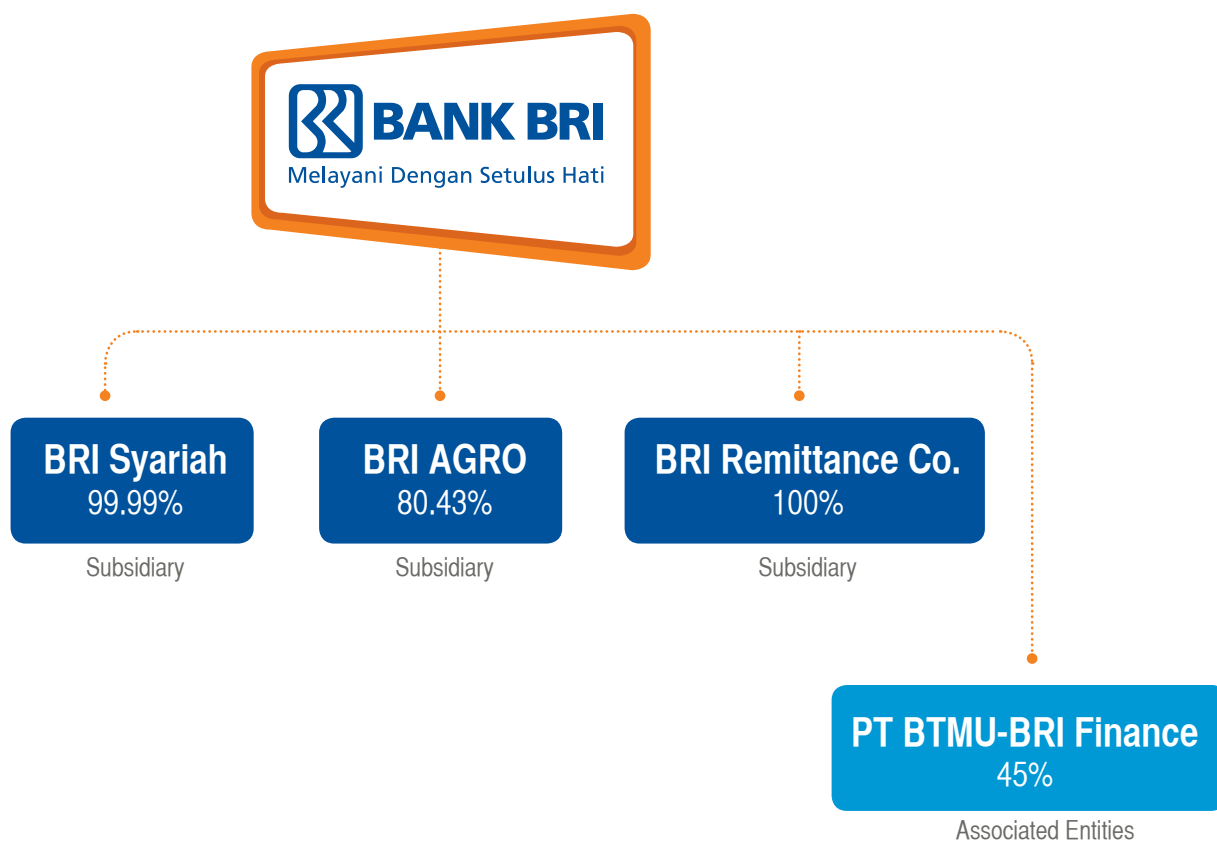
: Audit Committee, Nomination & Remuneration Committee, Risk Management Supervisory Committee

: Risk Management Committee, Credit Policy Committee, Credit Committee, ALCO, HR Policy Committee, IT Committee

Subsidiaries and Associated Entities

Name of Company	Type of Business	BRI Inclusion Date	BRI Ownership Percentage (%)	Commencement of Operations	Address
PT Bank BRISyariah	Shariah Bank	19 December 2007	99.99%	16 October 2008	Jl. Abdul Muis No. 2-4, Jakarta
PT Bank Agroniaga Tbk.	Commercial Bank	3 March 2011	80.43%	8 February 1990	Plaza GRI Jl. HR. Rasuna Said Blok X2 No.1, Jakarta
BRIngin Remittance Co. Ltd.	Remittance Company	16 Desember 2011	100%	7 April 2005	Room 1115, 11/F, Lippo Center, Tower II, 89 Queensway, Admiralty, Hong Kong
ASSOCIATED ENTITY					
PT BTMU-BRI Finance	Financing	1 August 1983	45.00%	1 August 1983	Wisma 46 10th floor-Kota BNI, jalan Jenderal Sudirman Kav. 1 Jakarta

BRI Business Structure with Subsidiaries, Associated Entities



Capital Market Supporting Institutions

Capital Market Supporting Institutions

Public Accountant

Purwanto, Suherman, & Surja (Ernst & Young)

Indonesian Stock Exchange Building Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Tel. (62-21) 5289 5000
Fax. (62-21) 5289 4100

Share Registrar

PT Datindo Entrycom

Jl. Jend. Sudirman Kav. 34-35
Jakarta 10220
Tel. (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
Tel. (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
Tel. (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
Tel. (65) 6438 2881
Fax. (65) 6438 2321

Information Access

Information for shareholders, latest news, and general information about the Bank is available through:

CORPORATE SECRETARY

BRI I Building

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

[Website](#)

www.bri.co.id

[Email](#)

humas@bri.co.id



Information for Investors

A woman with dark hair is smiling and looking at a tablet held by a hand. The tablet screen shows a financial dashboard with a cityscape image, a table of data, and a section titled 'Overview'. The background is a blurred office setting with a staircase.

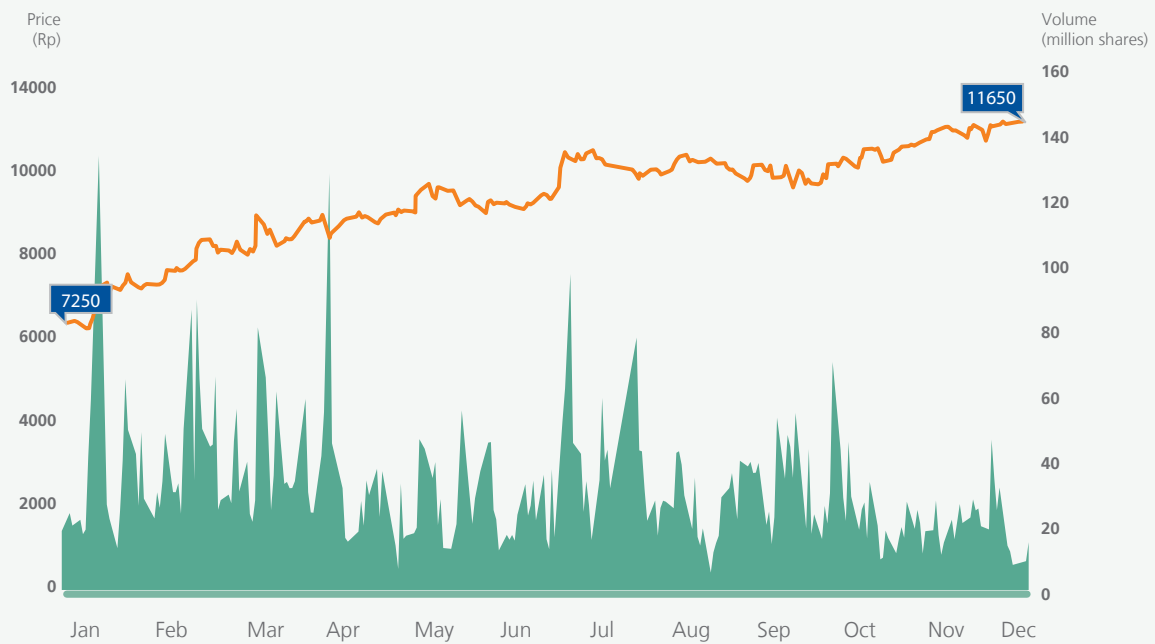
At the end of 2014, JCI closed at 5,226.95, increased by 22.29% compared to the closing position in 2013. BBRI shares rose by 60.69% and closed at Rp11,650 with solid and liquid trading volume.

82 INFORMATION FOR INVESTORS

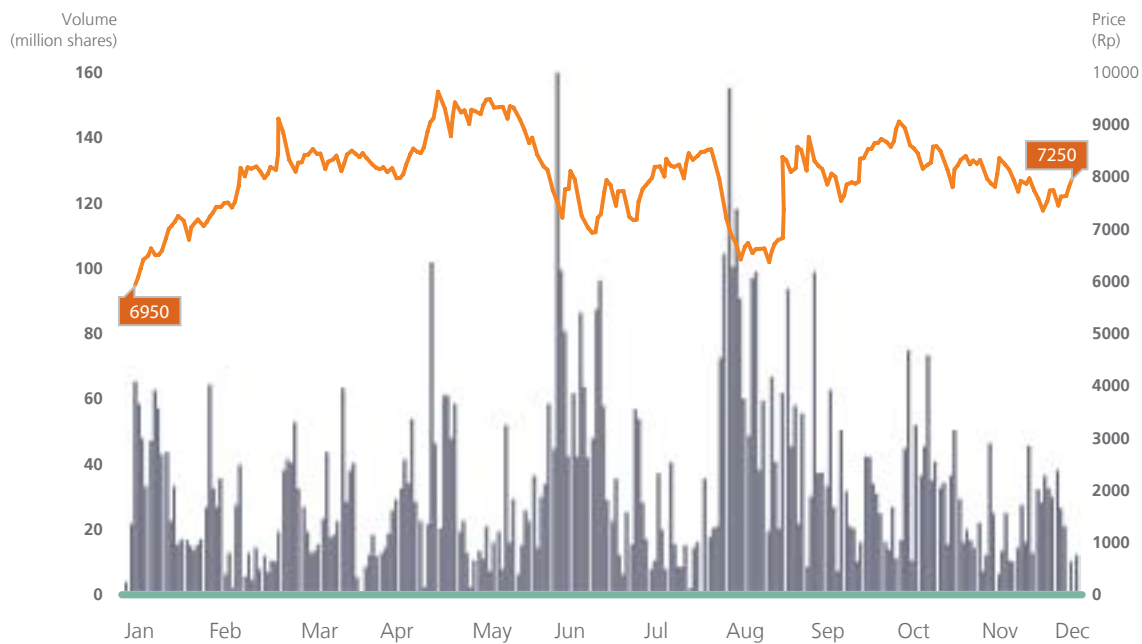
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- 91 BRI's Stock Performance
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- 93 Securities Issuance

Stock Highlights

BBRI Stock Price and Trading Volume Movement 2014



BBRI Stock Price and Trading Volume Movement 2013



Stock Highlights

BRI Stock Price Development

Year	Stock Price				Total Shares	Transaction Volume	Value		Market Capitalization (Rp trillion)
	Opening	Highest	Lowest	Closing			Frequency (Times)	Rp (Trillion)	
2013	7,050	9,650	6,350	7,250	24,669,162,000	8,507,730,500	729,566	78.39	178.85
Quarter 1	7,050	9,450	7,050	8,750	24,669,162,000	1,779,867,500	136,123	17.44	215.86
Quarter 2	8,700	9,650	7,100	7,750	24,669,162,000	2,377,318,000	188,110	23.22	191.19
Quarter 3	7,950	8,350	6,350	7,250	24,669,162,000	2,540,670,000	218,134	22.47	178.85
Quarter 4	7,350	8,450	6,800	7,250	24,669,162,000	1,809,875,000	187,199	15.27	178.85
2014	7,300	11,700	7,025	11,650	24,669,162,000	9,490,743,000	971,900	91.88	287.40
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	10,000	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

Bonds Summary

No.	Type	Series	Rating	Value	Coupon	Tenor	Maturity Date	Listing	Note
Bonds in Rupiah									
1	Subordinated Bonds II	-	AA (idn) (Fitch)	Rp2 Trillion	10.95% p.a paid quarterly	5 Years	22 Dec '14	Indonesia Stock Exchange	Fully paid
2	Medium Term Notes (MTN) Phase I	A		Rp300 Billion	8.75% p.a paid quarterly	370 Days	15 Oct '15	-	-
		B	AA (idn) (Fitch)	Rp60 Billion	9.25% p.a paid quarterly	2 Years	10 Oct '16	-	-
		C		Rp360 Billion	9.50% p.a paid quarterly	3 Years	10 Oct '17	-	-
3	Medium Term Notes (MTN) Phase II	-	AA (idn) (Fitch)	Rp520 Billion	8.90% p.a paid quarterly	370 Days	29 Dec '15	-	-
4	Negotiable Certificate of Deposit (NCD)	A	-	Rp165 Billion	8.00% p.a.; discount	90 Days	02 Mar '15	-	-
		B	-	Rp790 Billion	8.60% p.a.; discount	182 Days	02 Jun '15	-	-
Bonds in Foreign Exchange									
1	Senior Bonds in USD	-	Baa3 (Moody's)	USD500,000	2.95% p.a (year 1 to 5); paid per semester	5 Years	28 Mar '18	Singapore Exchange	-

Share Listing Chronology

Year	Ownership				Nominal (Rp)	Year-End Total Paid Up Shares	Year-End Total Paid-up Capital	Corporate actions
	Government Amount	%	Public Amount	%				
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 (listed on JSX)
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 on 11 January 2011
2012	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	
2013	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	
2014	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	

BRI exercised Initial Public Offering on 31 October 2013 with a total of 3,811,765,000 Registered Ordinary Shares Series B to domestic and foreign investors. The amount were coming 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 (Letter of Bapepam Chairman No. S-2646/PM/2003) dated 31 October 2003. Shares were offered at nominal value at Rp500.00 per share, traded on 10 November 2013 and registered in Jakarta Stock Exchange.

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

- Propose candidates of members of Board of Directors and Board of Commissioners
- Approve the appointment and termination of members of Board of Directors and Board of Commissioners.
- Approve the amendment of Articles of Association, including change of capital.
- Approve consolidation, mergers, acquisitions, and demergers of the company, submit a request for company's bankruptcy and dissolution, and/or
- Request reports and explanations on certain matters to Board of Directors and Board of Commissioners with due observance to the applicable laws and regulations, especially Capital Market regulations.

BRI exercised oversubscription option of 381,176,000 Ordinary Shares Series B of the Republic of Indonesia (divestment) on 10 November 2003 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.

Management Stock Option Plan

Pursuant to the resolutions of Extraordinary GMS held on 3 October 2003, BRI shareholders approved Management Stock Option Plan (MSOP). The total shares issued during MSOP were 588,235,250 shares and was carried out in three stages. MSOP Stage I and II were completed on 9 November 2008 and 9 November 2009, respectively, and MSOP Stage III was completed on 9 November 2010.

The total shares exercised until the end of all MSOP stages were 569,876,000 shares. Until the end of exercise period, there were unexercised shares amounting to 4.3 million shares of MSOP Stage I, 5.2 million shares of MSOP Stage II and 8.8 million shares of MSOP Stage III. The three stages of MSOP referred to Bapepam-LK Regulation No. IX.D.4 and Regulation of IDX No.1-A Lamp. Decision of the Board of Directors of JSX No. Kep.305/BEJ/07-2004 on Shares Listing.

MSOP Stage	Total MSOP Shares	MSOP Stage Starting Date	MSOP Stage End Date	Exercised Shares
Phase I	235,294,100	10-Nov-03	9-Nov-08	230,999,000
Phase II	235,294,100	10-Nov-04	9-Nov-09	230,047,000
Phase III	117,647,050	10-Nov-05	9-Nov-10	108,830,000
Total	588,235,250			569,876,000

The total shares allocated in MSOP Stage I to Stage III were 588,235,250 shares, with a total of 569,876,000 exercised shares until the end of implementation period. The stock option generated additional equity of Rp1,366,089,110,750.00.

(In million Rupiah)				
	Stage I	Stage II	Stage III	Total
Paid Up Capital	115,500	115,024	54,415	284,938
Premium	106,837	287,559	474,490	686,886
Other Capital (number of share x option value)	27,117	80,889	10,259	212,265
Total	249,454	483,471	633,164	1,366,089

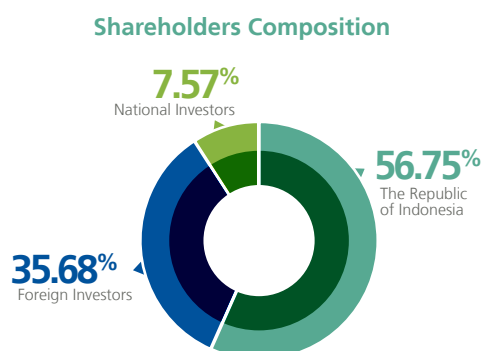
Composition of Shareholders

As of end of 2014, BRI had a total of 13,206 shareholders, a decrease from 19,380 shareholders in 2013. Government of the Republic of Indonesia remains BRI's majority shareholder with the share ownership of 56.75%, while the public owns the remaining 43.25%.

Composition of Shareholders

30 December 2014			
	Shareholder	Shares	Composition
The Republic of Indonesia	1	14,000,000,000	56.75%
Public	13,205	10,669,162,000	43.25%
Domestic Investors	11,385	1,867,656,805	7.57%
Individuals	8,063	156,691,346	1.64%
Employees	2,835	81,546,000	0.33%
Local Government	1	318,000	0.00%
Institutions	486	1,629,101,459	6.60%
Banks	0	0	0.00%
Cooperatives	3	330,500	0.00%
Foundations	22	16,577,000	0.07%
Pension Funds	119	143,098,800	0.58%
Insurance	59	463,098,800	1.88%
Limited Liability Companies	93	390,852,783	1.88%
Financial Institutions	0	0	0.00%
Mutual Funds	190	614,902,776	2.49%
Foreign Investors	1,820	8,801,505,195	35.68%
Individuals	68	1,143,400	0.005%
Foreign Business Entities	1,752	8,800,361,795	35.67%
Total	13,206	24,669,162,000	100.00%

List of Shareholders 2014



BRI's majority shareholder is Government of the Republic of Indonesia with 56.75% ownership

Composition of Shareholders

Until the end of 2014, aside from Government of the Republic of Indonesia, public do not own more than 5% of the total shares listed in the Share Registrar.

List of 20 Largest Shareholders (as of 31 December 2014)

No.	Name	Shares	% Ownership
1	The Republic of Indonesia	14,000,000,000	56.75
2	HSBC Bank Plc S/A Saudi Arabian Monetary Agency	434,784,378	1.76
3	BPJS Ketenagakerjaan-JHT	321,762,400	1.30
4	JPMCB-Franklin Templeton Investment Fund	291,768,500	1.18
5	GIC S/A Government of Singapore	214,697,171	0.87
6	BBH Boston S/A Vangrd Emg Mkts Stk Inf	202,096,000	0.82
7	JPMCB-Stichting Depositary Apg Eme Mrkt	195,634,800	0.79
8	PT Prudential Life Assurance	176,406,200	0.72
9	JPMorgan Chase Bank Na Re Non-Treaty Client	139,339,533	0.56
10	BBH Luxembourg S/A Fidelity Fd, Sicav-Em	124,798,100	0.51
11	The Northern Trust Co S/A Cantillon Fund	116,161,060	0.47
12	The Northern Tst Co Sa Fidelity Investment	98,284,100	0.40
13	JPMCB-JPMorgan Funds	96,321,766	0.39
14	SSB Obih S/A Ishares Msci Emerging Market	96,075,422	0.39
15	PT AIA Finl - UI Equity	95,383,900	0.39
16	SSB 1Ba9 Acf Msci Equity Index Fund	84,212,614	0.34
17	Citibank New York Adr S/A Citibank N.A	83,459,280	0.34
18	JPMCB-Vanguard Total Interntnl Stock Ind	71,059,400	0.29
19	BBH Luxembourg S/A Fidelity Fd, Sicav	66,226,500	0.27
20	HSBC Bk Plc Re Agus Fund Manager S/A Abu Dhabi	66,190,926	0.27
Total 20 Largest Shareholders		16,974,662,050	68.81

Capital Market Condition and Stock Performance

Domestic and international market sentiments have affected Jakarta Composite Index (JCI) movement throughout 2014. Factors that influenced JCI in 2014, among others were the expectations of a higher economic growth with the new government and the ability of JCI growth drivers which are banking and infrastructure sector to maintain profitability despite the economic slowdown. At the last trading day of Indonesia Stock Exchange on 30 December 2014, JCI was closed at 5,226,95, stronger by 22.29% compared to the closing position in 2013. JCI's growth was the second highest in ASEAN after Philippines (22.76%) and fourth in Asia after Shanghai (49.72%), India (28.52%), and Philippines.

In 2014, there were a total of 24 companies that exercised Initial Public Offering (IPO) with the total issuance value amounted to Rp9 trillion. In addition, a number of issuers held rights issue and issued warrants of Rp33.4 trillion and Rp1.4 trillion, respectively. In total, the fund generated from shares in 2014 was amounted to Rp48.9 trillion.

The average value of daily share transactions for the period of January to December 2014 amounted to Rp5.99 trillion, decreased from Rp6.24 trillion of the previous year. However, the average frequency of daily transactions for the period of January to December 2014 rose by 38.36% compared to the earlier year, from 153,686 transactions to 212,643 transactions.

Meanwhile, the average volume of daily transactions from January to December 2014 dipped by 0.71% to 5.46 billion shares compared to 5.50 billion shares during the same period in 2013.

BRI shares, under ticker code BBRI, were listed and traded in the IDX (formerly JSX) starting 10 November 2013. Currently, in addition to be traded on the main board, BBRI shares are also registered as blue chips in LQ 45 (45 of the most liquid shares in IDX), Business-27 Index, Kompas 100 Index, and Sri Kehati Index.

Throughout 2014, BBRI share performance outperformed the composite index with the growth rate of 60.69% compared to JCI's 22.29%. BBRI share price in 2014 ranged from the lowest price of Rp7,025 to Rp11,700. Growth in share price was not accompanied by the increase of transaction volume, which throughout 2014 declined from 8,619.4 million shares to 7,871.5 million shares in 2013.

At the end of December 2014, with market capitalization value at Rp287.39 trillion, BBRI shares were recognized as the fourth largest capitalization on Indonesia Stock Exchange. As one of the leading shares, BBRI shares were affected by market sentiments toward economic and political conditions nationally and globally. Several national issues that influenced market sentiment were presidential and parliamentary elections, fuel price increased, inflation rate, and Indonesia's economic growth. Globally, several issues include the possible

increase of fed fund rate and tapering off the Fed's stimulus program, sluggish crisis resolution in Europe, crisis in Ukraine, and the drop of global oil price. These issues have made investors to be more cautious in making investment decision in Indonesia, especially in the financial market, which resulted in the decrease of transaction volume throughout 2014.

On the other hand, JCI net buy by foreign investors amounted to 40.75 trillion shares and net buy of BBRI shares was amounted to 538.25 million shares. At the end of 2014, BBRI share price stood at Rp11,650, reflecting the sharp increased from Rp7,250 position in 2013. One of the reasons was investors expectations on the new Indonesian government that was expected to focus on infrastructure development.

In addition, despite Indonesia's challenging macro economy and tight liquidity condition, BRI was able to maintain its focus in 2014. BRI focuses on MSME sector that traded domestic-oriented products. The Bank's business development was carried out with prudent and resulted in significant growth of net income. The Bank regularly updates its development to market players and investors responded positively to the undertakings, which drove BBRI shares to rise by 60.69% from the closing position in 2013.

Dividend and Dividend Policy

In accordance with the resolutions of Annual General Meeting of Shareholders (AGMS) held on 26 March 2014, BRI has distributed final dividends for 2013 fiscal year, set at 30% of the net income or Rp6,348,045 million. The ratio of dividend payout was the same with 2013 AGMS resolution which is 30%. Dividend value per share paid on 14 May 2013 was Rp257.33, or increased by 14.25% from the dividend value per share in 2012 of Rp225.23.

BRI Dividend Payment

Dividend Year	Date of Payment	Total Dividend (Rp billion)	Dividend Shares* (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%

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

In 2009 and 2010, BRI distributed the interim dividends of Rp45.74 per share and Rp45.93 per share, respectively. The distributions were pursuant to the Limited Liability Company Law No. 40 of 2007. The amounts of interim dividends are included 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 dividend distribution policy is prescribed in the IPO Prospectus, under the "Dividend Distribution" section, which states that BRI dividend distribution shall take into account the financial condition and business development plan. Dividend payout ratio and/or the amount of dividend for each fiscal year are determined through the AGMS.

Issuance of Commercial Papers

Subordinated Bonds

On December 2009, BRI issued the Subordinated Bonds II in Rupiah with 5-year tenor and interest rate of 10.95%, listed on the stock exchange on 22 December 2009. The Fitch granted AA (Double A; Stable Outlook) rating to the Subordinated Bonds and BRI was able to generate Rp2 trillion proceeds from the Bonds issuance.

Realization of Proceeds from the Subordinated Bonds

All proceeds from the Subordinated Bonds Public Offering, after deducted with expenses, were used in accordance with Bank Indonesia provisions as supplementary capital, utilized to support the loan expansion carried out with prudent principle.

Senior Bonds in USD

In 2013, BRI issued senior bonds in USD for 5-year tenor and 2.95% coupon. The bonds were listed on the Singapore Exchange on 28 March 2013 and earned BBB- rating by Fitch and Baa3 by Moody's. BRI raised USD500 million funds from the issuance of global bonds.

Realization of Proceeds from the Bonds Issuance

All proceeds from Bonds issuance, after deducted with expenses, were used to finance loan expansion carried out prudently, funding mix diversification, and BRI foreign currencies maturity profile management.

Medium Term Notes (MTN)

BRI issued Medium Term Notes Phase I in three series on 10 October 2014. Series A were issued in total value of Rp300 billion, tenor of 370 days, and fixed interest rate of 8.75% per annum. Series B were issued in the total value of Rp60 billion, with 2 years tenor and a fixed interest rate of 9.25%, while series C were issued in total value of Rp360 billion, with 3-year tenor, and a fixed interest rate of 9.50%. The coupons for these series were paid quarterly.

On 25 December 2014, BRI issued Medium Term Notes Phase II with total value of Rp520 billion, tenor of 370 days and coupon rate of 8.90%. The total MTN issued by BRI in 2014 amounted to Rp1.24 trillion.

Realization of Proceeds from Medium Term Notes

Proceeds from MTN issuance were used for credit expansion. In addition, MTN was a means for BRI to diversify financing source. On 31 December 2014, MTN phase I and phase II obtained ratings AAA(idn) and F1+(idn).

Negotiable Certificate of Deposits (NCD)

Apart from MTN, BRI also issued Negotiable Certificate of Deposits amounted to Rp955 billion on 2 December 2014. NCD was issued in two series – Series A in total value of Rp165 billion, with 3 (three)-months tenor, and a fixed interest rate of 8.00%; and Series B amounted to Rp790 billion, with 6 (six)-months tenor, and a fixed interest rate of 8.60%.

Realization of Proceeds from the NCD

The proceeds from the NCD were disbursed by the Bank as loans for the purpose of business development.



Operational Review



Optimal
performance
supported
by strategy
implementation
and professional HR
management

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Human Resources

HUMAN RESOURCES MANAGEMENT

In the challenging economic conditions, Human Resources have an important role in achieving business growth and ensuring the Company's long-term sustainability. For this reason, BRI believes that HR is both a key asset and a partner in the Company's development.

As a key asset, all stages of recruitment and development of HR constitute an investment in performance enhancement in the future. At the same time, HR, as a partner, is developed to emphasize interrelationships that benefit both sides. The enhancement of HR competencies takes into consideration employees' interests, capabilities and talents, at the same time as executing a fair management performance, offering clear career opportunities alongside competitive remuneration packages.

As such, employees are motivated to give the best in their work, awarding BRI a highly competent workforce able to work effectively and efficiently with high productivity. This has a positive effect on all stakeholders.

For this reason, BRI consistently implements competency-development programs for individuals as well as for the entire HR, focusing on the importance of layered and structure training. This has the goal of enabling BRI's HR to recognize the potential and character of potential customers, providing a high quality banking services and providing advice to customers in challenging times.

BRI also consistently implements the Company culture socialization programs based on GCG principles, in order to develop a workforce with integrity and ethical values worthy of pride at all levels of the hierarchy.

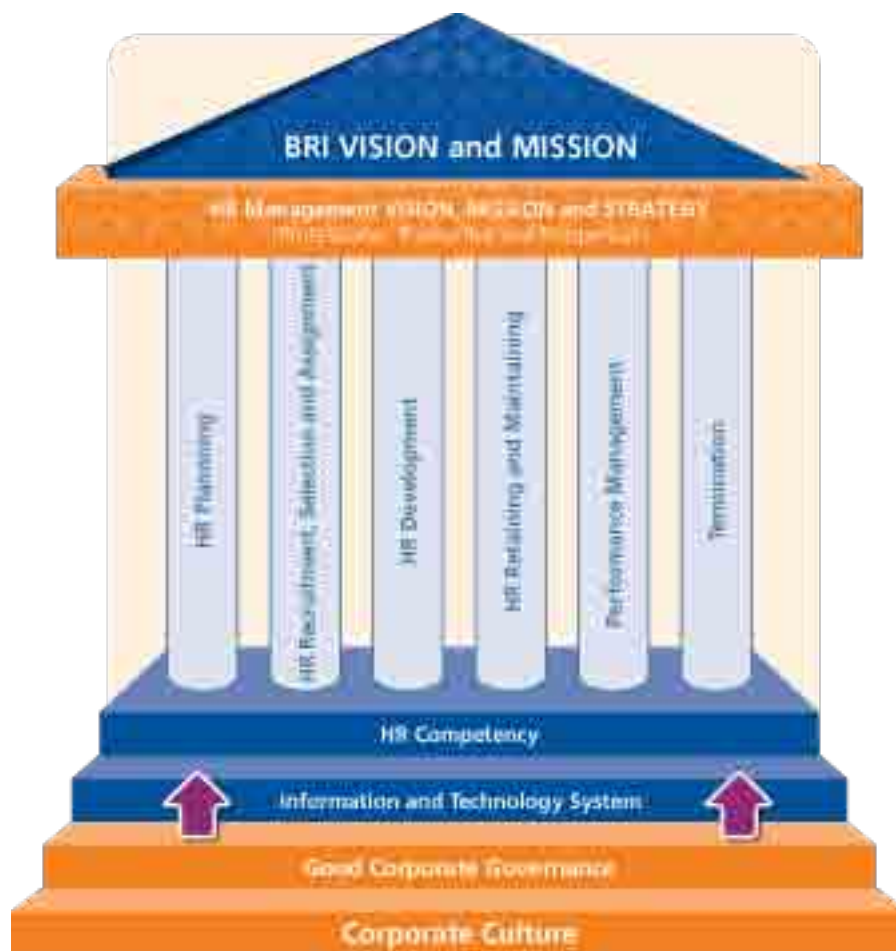
HUMAN RESOURCES ARCHITECTURE

Strategies to manage and develop BRI's HR are outlined in the Roadmap of the HR management work plan set every five years, and which is reviewed periodically in line with the Company requirements. This program is part of the **BRI's HR Architecture**, which is formulated comprehensively, systematically and structurally, following stages of planning, acquiring, developing, retaining and maintaining, performance management to terminating.

Human Resources

This HR Architecture is formalized through HR management competency-based policy supported by an accurate HR Information System based on the implementation of GCG and Corporate Culture, which form the basis for employee conduct in order to realize HR Management's vision and mission (professional, productive and prosperous).

HUMAN RESOURCES ARCHITECTURE



Human Resources

ENSURING HARMONIOUS INDUSTRIAL RELATIONS

BRI understands the importance of maintaining harmonious relations between the Company and the employee, as well as between individual employees, so as to ensure a work environment that encourages productivity at all levels of the employees at the same time as maintaining the balance between rights and obligations from the Company to the employees. BRI's commitment to maintain a harmonious relationship with the employees includes the following:

- Issuing policy on the Bipartite Cooperation Forum and the Industrial Relations Dispute Resolution as cornerstones for the Company and employees to maintain good communication, both at Head Office and regional level. Through the Forum, company policy, employee aspirations and employees -management coordination can run effectively, preventing disputes.
- Regular meetings between the Labor Union and the Company management at the national level.
- Bipartite Monitoring Forum between labor unions and management at the regional level.

For the framework of employee relations, BRI ensures that the Company always:

a. Respects Employee Basic Rights

BRI guarantees employees' rights to associate, gather and express themselves. BRI supports labor unions through the BRI Labor Union, which was established in June 1999. The BRI Labor Union is registered with the South Jakarta Employment and Transmigration Agency under registration number 357/PPN/2005 dated May 17, 2005.

BRI regularly holds negotiations with labor unions to create Collective Labor Agreements (CLA) every two years with a maximum extension period of one year, in order to set the rights and obligations of employees, the Company and labor unions. The current agreement is CLA period 2013-2015.

As a form of support for the BRI Labor Union, the Company always communicates its policy that is to be applied to the workforce, involving the Union in policy socialization, especially for policy related to employee rights and obligations and other matters of industrial relationship.

b. Equality among Employees

BRI affords equal opportunities and equal rights to all BRI employees, regardless of ethnicity, religion, race, group, gender or physical ability in its HR management, starting from the recruitment process up to the development of competence and expertise. The policy applies to all career paths and remuneration packages.

c. Manages and Resolves Employee Complaints

Managing employee complaints comes under BRI's commitment to maintaining harmonious industrial relations between BRI management and their employees. In order increase efficiency in handling employees complaints and resolution mechanisms, BRI's management has formulated communication policy to resolve complaints through SMS services received directly by the BRI's HR Management Director. Issues communicated by employees include issues of HR policy implementation and other HR issues.

Additionally, Communication Relations Department directly manages queries from the employees related to HR.

Human Resources

HUMAN RESOURCES STRATEGY

BRI develops manpower planning integrated with HR requirements and the Company strategy. HR requirement planning processes refer to long-term business planning as outlined in the BRI Corporate Plan, mid-term planning as set in the Bank Business Plan (RBB) and short-term planning as outlined in the Company Work and Budget Plan (RKAP).

Strategies include:

- a. HR planning is directed toward the ideal composition of business and non-business employees in line with the Company requirements. BRI prioritize the fulfillment of business employee formation compare to non-business or supporting business employee formation. BRI therefore delegates recruitment authority to each regional offices.
- b. Continued active cooperation with a number of renowned higher education institutes to recruit the best students from each institute. This includes cooperation with Career Development Center consultants at universities.
- c. Recruitment activities in Indonesia's most remote regions, such as Aceh, East Nusa Tenggara, Maluku and Papua, with the aim of recruiting local HR qualified to work for BRI at the same time as possessing local knowledge of their respective areas through the Resident Staff Development Program (PPRS). In this way, the Company obtains greater efficiency in its local branches, driving the acceleration of business processes at the same time as enhancing BRI employees' productivity.
- d. Consistent development of a quality, broad-skilled and high-performing employees across all task fields. Meanwhile, in line with the development of BRI overseas outlet and the BRI satellite (BRIsat) plan set to be rolled out in 2016, BRI strives to develop employees with specific competencies.
- e. Optimization of online recruitment in order to ensure efficiency and simplicity in all employee recruitment processes. To that end, and in the framework of hiring employees with good IT programming skills as well as good managerial and analytical skills, BRI implements the rapid 7-day selection program based on online recruitment and selection.

Taking into account the competitive environment and the spread out of network expansion, BRI implements an accurate and speedy HR compliance and management system within a certain timeframe but without forgetting the importance of the quality and competence of each candidate. HR management programs implemented in 2014 include:

1. Optimization of recruitment and selection process
2. Improvements of management performance policy and career development policy
3. Improvements of reward systems
4. Completion of review process of discipline policy
5. Continuation of Corporate Culture revitalization program

HUMAN RESOURCES DEVELOPMENT

Various programs and activities were realized in the framework of the Company HR management, as detailed here:

A. Recruitment

As one of the most important parts of human resource requirements, BRI implements three employee recruitment programs, namely:

Human Resources

"BRI consistently develops Human Resources competency in both the operational and managerial fields with a focus on integrity and respect for GCG principles, creating professional, productive and prosperous BRI employees."

1. Staff Development Program (PPS)

This program is intended to recruit personnel to be developed as future BRI leaders. The recruitment comes from internal sources as well as from fresh graduates, both from state or private universities in Indonesia and abroad, all meeting predetermined qualifications.

Internal and external HR recruitment and selection processes prioritize principles of objectivity, efficiency and effectiveness, with an objective, open and fair process free of discrimination in order to get the most talented and dedicated candidates.

Through these recruitment programs, in 2014 BRI recruited 10,082 employees, consisting of 4,995 Business staff, 466 Non-Business staff, 490 Trainees and 4,131 outsourced staff.

2. Non-staff Recruitment Program

This program involves the recruitment of employees intended to fill non-managerial roles, prioritizing technical and marketing abilities. This recruitment program is intended for the positions of Account Officer (AO), Funding Officer (FO) and others. Employees recruited through this program have different career development opportunities to PPS staff.

B. Learning & Developing

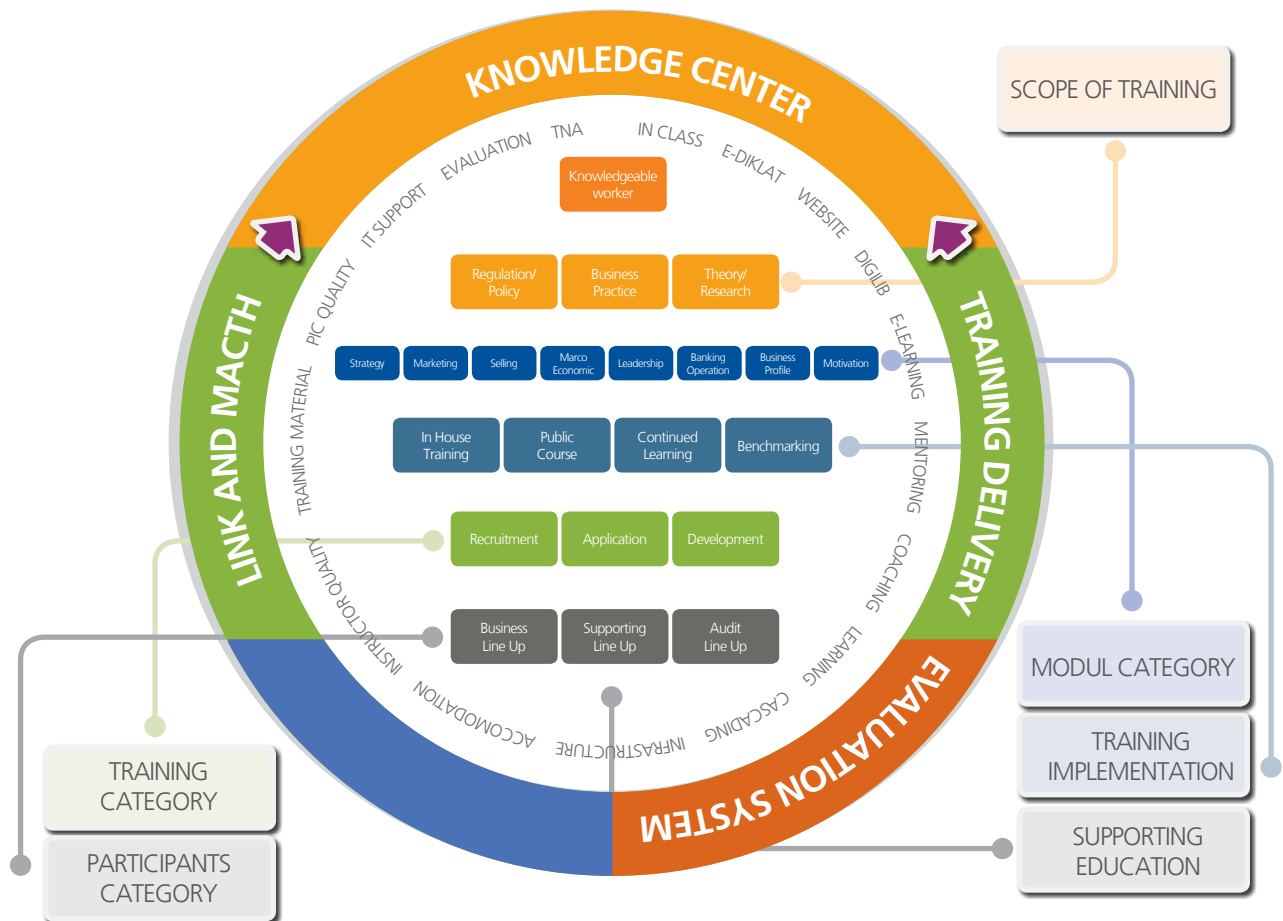
BRI's workforce is directed toward becoming human capital with the ability to learn, the will to change, innovative and with creative impetus to drive the Company forward. In order to attain this goal, BRI consistently develops employee competence to increase expertise in the face of present and future challenges to the Company.

3. Professional Hiring

This program involves hiring manpower from external sources that already have the necessary qualification and expertise in a certain field. This program is intended to fulfill requirements for new positions; employees from a professional hiring program are expected to transfer their knowledge to other employees when conducting the banks business activities.

Continuous education, training and development programs are planned as detailed below:

Human Resources



BRI's workforce is directed toward becoming human capital with the ability to learn, the will to change, innovative and with creative impetus to drive the Company forward. Training programs provided for all employees aim to increase competency in three areas, concerning applied expertise, technical skills and analytical skills and honing managerial abilities.

BRI also includes leadership education in its development curriculum and briefs employees of certain service levels within its leadership education programs held by external parties. Besides that, as part of the Learning & Developing Program, BRI strives to create a conducive work environment.

In its development of competence and expertise, BRI does not discriminate employees' ethnicity, religion, race or gender.

Human Resources

Training Categories

BRI provides three training categories:

1. Educational Debriefing Program.

Educational program provided to BRI candidates to serve in certain positions with the goal of furnishing them with the ability to properly carry out their duties.

2. Application Education Program.

Educational program provided to BRI employees with the goal of increasing their competency in carrying out their duties, both through internal or external parties.

3. Educational Development Program

Educational program provided to BRI employees with goal of increasing their competency in preparing them for higher positions.

In 2014, BRI's training programs include 468,062 participants, meaning that on average, each BRI employee had the opportunity to attend three training programs over the course of the year. Following are the details of the programs held over the year:

No	Type of Education	Number of Participants
1	Application	172,192
2	Support	-
3	Development	729
4	Briefing	27,090
5	Public Course	4,113
6	Focus Group Discussion	112,250
7	Socialization	150,886
8	Formal	39
9	Certification	763
Total		468,062

Other than comprehensive training programs, BRI also supports employees' career development through specific job enrichment and job enlargement.

"BRI consistently develops employee competence increase expertise in the face of present and future challenges."

C. Career development based on performance management

BRI employee career development in accordance with the policy path regarding employee career structure. Managerial level at BRI is filled by employees recommended by the assessment center based on competency and guided by provisions in line with Company needs. Employee promotion is based, inter alia, on the Company requirements, employee service period and employee performance.

BRI applies a modern two-tiered management performance system: Key Performance Indicators (KPI) and competency achievement. This allows the Company to evaluate HR performance by measuring what employees should achieve (KPI) and how they achieve it (competency).

The different stages of BRI's management performance system are designed systematically, consisting of planning, direction and evaluation. At the planning stage, employee and management agree on the targets while in the direction stage, management gives feedback to their subordinates on the latter's progress in attaining those targets. At the last stage, evaluation, the management evaluates the employees' performances based on the extent to which they have attained the previously agreed targets.

Human Resources

HR performance management is carried out through the integrated online Performance Management System (SMK).

The results of performance evaluation are extremely important in the setting of employee remuneration. BRI applies a rise policy based on merit increase.

Furthermore, in order to achieve optimal employee merit, BRI applies variable compensation, offering more to those employees who attain or exceed their targets. The variable compensation program aims to express appreciation for employees who reach their targets, increasing merit in the future.

EMPLOYEES WELFARE

BRI gives compensation fairly, competitively and with consideration of the Company business development strategy. The BRI salary structure is designed to compensate employees according to their competencies and level of service, regardless of gender.

Remuneration and Benefits

BRI has carried out a salary restructuring so that the Company can compensate employees according to their competence and level of service. It is expected that this will incentivize employees to do their best to contribute for the Company. In principle, BRI strives to carry out improvements to compensation and benefit policy with consideration of aspects of fairness, weighing up service level with the individual employee's quality level, as reflected in the employee's skill and knowledge.

BRI's remuneration structure broadly consists of fixed and variable compensation. In order to ensure a sense of security at work, BRI employees are provided with work-related health insurance, life insurance and personal accident insurance, housing and vehicle facilities and other benefits as standard in the banking industry.

BRI also takes into consideration different cost of living levels in different operational areas, providing compensation to each employee regardless of gender, ensuring equality between men and women. BRI also ensures the minimum wage awarded to employees is above the regional standard.

Pension Program

In order to provide a sense of security and comfort during all employees' period of active service, BRI provides benefits subsequent to the end of the working relationship with the goal of maintaining a consistent level of income after retirement. Programs in this field include: the Defined Benefit Pension Program, the Defined Contribution Pension Program, the Annuity Program, the Jamsostek Pension Plan Program and the Pension Health Maintenance Program.

Human Resources

FINANCIAL IMPACT OF HUMAN RESOURCES MANAGEMENT

- Cost Allocation for HR Competency Development

In 2014, no less than 729 development activities were carried out by BRI, both general and specific, attended by 468,062 participants. Total funds invested in increasing employee competence and professionalism reached Rp 664.6 billion, grew 22.02% from 2013.

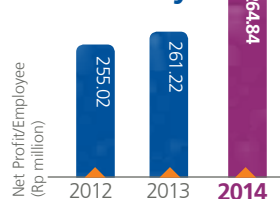
- Total Expenses for Human Resources Management

Increasing number of employees, promotions of employees from frontline to contract staff and fulfillment of various employee rights requirement caused the allocation for operational funds increasing. In 2014, funding allocations reached Rp 13.6 trillion, grew 15.44% from total spending allocations in 2013, which reached Rp 11.71 trillion.

BRI believes that this funding allocation constitutes an investment and a responsibility, improving employee competencies and increasing the ratio of employee productivity to training spending.

- The employee productivity ratio (profit to workforce size) in 2014 was Rp 264.84 million per employee, increased from the 2013 level of Rp 261.22 million per employee. This shows increasing employee productivity in terms of contribution to meet the Company profit targets.
- The ratio of training costs to personnel cost in 2014 was 2.34%, showing that BRI provided ample opportunities for employees to develop their competencies through various training programs.

Employees Productivity



HUMAN RESOURCES PROFILE

At the end of 2014, BRI's workforce reached 91,364 people, grew 12.46% from 81,238 at the end of 2013. This growth in line with increasing business and operational activity, including increasing the number of BRI outlet spread across the country, specifically additions to the Bank's frontline staff, especially tellers and customer service.

In terms of employee status, BRI employs permanent employees, including trainees, numbering 49,645 people, and 35,725 outsourced staff. This is in accordance with Bank Indonesia Regulation No. 13/25/PBI/2011 dated Dec. 9, 2011, on Prudential Principles for Outsourcing at Commercial Banks.

Human Resources

Total Employees by Employment Status

Status	2012	2013	2014
Permanent Employees	35,727	41,848	48,818
Contract Employees	36,155	38,355	41,719
Trainee	743	1,034	827
Grand Total	72,625	81,238	91,364

Based on education level, majority of BRI employees are associate and Bachelor's Degree graduate, which ratio continues to rise. For education levels of Junior and Senior High School, the ratio is declining.

Total Employees by Education Level

Education Level	2012	2013	2014
Strata 3	7	10	10
Strata 2	1,065	1,099	1,165
Strata 1	39,596	48,049	57,393
Diploma	25,761	26,704	28,327
SLTA	6,196	5,376	4,469
Grand Total	72,625	81,238	91,364

*excluding outsourced employees

Total Employees by Organization Level

Organizational Level	2012	2013	2014
Executive Vice President	67	70	64
Vice President	106	153	166
Assistant Vice President	429	403	440
Senior Manager	633	652	685
Manager	581	609	652
Assistant Manager	3,295	3,334	3,770
Officer	10,998	12,080	12,212
Assistant	56,516	63,937	73,375
Total	72,625	81,238	91,364

*excluding outsourced employees

Human Resources

Turnover

In 2014, BRI's turnover level was 1.36%, which was considered a very low level. And reflected BRI's success in creating a favourable workplace, sound, safe and convenient environment inspire enthusiasm, dedication and innovation across all levels of the Company.

HUMAN RESOURCES MANAGEMENT INFORMATION SYSTEM

An extensive operational area and sizeable workforce has led BRI to develop an HR management system integrated with technological support that is reliable, allowing BRI to manage the needs of all HR levels efficiently and accurately.

The development of an integrated HR IT system enables BRI to maintain an HR database, fulfill employee rights, provide HR policy information linked to employment rights and develop effective communication channels between employees and management. The HR IT system forms the basis for Office Automation development and Employee Self Service implementation, which aim to improve efficiency in all aspects of HR requirements.

BRI also develops various application modules designed to increase HR management efficiency and effectiveness, including the following programs:

Automation of Assessment System

As part of HR IT system development, BRI has begun the digitalization of assessment applications integrated with assessment data in order to obtain the results of assessment processes more quickly. This system not only simplifies BRI management, will benefit both management and employees, as the employees can directly access the assesment result. Employees being assessed also get immediate access to assessment results and employee competence development targets.

Career Path Monitoring System

In order to simplify the carrer path monitoring for Head Office employees, BRI has developed electronic promotion and monitoring systems, known as e-promotion and e-monitoring.

Human Resources

Monitoring of Disciplinary Violation Cases

In order to monitor and accelerate processes to resolve disciplinary violation cases involving employees, the management has installed an automatic web-based Industrial Relations Portal integrated with the all BRI's outlet. This application allows management to monitor the resolution of disciplinary violation cases in all BRI's outlet by still considering employee obligations and rights, and ensuring legal certainty and clarity for employees.

Monitoring of Corporate Culture Implementation

BRI has developed the Corporate Culture application to monitor the implementation of five Corporate Culture Values and 20 Actions that reflect Corporate Culture values in all BRI's outlets. Output of the BRI corporate culture application through the implementation of corporate culture revitalization are:

- i. Corporate Value Self-Assessment (CVSA) for each BRI's outlet, reflected in the implementation of Company Culture values, namely Integrity, Professionalism, Exemplitude, Client Satisfaction and HR Appreciation.
- ii. BRI Internal Service Survey (BISS) for each BRI's outlet, taking into account customer's feedback for each outlet regarding five aspects of service: Tangibility, Reliability, Responsiveness, Assurance and Empathy.
- iii. Corporate Culture Index (CCI) for each BRI's outlet demonstrate the ratio between each unit's performance compared with the CVSA and BISS. The CCI value is a measurement index to identify links between Company performance and organizational Culture, which are, theoretically, in line.

Human Resources

CORPORATE CULTURE REVITALIZATION

In order to ensure achievement of the Company's vision and mission, it is necessary for the Corporate Culture to be implemented firmly and in a way that unites thought, behavior and action, strengthen team cooperation and strengthens resilience to internal and external challenges. In order to implement this Corporate Culture, BRI has reformulated five core values expressed in BRILiaN, 10 core behavioral aspects of BRI employees and 20 Behavioral Indicators. BRILian covers the following core values:

1. Integrity
2. Professionalism
3. Leadership
4. Customer Satisfaction
5. Respect for Individual

These core BRILiaN values are an important guide to employee character and behavior, whether in relations with clients, inter-employee relations or relations with other external parties. The ten BRI core behavioral aspects are reflected in BRILiaN. The twenty Behavioral Indicators are a parameter used to measure the implementation of character and behavioral aspects. Other than five core BRILiaN values, the ten behavioral aspects and twenty behavioral indicators, there are twenty Work Culture actions that form an early success factor in the implementation of the BRI Corporate Culture.

In order to support the Company's work plan as outlined in the BRI Corporate Plan, in 2014 BRI continued to revitalize its Corporate Culture. The revitalization program, which began in 2013, covers the following aspects:

1. BRI's Corporate Culture Architecture
2. BRI's Corporate Culture Organization
3. Formulation of BRI's Corporate Culture
4. BRI's Corporate Culture Core Values
5. BRI's Corporate Culture Actions
6. BRI's Corporate Culture Internalization and Externalization Program
7. BRI's Corporate Culture Measurement Indicators and Tools
8. BRI's Corporate Culture Media Communication

The implementation of Corporate Culture Revitalization program is in line with the Corporate Culture Annual Time Schedule. BRI's Corporate Culture revitalization program is a tool used to communicate BRI's Corporate Culture consists of two programs: Corporate Culture Internalization Program and Corporate Culture Externalization Program.

The BRI Corporate Culture Internalization Program aimed at embedding BRI Corporate Culture core values across all levels of the Company through activities that support Company performance. The Corporate Culture Internalization program aims to support the achievement of Company strategy held after the Head Office Strategic Forum and Regional Office Communication Forum. The programs include:

- a). Performance-Enhancement Forum (FPK)
- b). Focus Group Discussion (FGD)
- c). Family Gathering (FG)
- d). Change Agent Forum (CAF)
- e). The Best Change Agent
- f). New-Employee Mentoring (PPB)
- g). Innovation Day (InnoDay)

The Externalization Corporate Culture Program covers programs aimed at introducing the BRI

Human Resources

Corporate Culture to external parties through socialization and publication activities. Programs include:

- a). BRI Communities (BRIComm)
- b). Bussines Gathering
- c). CSR Activities (BRI Peduli)
- d). Religious and Educational Activities

BRI's 2014 Corporate Culture Revitalization program included:

1. Reestablishment of Change Agents (CA) in all BRI Outlet.
2. Training of Trainers for all CA Coordinators in all BRI Outlet Corporate Culture.
3. Implementation of Internalization and Externalization Program in line with the Corporate Culture Annual Time Schedule.
4. Implementation of BRI Corporate Culture Measurement Indicators and Tools in all BRI's outlet by all CAs.
5. Use of a range of media and social media to internalize and externalize BRI Corporate Culture.

The Revitalization of BRI Corporate Culture in 2014 is one of the commitment of all BRI personnel to meet future business challenges with the character and behavior determined by the BRI Corporate Culture.

The Revitalization of BRI Corporate Culture aims to strenghten employee integrity, improving GCG implementation practice and increase productivity and efficiency in order to ensure the achievement of Company's vision and mission

2015 STRATEGY

HR Strategy in 2015 will be more on the pursuing ideal composition of business and non-business employees in line with the Company needs. BRI will priorities the fulfilment of employee for business formation compare to the non-business/support area.

In line with business development, technological innovation and the expansion of BRI's outlet in Indonesia and overseas, the recruitment of specially-qualified HR is a priority.

The comprehensive development of employee competence remains a focus for BRI, which aims to prepare employees of quality, skills and high performance in every task field. BRI will continue to improve the electronic HR management system in order to simplify the implementation of a series of increasingly integrated activities, at the same time increasing the efficiency of human resource management, thus able to increase, raising the productivity of all BRI employees.



Marketing Aspects

“Meeting financial transaction needs and increasing customer loyalty through the implementation of integrated marketing programs, supported by product knowledge program, improved ease of access and enhanced services quality.”

MARKETING STRATEGY

BRI develops a marketing strategy both on the general and specific levels to ensure the achievement of the Company performance targets of loan disbursement, third-party funds raising and acquisition of fee-based income, allowing the Bank to maintain its position in the banking industry.

A general strategy is applied comprehensively and in an integrated manner throughout all operating units, and primarily covers several programs, including: enhance awareness of BRI's banking products and services, improve of service access,

product feature development, improvement of service quality, and increase in market share.

The above programs essentially aim to enable both new and existing customers to be aware of BRI's banking products and new features, as well as to provide access and convenience when performing banking activities. These initiatives, detailed in the subsequent section, thus cultivate the loyalty of existing customers and secure the interest of new customers to engage in an on-going partnership with BRI.

Marketing Aspects

General Marketing Strategy

General marketing programs are detailed in the following section, while specific marketing strategies for each operational segment are explained in the relevant section of the “Business Review” Sub-Chapter.

Increasing Awareness

BRI consistently carried out various acquisition and retention programs throughout 2014 with the goals to introduce and promote BRI's products and services. The marketing programs were entitled Pesta Untung Beliung, Pesta Rakyat Simpedes, BRI Peduli Pasar Rakyat, Panen Bulanan Simpedes, and Grebeg Pasar. All programs aimed to promote micro commercial loan Kupedes, and People Business Loan (KUR), savings products: BritAma, Simpedes, and e-banking products.

Meanwhile, in order to increase brand awareness, BRI also participated in a number of national-scale exhibitions to engage clients, including holding a Lebaran-homecoming event with BRI clients (*Nge-Buzz bareng BRI*) and international microfinance seminars.

Improving Access to Services

Network development, in both conventional and e-channel, was one of BRI's marketing strategies to ensure accessibility and to improve services for customers. Infrastructure development was carried out with two approaches, extensification and intensification.

Under its extensification strategy, BRI opened new operating units in new regions, while intensification strategy aimed to maximize business potential in existing regions. Improvement of customer accessibility through e-channel was focused on expanding ATM and mobile banking network. This strategy is not only enabled greater reach of the Bank to its customers, but also increased the operational efficiency.

In 2014, BRI also benefited from the development of the latest technology, developing non-physical networks including the launching of the BRILink and Tbank services. The BRILink service involves the cooperation with agents, who are BRI micro customers.

Developing Product Features

Product features development by modifying the use or by introducing new features was among BRI marketing strategies for both new and existing customers. These customers might access the new features, developed in line with the needs and characters of customers in each segment. BRI thus expects to meet the various needs of customers, resulting in improved customer satisfaction.

Human Resources Competence, Improvement and Marketing Role Empowerment

In terms of human resources, inline with the business and outlet expansion, BRI expanded the number of marketing staff whilst enhancing product and service knowledge through training. Marketing officers were nurtured in order to be capable in performing comprehensive products and services marketing as well as offering solutions to customers' needs. With the improvement in the quality of competence, BRI's marketing officers could be empowered as professional business advisors for customers.

To ensure continuous betterment of service quality, aside from improving HR competence and understanding of banking products and services, BRI also defined minimum service standard that all employee needs to meet when interfacing with customers, whether internal (employee from other units) or external (depositors and borrowers).

The minimum service standard, or Service Level Agreement (SLA) is part of the employee's individual and team evaluation. For employee who deal with customers directly, SLA achievement is a key component of their KPI. All development programs relating to marketing strategy implementation were carried out to ensure SLA fulfillment for customers thus customer satisfaction is guaranteed or even their expectation are exceeded.

Marketing Aspects

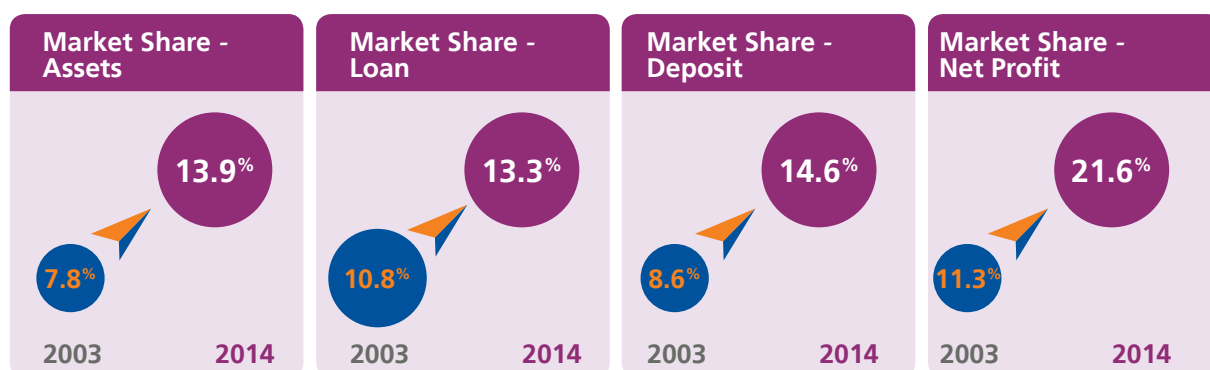
Increasing Market Share

One of the goals of the foregoing marketing programs was to improve the customer base and expand BRI's market share across all business segments. To expand the market share, BRI actively offers its products to the other SOE, conducts cross selling, and captures Trickle Down Business from corporate and SOE customers.

Trickle Down Business from SOE and corporate segments has been able to give positive effect and drive the performance of other segments, such as retail and medium segments. Marketing strategies were intensified by utilizing database of customers, third parties (dealers/developers), walk-in customers as well as applying implant banking such as through Home Ownership Program (HOP) and Car Ownership Program (COP) with several major companies.

POSITION AND MARKET SHARE

At the end of 2014, BRI's asset amounted to Rp778.0 trillion (bank only), putting BRI as the largest bank in terms of asset in the Indonesian banking industry. This account was reflected BRI's 2014 market share at around 13% in terms of asset.



BRI's lending is focused on the MSME segment. This specific market positioning has led BRI to become the largest Indonesian bank for the MSME sector. In 2014, MSME loan portion to total loan portfolio is 43.75%, increase from 41.71% in 2013. Market share for each of the individual business segment is detailed in the "Business Review" subchapter.

Marketing Aspects

BRI maintains the largest SME loan portfolio in Indonesia, with a market share of 31.94% in 2014.

MARKETING COMMUNICATION

The mission of Marketing Communication activities is to create a strong brand for all BRI's products and services, which would aid marketing activities and forward the growth of BRI's products and services. Through optimum marketing communication, BRI seeks to create brand awareness as well as unique, appropriate, and relevant positioning of products and services across all segments to ensure the success of business expansion.

To achieve this mission, BRI designs a marketing communication strategy that applied continuously and aligned with the banking industry condition as well as business objectives. In 2014, marketing communication activities were focused on increasing awareness and strengthening position, creating customer experience and enhance the branch image of BRI's product and services.

A marketing communication program for retail funding remained a key priority, considering its strategic role in safeguarding funding stability and price competitiveness. A special focus of the marketing communication program was also directed at micro, small, and medium businesses, as BRI's business pillars, to ensure continual awareness of the BRI brand.

In 2014 other than focus on communication to retail segment, BRI's marketing communication programs also reinforced awareness of BRI's business-to-business (B2B) services. BRI's e-banking activities were also included as one of its marketing communication priorities, in order to drive the increase of fee-based income composition.

Aside from awareness, the programs were also expected to generate new acquisitions from BRI's banking services. To ensure that the programs were suitable for different market characters, BRI's 19 Regional Offices conducted product and service promotions regionally. These programs were implemented in concert and cohesively to support BRI as the Biggest National Payment Gateway in coming years.

Marketing Communication Activities

Marketing communication activities carried out during 2014 included the following product introduction and reinforcement programs:

1. Brand :

- Activation, for brands with a significant level of awareness
- Themed campaign conducted for newly launched products and products that required awareness enhancement

2. Products :

- Launching new products and features: e-pay BRI, e-tax, and Private Label credit card.
- Prioritized products and services are BRIItama, BRI Mobile, BRI Prioritas, Credit Card and mortgage.

3. Channel :

- Strengthened BRI's channel presence in potential regions, both for conventional and e-channel
- Optimized all BRI's channels as medium of education for both internal and external marketing initiatives, for products that generate feebased income.

All of the programs were designed based on BRI brand architecture, brand life cycle, and the journey of BRI brand.

Marketing Aspects

Marketing Communication Award

The various marketing communication activities and their proven efficacy in improving service quality has received recognitions from third parties for several BRI brands, as follows:

- Top Brand Award 2014 (in Recognition of Outstanding Achievement in Building the Top Brand) Third Place in the Mobile Banking Category for BRI Mobile, from Marketing & Frontier Consulting Group magazine, held on 6 February 2014.
- Top Brand Award 2014 (in Recognition of Outstanding Achievement in Building the Top Brand) Third Place in the Mobile Banking Category for BRI Internet Banking, from Marketing & Frontier Consulting Group magazine, held on 6 February 2014.
- Top Brand Award 2014 (in Recognition of Outstanding Achievement in Building the Top Brand) First Place in the Children's Savings Account category, from Marketing & Frontier Consulting Group magazine, held on 6 February 2014.
- Top Brand Award 2014 (in Recognition of Outstanding Achievement in Building the Top Brand) Second Place in the Deposit Account category, from Marketing & Frontier Consulting Group magazine, held on 6 February 2014.
- Top Brand Award 2014 (in Recognition of Outstanding Achievement in Building the Top Brand) Third Place in the Call Center category for Call BRI, from Marketing & Frontier Consulting Group magazine, held on 6 February 2014.
- Top Brand Award 2014 (in Recognition of Outstanding Achievement in Building the Top Brand) Second Place in the Savings Account category, from Marketing & Frontier Consulting Group magazine, held on 6 February 2014.
- Indonesian Bank Loyalty Award 2014 Credit Card, Conventional Banking category from Infobank and Mark Plus Insight, held on 26 February 2014.

- Indonesian Bank Loyalty Award 2014 Savings Account, Conventional Banking (Asset >100 T) category from Infobank and Mark Plus Insight, held on 26 February 2014.
- The 153rd Most Valuable Banking Brand in 2014 from Brand Finance PLC, held on 10 February 2014.
- Most Priority Banking in the framework of Service Quality Award 2014 from SQ, held 5 June 2014.

NETWORK DEVELOPMENT

To bolster its presence in potential market and stay closer to target markets, BRI strived to expand, develop, and improve the quality of its operational network across the country. BRI's network development also aimed to support government and BI's strategy in improving financial inclusion in Indonesia. The Global Financial Inclusion Index from the World Bank, stated that less than 19.6% of Indonesians above 15 years having bank accounts in formal financial institution. Given that Indonesia's population reached 255 million (Central Statistics Bureau, 2014) and continues to rise, that figure has much potential to increase.

The development of networks involves adding to conventional outlet, mobile outlet and e-channels (ATM, EDC, CDM, Kiosk and E-Buzz), with the goal of enable greater reach of the bank to its customers and drove operational efficiency and effectiveness.

Marketing Aspects

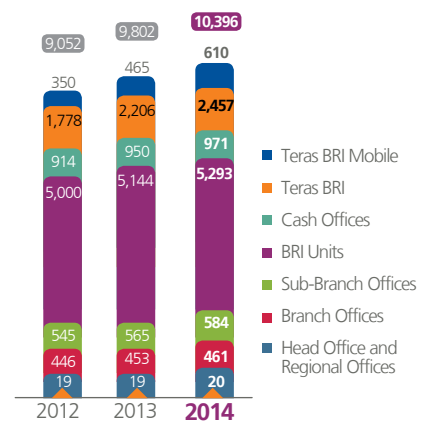
Network Expansion in 2014.

Network expansion of retail business in 2014 encompassed 1 Regional Office, 8 new Branch Offices, 19 Sub-Branch Offices, and 21 Cash Offices. In 2014 the micro business welcomed 149 new BRI Unit offices. As of December 2014, BRI managed a total of 5,293 BRI Units.

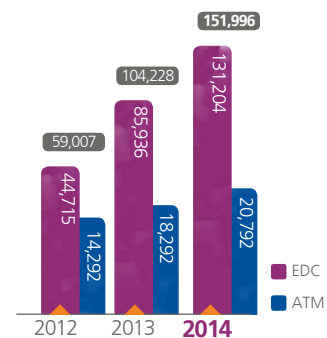
Aside from BRI Unit, BRI has been fostering new network, Teras BRI and Teras BRI Mobile since 2010. At the onset of its development, Teras BRI was established in the heart of traditional markets and business centers, bringing the services closer to shop owners and traders in the market. Customers may save, apply for loans, or perform other banking transactions without leaving their businesses. BRI has added 251 Teras BRI and 145 Teras BRI Mobile in 2014. In total, there are currently 2,457 Teras BRI and 610 Teras BRI Mobile. The additions of outlets were not only coming from newly opened units, but also from improving status of several operating units.

To reach potential customers who are located in remote areas, with poor inland infrastructure yet reachable via water, BRI will embark on the development of a Teras BRI on navigable vessels in 2014, which will be operated in Kepulauan Seribu area.

Outlets Composition



E-Channel Composition



www.bri.co.id
ISO 9001 Certified

Marketing Aspects

During 2014, BRI has added 2,500 ATMs, 45,268 EDC, 200 CDMs, and 5 e-Buzz. As of the end of December 2014, BRI had 20,792 ATMs, 131,204 EDC units, 392 CDMs, and 100 Kiosks. To enhance mobility of access, BRI also has 665 mobile outlets; 610 Teras Mobile and 55 e-Buzz.

With these new units, BRI's service network as of the end of 2014 comprised 10,396 operating units (including regional offices and head office) and 152,443 e-channels (see also table "BRI Profile – Operational Network" and discussion under "Business Review – Consumer Business").

Aside from the physical network expansion, BRI also conducted various other programs in 2014 to optimize the function and quality of operating units:

- Layout standardization outlet and e-channel to increase convenience in every transaction.
- Increase of training frequency for employees of BRI Units and TerasBRI, so they able to provide more effective service to micro-segment customers.

- Opening of Pension and Payroll Loan Services and Priority Service Centers at several institutions.
- Placement of e-Channels ; ATM, EDC and SSPP (Self Services Passbook Printer), to increase accessibility and market share through ensuring BRI e-Channels' optimization, efficiency and effectiveness.
- Development of application technology in order to accelerate loan disbursment processes at BRI Units, TerasBRI and TerasBRI Mobile.

SERVICE-QUALITY IMPROVEMENT

As part of the marketing strategy implementation that aims to improve customer satisfaction and loyalty, BRI continuously strives to improve service quality for customers in order to drive business growth over the long term. This is in line with BRI's vision to provide quick, accurate, secure, friendly, and convenient services to all customers, and to make BRI's services as the benchmark in the banking sector.

Strategic steps taken by BRI to enhance the quality of its services include, among others are defining service level agreement (SLA) and service rating for all BRI conventional networks. BRI also conducted Service Quality Campaign 1-96 program, targeting to be among the top 5 banks with the best services.

In order to increase employees' quality and skills, BRI holds the "SQ Vaganza" competition to increase product knowledge among frontline staff.

Aside from increasing employee competency and quality, BRI provide other benefit for the frontliners that able to achieve outstanding SLA criteria, such as acceleration of career promotion and attractive reward and recognition.

Denoting the success of service improvement initiatives, BRI Priority banking attained a Diamond rating in Service Quality Award from Caree – CCSL.

Enhancing Customer Satisfaction

Aside from the foregoing strategic steps, BRI also carried out the following initiatives to develop service quality:

- One-gate system for customers' complaints and monitoring of complaint resolutions. Complaints can be easily lodged through "Call Center BRI" and measures will be taken to resolve the issues.
- Standardize services and conduct refreshing course on products and policies to improve customer satisfaction.

Marketing Aspects

- Enhance service skill and service leadership by providing trainings for relevant employees in all Branch Offices in Indonesia.
- Select Center of Excellence in terms of Service Quality in each Regional Office
- Acceleration service quality improvement through SQ assurance and improvement
- Improve the helpdesk infrastructure to increase the role of response center, based on Service Level Agreement (SLA).
- Build skills and knowledge of help-desk operators by providing Service Quality training at minimum one time every year.

Service Quality Advancement Programs

BRI consistently advances its service quality by defining service improvement targets and quality development strategy that covered aspects of HR, Processes, Premises, and Promotions.

Service Quality Award

Various intensive efforts initiated to improve service quality have received an appreciation and were acknowledged by independent parties. Based on Marketing Research Indonesia survey on 21 Banks in 2014, BRI exhibited an improvement and score increase by 4.03 points, rising from 81.91 to 85.94 in 2014, and position at RANK 4.

In addition to MRI survey, BRI was also the recipient of the following service quality awards in 2014:

1	Contact Center Service Excellence Award 2014 Call BRI – Platinum Credit Card	Carre
2	Contact Center Service Excellence Award 2014 Call BRI – Regular Banking	Carre
3	Top Brand Award Call BRI	Frontier
4	The Best Contact Center Indonesia 2014 Best Agent Inbound (Bronze)	ICCA

Description :

- CARRE : Center For Consumer Satisfaction and Loyalty
- ICCA : Indonesia Contact Center Association

The survey also differentiates from national and local level surveys, as well as distinguishing between Java and the outer islands. Both internal and independent surveys use sampling of respondents across all segments, with various educational, occupations, and age backgrounds. The survey is used as a basis to enhance BRI's service quality, targeted to reflect the ideal customer satisfaction expectation toward banking services and to eventually secure BRI's customer loyalty.

The result of the independent and internal surveys shows that the level of BRI's customer satisfaction increases consistently in almost all indicators compared to several other banks. However, some notes of future improvements need to be taken, such as, in terms of service improvement and BRI's product features.

Customer Satisfaction Survey

To gain feedback on its service quality improvement, BRI regularly conducts customer perception surveys on the level of BRI's service quality, carried out by BRI's internal unit and by an independent third party. Internally, the survey is conducted at a minimum of two times every year by each conventional outlet in Indonesia, through which data collection is performed using an information technology system. Meanwhile, a survey conducted by an independent third party is conducted quarterly and presented with competitor comparison.



Information Systems and Technology

“Providing an Information Technology based system according to the latest developments in banking technology to better support operational activities, thus become increasingly efficient, reliable and lead to hire in fee-based income supporting the Company’s performance.”

With the goals of enhancing operational efficiency, improving the Company’s competitiveness and meeting all customer needs to bring about banking services that are reliable, trusted and real-time, BRI continually develops a variety of IT-based applications to take forward the Bank’s Information Systems and Technology (IST). BRI is determined to benefit from various IT-based applications to raise its service level, becoming ever more competitive, productive and efficient, and minimalizing operational risk.

In 2014, BRI, having made a number of observations, created a Roadmap program to develop IST in continual stages: BRI Information Technology Strategic Plan (ITSP) 2014-2018, as follows:

- Review of BRI Information Technology Strategic Plan 2014 - 2018
- Review of IT policy, procedure and standardization
- Implementation of DRC live production
- BRI sat program
- Implementation of fiber optic network in the Jakarta area

Information Systems and Technology

- f. Proof of Concept and adoption of USSD, NFC and solar power technology
- g. Implementation of Branchless Banking in the form of T-Bank and BRILINK
- h. Conversion of BDS to BRINETS web for branch offices
- i. IT cooperation to support business operations (Host-to-host, SOE IT synergy)
- j. Implementation of paperless technology for the efficiency and effectiveness of BRI's operational activities

The ITSP is spread across a range of development steps, namely:

- 1. IT synergy**, BRI with its subsidiaries and other SOEs, in the form of sharing resource Data Center and Disaster Recovery Center and joint development Host - to - Host.
- 2. Utilization of Open System to attain IT self-reliance**
 - a. Use of open source in the Operating System (OS): Linux
 - b. Use of open source in the database: MySQL
 - c. Use of Java and PHP applications
 - d. In-house development, Self Operation and Self Maintenance

With consideration of:

- a. No sole reliance on any IT product or brand
- b. Cost efficiency
- c. Easily accessible and widely available literature
- d. Ease of human resource recruitment
- e. High level of scalability, reliability and security

3. Integrated solution for agencies / companies requiring specific banking products / services:

- a. Host - to - host with Corporate Customers: Local Government, Hospitals, Universities, Insurance, Government Agencies / Ministries, State-Owned / Regional-Owned Enterprises
- b. Products: Cash Management, Payroll, e-Tax, e-Hospital, Water Payments, State Benefits

Various programs related to IT development were carried out in 2014 in accordance with the IT roadmap as detailed below:

System and Delivery Channel Development

BRI consistently develops various IT-based features in order to increase fee-based income from banking services, at the same time as increasing service quality for all clients. Aside from diversifying its features, in 2014 BRI also added to its area coverage with a range of IT-based infrastructure. Programs carried out in order to widen the access channel included:

1. Addition of 2,500 ATMs, 45,368 EDC units and 392 CDM units.
2. Development of ATM, EDC, Internet Banking, Mobile Banking and Cash Management System (CMS) features.
3. Hybrid Banking in order to expedite account opening with minimal frontline staff interaction.
4. BRI Internal Token, a soft token to access the BRI Virtual Private Network, simplifying safe access to the BRI intranet for employees, even when they are outside the office.
5. Horizontal partitioning for IT partitioning for ease of IT service expansion with horizontal duplication, at the same time as reducing the risk of total system failure.

Information Systems and Technology

6. Development of BRI's fiber optic network in Jakarta to strengthen the communication network, multiplying the benefits of BRI's internal and external IT services in the future.
7. Implementation of BRI Mobile for smartphones based on Microsoft Windows Phone.
8. Inhouse development of Fixed Asset Management system to accomodate logistic business process enhancement using MySQL.

FEATURE DEVELOPMENT

BRI develops e-channel-based application features as part of efforts to optimize infrastructure provision and increase fee-based income. In 2014, BRI added 224 new e-channels, with the following details:

No.	Channel	2012	2013	2014
1	ATM	191	230	282
2	EDC	227	230	256
3	Mobile Banking	79	114	129
4	Cash Management	118	136	178
6	Internet Banking	59	75	86

In 2014, BRI developed a number of basic application features in the framework of widening the access channel. This development was also intended to support the government's financial inclusion program. The programs include:

- BRILINK: agent banking system bringing access to banking transaction, for example transfers and payments of electricity, water or telephone bills.
- T-bank: branchless banking services in the form of cardless electronic money used for cash withdrawal, transfer and payment services.
- Brizzi: Electronic money using contactless technology with features to support customer activities, for example in transportation and shopping.

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IT GOVERNANCE

At every stage of IT development and implementation to support quality banking operations, BRI always refers to Bank Indonesia's stipulations on risk management in IT for public banks. As such, the Company has created the BRI IT architecture, an inseparable part of the ITSP 2004-2014 mentioned above.

BRI's IT architecture consists of four parts:

1. Enterprise Architecture: Executive Summary
2. Assessment Phase: Business & IT Context
3. Design Phase: Enterprise Architecture Definition
4. Transition Plan Phase: Application, Information, and Infrastructure.

IT POLICY AND PROCEDURE

As part of efforts to develop and utilize application technology in a responsible and safe way for the Company, in 2014 BRI applied the following series of policies:

1. Standardization of IT Brand Device (Decree No. B.26-TSI/04/2014)
2. Use of e-Office by all BRI work units (Decree No. S.99-DIR/TSI/08/2014)
3. IT Security Management (Decree S.137-DIR/TSI/02/2014)
4. IT Management Policy (Decree S.384-DIR/TSI/07/2014)
5. BRI Information Technology Strategic Plan (ITSP) BRI 2014 - 2018

These policies replace or complete previous IT-related policies.

DEVELOPMENT OF IT-BASED INFORMATION SYSTEM

In order to support consistent and quality GCG implementation, BRI has developed a number of IT applications used by management to monitor, and assist decision-making process. These applications include:

1. 3D Secure for online credit card transactions in compliance with regulations. Every online credit card transaction requires the input of a figure (a kind of token) sent to the client's mobile phone.
2. Implementation of PINs for purchases via EDC in compliance with regulations.
3. Implementation of IFTI (International Fund Transfer Instruction) reports, in compliance with regulations.
4. E-Office: documentation application for electronic services, using a barcode instead of a physical signature.
5. BRISTARS: employee requirement service through self-service.
6. Logistics Portal: application replacing SIM AT as an in-house application. This replacement accelerates the development process and simplifies license fee paying.
7. Development of PPh 21 tax report through e-filing and automatic provision of tax receipts.
8. Tax Automization System: direct tax payment application connected to the Finance Ministry's MPN Generasi II system.

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TALENT DEVELOPMENT

In addition to system development, features enhancement, and IT infrastructure revamp, BRI also carries out programs to enhance talents through relevant training and job rotation or promotion at Regional Offices.

In order to support the integration of operational activities, especially those related to the communication network among operating units across Indonesia, BRI has established a satellite program, which includes training as follows:

- Satellite engineering: Space system engineer development program, Satellite communication system, Satellite Network Engineering
- E-Learning: Introduction to IT, Security Awareness
- Soft skill: Problem Solving & Decision Making; Business Lobbying and Effective Negotiation Skills; Dynamic Time Management & Stress Management; Managing Time, Priorities, Pressure & Stress; Leadership; Team Building
- IT Best Practice Standard: CCNA, CISA, IT-IL, TOGAF, ECCHFI, Professional Data Center
- IT Risk Management

The enrichment of field task and expertise in the IT arena involves employee rotation as well as promotion to Regional Offices.

Education for IT staff and Branch Office e-Channel employees covers practical IT training including maintenance and troubleshooting.

IT DEVELOPMENT PLANS

BRI'S IT development plans for 2015 aim to support the Company's vision and mission, including through the creation of an integrated one-stop service, as well as the use of wide channels and diverse products, providing complete online data access and a reliable security system, as explained here:

- a. Shifting manual process toward automation.
- b. Use of alternative energy for electricity in areas poorly served by PLN's network; for example, solar-powered ATMs.
- c. ITSC Report 2014.

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SIGNING OF AGREEMENT BETWEEN PT. BANK RAKYAT INDONESIA (PERSERO) Tbk., SPACE SYSTEMS/LORAL, LLC AND ARIANESPACE FOR BRI SATELLITE PROGRAM

As the Bank with the largest and widest reach in Indonesia, reaching more than 50 million clients, BRI requires a satellite communication system in order to connect its Head Office, Regional Offices, Branch Offices, Sub Branch Offices, BRI Units, Cash Offices, Teras BRI and Mobile Teras with a total of 10,000 outlets and more than 100,000 e-Channel networks. BRI's network spreads from urban centers to the remotest islands, including areas as yet unreached by terrestrial networks. For that reason, a satellite communication network is necessary both for primary and secondary communication.

BRI's need for a satellite transponder will continue to rise in the future in line with business development strategy, in which BRI is hoped to expand into deeper areas of the archipelago.

The requirement for a satellite communication system will become increasingly urgent required by BRI's development strategy, which includes a number of innovative models, such as the Mobile Teras and Floating Teras, which can only economically be implemented through satellite technology.

In its satellite design, BRI strives to maximize Indonesia's satellite filing in the International Telecommunication Union, with one of the satellite filings' level raised from Coordinate to Notified, so that the BRI satellite, namely BRIsat, can provide a solution to the sustainability of the 150.50 BT filling orbit. The BRIsat program includes a contingency program to this end.

The final design and construction process of BRIsat will be carried out at the SSL factory in Palo Alto California, US, in a timeframe of 24 months; including the shipment and launch campaigns, the satellite will be ready to be launched in 25 or 26 months or by mid 2016 in Kourou, French Guiana.

Part of the transponder will be allocated to the government of Indonesia in order to improve communication capacity among representative offices. BRIsat will be solely owned and operated by BRI, and all encryption and communication channel control will be handled by Indonesian institutions.



Operations Center

BRI has established an Operations Center to serve a number of transactions, able to process millions of complex transaction daily, covering a massive client database. The building and development of the Operations Center ensures accurate and reliable support for banking operation transactions in more than 10,500 BRI work network outlets and more than 120,00 real-time online e-channel networks. The development is also necessary to anticipate the start of electronic transactions based on BRI's own satellite system.

BRI's Operations Center is responsible for processing and monitoring banking operation transactions, both conventional and e-banking. To guarantee the attainment of targets in line with international best practice in the international banking system, BRI has constructed and developed a fast, fully centralized and low-risk operational system, with an integrated monitoring and control system.

IMPROVEMENTS OF BUSINESS PROCESS AND OPERATIONAL EFFICIENCY

BRI's programs to improve business processes aim to optimize speed and accuracy of service in order to guarantee client satisfaction. This program covers internal business process improvements and back office transaction, as well as the implementation of enterprise reconciliation.

Operational efficiency with the goal of cost reduction is driven forward intensively, while never losing sight of inherent risk, including through paperless settlements for e-banking transactions, and centralization of ATM cash settlement. The result of these improvements to operational efficiency helps to control BRI's operational costs and is in line with green banking principles.

The realization of business process improvement strategy through the implementation of the above programs has the tangible result of raising client transaction volume.

Development of E-banking Transactions

The total e-banking transactions in 2014 reached 1.663 billion (an average of 5.5 million transactions daily), grew significantly by 32.15% from 1.259 billion transactions in 2013, with a total transaction level of Rp 1.086 trillion. The increase in transaction volume was in line with the number of cards in circulation, which reached a total of 32.2 million cash cards and debit cards at the end of 2014. The majority of e-banking transactions used cash cards, accounting for 1.475 billion transactions, grew 28.14% from 2013's level and equaling Rp 1.151 billion at the end of 2014.

Development of RTGS and Clearing Transactions

In 2014, total incoming RTGS transactions reached a level of Rp 5.362 trillion, with transactions numbers reaching 1.02 million. Meanwhile, the level of outgoing RTGS transaction reached Rp 5.387 trillion and 1.01 million transactions.

Development of Remittance Transactions

In 2014, the total number of Partnership Incoming Remittances from 38 partner agencies reached 2.2 million, equaling US\$42.5 billion. Meanwhile, non-Partnership Incoming Remittances reached 85.5 thousand, with an equivalence of US\$17.6 billion. Outgoing Remittance transactions in 2014 reached 45.3 thousand with a nominal value of US\$14.9.

ISO 9001:2008 Certification (Quality Management System)

BRI Operation Center activities in support of GCG were recognized with an ISO 9001:2008 certification from Lloyds Quality Registration Assurance, an accredited body of the International Accreditation Agency - UKAS (United Kingdom Accreditation Service) and the National Accreditation Committee in the following fields:

- Provision of Payment System by RTGS, Clearing and Remittance
- Provision of Card Centre Production and Complaint Handling Card Production
- Complaint-Handling processes
- ATM reconciliation centers and reconciliation department of operation center division

2015 TARGETS

For 2015, BRI has prepared a strategic operational plan in order to raise operational performance and increase service quality for clients through various programs, including:

- Development of debit centralization through the establishment of new work units.
- Enhancing client transaction security through accelerating the replacement of BRI Debit Cards with chip cards.
- Completion of PIN usage among all BRI Credit Card holders.
- Enhancing HR competence, skill and knowledge.
- Completion of process of automization of all remittance transactions.



Fixed Asset Management and Procurement of Goods and Services

Business development and additions to the network involve swift management of fixed assets and property procurement, responsively and efficiently in order to support smooth business operations. BRI responds to this challenge through efficient fixed asset management, and ensuring that the procurement requirements of all operating units are met. To that end, BRI emphasizes a strategy of acceleration of procurement process, optimizing the Company's business growth.

At the same time, management of fixed assets and property procurement are always carried out with respect to and in full compliance with Good Corporate Governance (GCG), supported by adequate technology application.

Operating unit strategy in the management of fixed assets and procurement of goods and services and property is to coordinate as much as possible with the operating units planning or requesting procurement of fixed assets or goods and services. The perspective taken in the formulation of this strategy involves the consideration of Internal Business Process, Learning Growth and client interests.

Furthermore, BRI implements as a follow up of the activities that have been realized in the preceding period various the preceding period. Ongoing and future programs include: development and improvement of the Logistics Portal application, adaption of the procurement SLA and blanket orders for certain kinds of goods.

Quality Enhancement of BRI's Fixed Asset Management

BRI's fixed asset management still uses the Logistics Portal developed in-house by the Information Systems and Technology Division. In this application, modules include:

- Fixed asset procurement module
- Fixed asset management module, consisting of fixed asset insurance, relocation, fixed asset reclass and fixed asset write-offs
- Budget module

Unlike the previous Fixed Asset SIM, in which the Fixed Asset Management (FAM) SAP could only be accessed at Regional Office and Head Office level, the new Logistics Portal can be accessed at Branch Office and Education Center level, making fixed asset management more effective and efficient, as outlined here:

Fixed Asset Management and Procurement of Goods and Services

1. Operating units can see and monitor records of the unit's fixed assets online, allowing speedy resolution of issues such as discrepancy between the physical number of fixed assets and detailed data in the Fixed Asset SIM. Units can ensure that fixed assets they receive are already registered in the Fixed Asset SIM.
2. Support for decentralization efforts, especially in relations to relocation of fixed assets between operating units. BRI Branch Offices can move their fixed assets without going through the Regional or Head Office, minimizing issues of discrepancy between physical fixed assets and SIM data.
3. Fixed asset insurance, including insurance coverage and insurance claims on losses to fixed assets, can be handled online with the insurer, a faster process than the previous manual process. Moreover, insurance claims for losses to fixed assets can be monitored by the unit that made the claim through the Logistics Portal.
4. Write-off processes for fixed assets can be carried out independently by operating units, from proposal to completion, from fixed asset SIM records. This process simplifies progress monitoring for operating units for every write-off proposal made.
5. The budget module in the Logistics Portal simplifies the formulation of the Corporate Work and Budget Plan (RKAP), as each unit's proposals are made through the system, allowing monitoring and analysis from Head Office of the RKAP requirements.
6. The proposal submission process up to the recording of fixed assets related to the rental or purchase of property or the construction or renovation of BRI buildings is carried out through the Logistics Portal, allowing progress to be directly monitored by BRI operating units.
7. Necessary information regarding BRI fixed assets, either for internal or external interests, especially data related to BRI Financial Reports, can be present more quickly and accurately. Reports accessed through the Logistics Portal include detailed fixed asset reports, fixed asset rotation reports, fixed asset write-off reports and fixed asset insurance coverage reports.
8. In order to simplify the task of management in formulating strategy policy related to the management of fixed assets, a dashboard for procurements, proposals for the rental or purchase of property and the construction or renovation of buildings has been developed, allowing policy to be formulated on time and on target. Following are some components of the dashboard contained in the Logistics Portal:

Fixed Asset Management and Procurement of Goods and Services

Goods and Services Procurement Policy

In connection with the procurement of goods and services, BRI is guided by General Policy on Fixed Asset and Logistics (KEMAL), as set by the Board of Directors.

BRI KEMAL was formulated by the Board of Directors in 2011 and implemented in 2012. KEMAL is guided by State-Owned Enterprises Minister Regulation No, PER-05/MBU/2008 dated Sept. 3, 2008, on General Guide to Procurement of Goods and Services in State-Owned Enterprises, with the goal of rendering procurement process at BRI quicker, more flexible, more efficient and more effective, and in line with GCG principles. KEMAL is continually improved and accompanied by control mechanisms for aspects not firmly provided for in KEMAL.

In its goods and service procurement processes, BRI uses the Auction, Direct Choice, Direct Appointment, Direct Purchase and Self-Management method, in accordance with previously set regulations.

These processes are supported by a range of support systems, including the Fixed Asset Management and Information System (SIM-AT), the Plan, Do, Check and Action (PDCA) system, the Archive Management System and the Electronic Auction (E-Auction), as an enterprise that ensure proper documentation and an efficient and effective procurement process. Following is an explanation of the aforementioned systems:

1. SIM-AT System

This system serves to centrally manage the BRI fixed asset database, and is a resource document for the Goods and Service Procurement Division to begin the process of procurement for the budget year.

2. PDCA System

This system serves to monitor the Service Level Agreement (SLA), which forms the procurement period standard for ongoing procurement processes.

3. Archive Management System

This system serves to support the digitalized filing and management of procurement documents, allowing files to be rechecked.

4. E-Auction System

This system is used as a selection tool to get the best price in procurement, whether in direct purchase or auction.

We always emphasize the importance of applying GCG principles when forming the agreements and partnerships with supplier companies. Although we do not include a clause on human rights in our cooperation agreements, we ask that supplier companies obey Employment Laws in guaranteeing employee health and safety, as well as other

Fixed Asset Management and Procurement of Goods and Services

normative employee rights. As such, the presence of local suppliers is hoped to provide employment opportunities to local people, creating a knock-on positive impact.

Goods and Services Procurement Strategy

In order to raise performance and support smooth operations and increased efficiency in goods and service procurement, the Goods and Service Procurement Division has formulated a strategic plan for the coming years, including:

1. Improvements to Goods and Services Procurement Stipulations.
2. Acceleration of property (land/building) and infrastructure procurement.
3. Provision of standardized building infrastructure.
4. Fixed Asset Management and Optimization of Neglected Property.
5. Optimization of Information Technology.



Risk Management

To become a leading bank, BRI builds its business through continuous innovation of product and service, and supported by expansion of outlets and e-channels. Facing dynamic business challenges throughout the journey, BRI implements an enterprise risk management with a focus on value creation that conforms to the level of risk appetite. These efforts allowed BRI business scale to continue growing throughout 2014, despite difficult economic conditions and tougher competition in the banking industry.

Risk Management process is applied consistently across all business activities and daily banking operations. It is a key factor to ensure that all predetermined targets are achieved and that the Bank will be a sound and sustainably growing institution.

Risk Management contributes to improve the quality of the Bank's management in two aspects: preserving capital and optimizing return and risk relationship. With vast operation and continuously growing business volume, it is necessary for BRI to implement integrated risk management system to identify, measure, monitor and control risk exposure in all organizational lines.

Risk Management Implementation References



In line with Basel II implementation especially Pillar 3 (market discipline), BRI discloses risk type, potential loss, and risk management practices implemented by the Bank. Regarding the disclosure, BRI comply to Bank Indonesia Regulation no 14/14/PBI/2012 on Transparency and Publication of Banks' Reports and Bank Indonesia Circular no 14/35/DPNP. This disclosure is expected to provide transparent information for the public and the market, and to better understand the risk and risk mitigation efforts through the Bank's risk management system.

Risk Management Governance Structure

BRI applies an enterprise-wide risk management framework to control eight types of risk that are inherent in the Bank's business activities. This framework covers four pillars of risk management as follows:

1. Active Supervision by the Board of Commissioners and Board of Directors

The Board of Commissioners and Board of Directors are responsible for effective risk management at BRI. The Boards have to understand the risks faced by BRI and play an important role in supporting and overseeing the successful of implementation of risk management for all operating units.

The Board of Commissioners evaluate the risk management policy and implementation conducted by the Board of Directors. This evaluation is necessary to ensure that the Board of Directors' manage BRI's activities and risks are done effectively. In conducting their active supervision of BRI's risk management, the Board of Commissioners was assisted by the Risk Management Supervisory Committee (KPMR).

The Board of Directors determines the direction of the policy and a comprehensive risk management strategy along with its implementation. The Board of Directors also ensures that all material risks and its impacts have been managed, and that the remedial

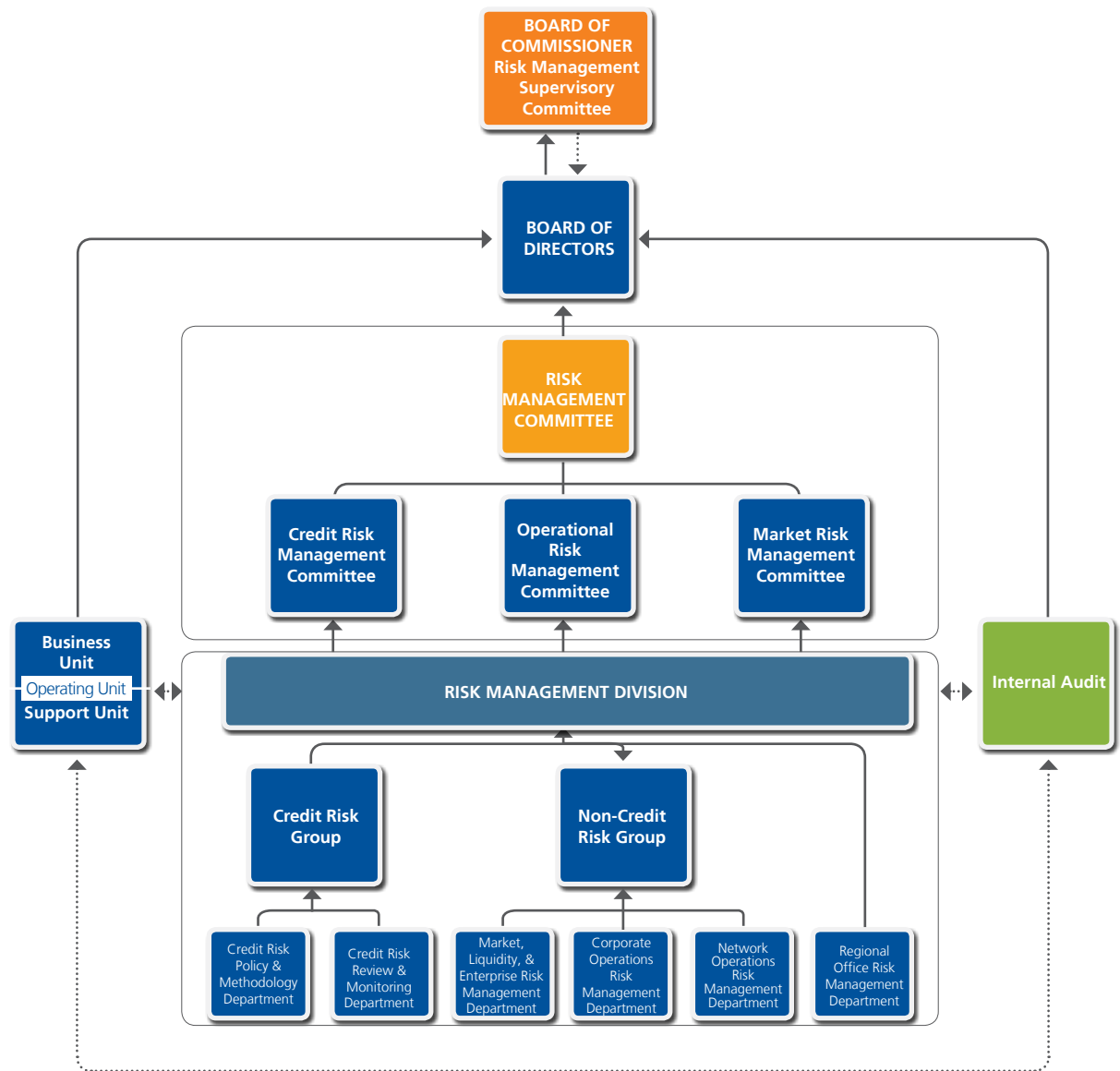
measures for any problems or irregularities in BRI's operations are implemented. The Board of Directors must also maintain the culture of risk management including risk awareness at all levels of the organization.

The Risk Management Committee (RMC) as the highest committee assisted BRI's Board of Directors in BRI's risk management system. The RMC is a non-structural entity and independent of operating units in charge of providing recommendations to the President Director for policy formulation, improving the implementation of policies, evaluating the progress and condition of risk profiles, and providing suggestions and remedial measures. RMC is conducted periodically, at least once every three months.

To address issues that were specific to certain types of risk and required immediate decisions, the RMC also conducted restricted RMC meetings, also known as the sub-RMC meetings. There are 3 (three) types of sub-RMCs: the CRMC (Credit Risk Management Committee), the MRMC (Market Risk Management Committee) and the ORMC (Operational Risk Management Committee), which were set up to discuss issues related to credit risk, market risk, operational and other risks.

Under the supervision of Board of Directors, the BRI risk management structure consists of Operating Unit, Risk Management, and Internal Audit. The BRI Risk Management Organization Chart is as follows:

Risk Management Governance Structure



Description :
 —————> Responsibility and Authority managerial line
> Communication Line

Risk Management Governance Structure

2. Adequacy of Policies, Procedures and Limits

The General Risk Management Policy (KUMR) outlines the fundamentals of BRI's risk management policies and is the highest policy in managing the BRI's risk management activities. The General Risk Management Policy acts as a guide for establishing and implementing risk management policies according to the prevailing regulations.

The General Risk Management Policy is explained in detail in the Risk Management Implementation Code (P3MR). The Code outlines the phases of the risk management process, including risk identification, risk measurement, risk monitoring and risk control. The Risk Management Implementation Code (P3MR) consists of The Credit Risk Management Implementation Code (P3MRK), The Operational Risk Management Implementation Code (P3MRO), The Market Risk Management Implementation Code (P3MRP), and The Enterprise Risk Management Implementation Code (P3ERM).

Procedures and determination of risk limits for each type of risk were managed for all products and BRI business activities, according to the level of risk that was undertaken (risk appetite), considering the experience of managing the risk in question. The aforementioned limits were reviewed at regular intervals to adjust with changing conditions. BRI's Board of Directors has been authorized to establish risk limits and risk tolerances for each type of risk exposure with respect to experience, capital adequacy, the capabilities of the systems and the risk management program, as well as any other provisions that may apply.

3. The Process of Risk Management And The Risk Management Information System

The process of risk management consists of:

a. Identification

Identification is achieved by analyzing all the types and characteristics of the risks inherent in each BRI business activity, including products and other services. The process of risk identification determines the scope and scale of measurement stages, monitoring and risk control. Risk identification is a proactive measure and this covers all business activities carried out at BRI, in order to analyze the sources and potential impacts of risk.

Identification of risk issues is undertaken at the level of the Head Office, Regional Offices, and Branch Offices across Indonesia by using Risk Management tools. Risk issues' development and updating are carried out at this stage.

b. Measurement

The risk measurement system is used to measure BRI's risk exposure as a reference for control. Risk measurement is performed regularly for products and portfolios, as well as for all BRI business activities. The approach and methodology of measurement procedures can be quantitative, qualitative or a combination of the two.

The measurement of risk is reflected in the quarterly Consolidated Risk Profile Statement, the monthly Dashboard of Risk Profile, the monthly report of Regional Office Risk Profile, the quarterly report of consolidated RCSA, the quarterly report of stresstesting analysis, the

Risk Management Governance Structure

weekly report of potential loss, the monthly report of cash ratio monitoring, and the quarterly Top 50 Risks Issue.

c. Monitoring

Risk monitoring activities are conducted by evaluating risk exposure inherent in the entire portfolio of products and BRI business activities, as well as the effectiveness of risk management processes. Examples include evaluating limits, Key Risk Indicators, and the realization of the action plan created by Operating Units.

d. Control

Risk control is carried out by providing follow up on moderate and high risk which exceeds the limits, increasing control (tight supervision), adding capital to absorb potential losses and doing periodic internal audits. In addition, BRI also perform Products and New Activities Analysis.

- b. Determination of an independent risk management unit that makes policies and methodologies for measuring risk, setting risk limits and making data/ model validation.
- c. All transactions of functional activities that have exposure to risk must be reviewed and monitored accordingly by each business unit.
- d. Data validation is conducted by officers and the independent units of the operating units, at least once a month for all risks.
- e. Regular audits are conducted by internal auditors to assess the implementation of risk management processes and the system of risk management for any functional activities with exposure to risk.
- f. Implementation of the segregation of duties using the concepts of Maker, Checker, Signer (MCS) is adhered to all BRI operational activities.

Risk Management Information System

The Risk Management Information System is part of BRI Management Information System (BRI MIS) and is important in supporting the implementation and processes of identification, measurement, monitoring and risk control. Some of the risk management information systems implemented are the Operational Risk Assessor (OPRA), the Loan Approval System (LAS), and the Treasury and Market Risk System (GUAVA).

4. Risk Management Internal Control System

The overall organization's internal control is implemented through:

- a. Determination of an organizational structure with a clear separation of functions between operating units (business units) and units that conduct risk control functions (risk management units).

Implementation of Risk Management System and Structure

The implementation of the four pillars outlined above includes the following functions:

1. Defining Organizational Structure and Functions, including:
 - a. Risk Management Steering Committee (KPMR) is a committee in the Board of Commissioners level, which duties are to provide assistance to the Commissioner in the monitoring function of policy and implementation of Risk Management conducted by the Board of Directors.
 - b. The Risk Management Committee (RMC) is a committee that provides assistance to the Board of Directors in implementing Risk Management. Its Risk Management members are all the members of the Board of Directors and appointed executives who hold positions one level below BRI's Board of Directors. RMC's duty is to discuss BRI's overall risk profile and risk strategy. RMC is conducted periodically, at least once in three months.
 - c. Risk Management Unit is a unit with the authority and responsibility to run the risk management process and is an independent unit outside of Operating Unit and Internal Audit Unit.
 - d. Risk Management function is a function/role that is run by appointed officials in each Operating Unit and is responsible for the implementation of the risk management process in the functional activity of each operating unit.
2. The formulation and implementation of the General Risk Management Policy as the highest regulation in risk management and the formulation of the The Risk Management Implementation Code (P3MR) in Credit, Operational, Market, and Integrated.
3. Application of risk limits and stress testing.
4. Determination of the tools and methodology for risk measurement, which consists of:
 - a. Operational risk
 1. Tools: Risk and Control Self-Assessment, Key Risk Indicator, Incident Management, Risk Management Forum, and Maturity Level Assessment.
 2. Methodology: Basic Indicator Approach (BIA) and gradually into Standardized Approach (SA), and later into Advanced Measurement Approach (AMA).
 - b. Credit risk
 1. Tools: Credit Risk Rating (CRR) and Credit Risk Scoring (CRS).
 2. Methodology: Standardized Approach (SA) and gradually into Internal Rating Based Approach (IRBA).
 - c. Market risk
 1. Tools: VaR, Sensitivity Analysis, Maturity Gap, Maximum Cash Outflow.
 2. Methodology: Standardized Approach (SA) and ready to implement the Internal Model.
5. Development of risk management information systems including, Operational Risk Assesor (OPRA) for Operational Risks, Loan Approval System (LAS) for Credit Risks, and Treasury and Market Risk System (GUAVA) for Market Risk.
6. Increasing the effectiveness of the implementation of good corporate governance (GCG) and the Risk Management framework, through the implementation of the Risk Management Forum in each Operating Unit and the Risk Management Function attached to the designated officers in the Operating Unit. Additionally, there is a Regional Office Risk Management Group (MRK) in each regional office to provide guidance, monitoring, and verification to the implementation of the risk management process at the Regional Office.

Below is a list of BRI's Risk Management program and implementation throughout 2014:

1. Measurement and monitoring of risk, through the following activities:
 - a. Risk measurement based on appropriate methodology
 - b. Monitoring and analysis of risk limit and risk exposure
 - c. Risk control determination as a result of risk monitoring process
 - d. Back-testing/ validation and stress-testing simulation
 - e. Evaluation of risk management adequacy for new product/activity proposals
2. Recommendations for new policies, performance evaluations and improvements to risk mitigation process
3. Evaluation of risk management policy and methodology in accordance with business development and regulations, including:
 - a. Evaluation of policy and methodology for Credit Risk Rating, Credit Risk Scoring, Probability of Default, Loss Given Default and Exposure at Default according to credit characteristics
 - b. Back-testing and stress-testing methodology review
 - c. Evaluation of limit-setting for each type of risk
 - d. Improvements to Enterprise Risk Management policy related to the implementation of integrated risk management in accordance with OJK Regulation no. 17/POJK.03/2014
4. Management and fulfillment of regulatory reporting, including Risk Based Bank Rating, Internal Capital Adequacy Assessment Process, stress-testing simulations, Liquidity Coverage Ratio simulations and Leverage Ratio simulations.
5. Increasing risk awareness culture through regular socialization among all BRI employees in Indonesia
6. Optimization of risk management application in all BRI business units through use of the RM tool
7. Increasing employees' risk management competency through regular internal and external training

Risks Identification

Risk management process is applied consistently across all business operations and daily banking activities. This consistency is an important factor to BRI's success in achieving performance targets that have been defined and becoming a sound bank with sustainable growth.

Risk factors affecting BRI's business strategy, whether directly or indirectly, are classified into the following eight risk types:

CREDIT RISK

Definition

The Risk arising from default by a counterparty in meeting its obligations.

Credit Risk Management Implementation

The implementation of credit risk management is done through BRI organizational structure that describes the involvement of all parties related to credit risk management (Board of Commissioners, Board of Directors, Risk Management Division, Operating Units and Internal Audit Unit). The Operating Unit comprises of Core Risk Taking Unit and Supporting Risk Taking Unit. BRI has a Credit Risk Management Committee (CRMC), which is the Sub-Risk Management Committee (RMC) that discusses issues related to credit risk exposures and the implementation of credit risk.

In order to manage credit risk, BRI has set some prudential banking principles that are reflected in its credit policy, credit quality assessment procedures, administration and credit approval process such as the separation of the functions of loan officers into the following categories: RM (Relationship Management) and CRM (Credit Risk Management), implementation of the "Four Eyes principles",

implementation of a Risk Rating/Scoring System (CRR and CRS), the separation of non-performing loans, as well as the establishment of a healthy credit procedure through Segmentation and Targeting (PS), Criteria of Acceptable Risk (KRD) and Annual Marketing Plan (RPT).

Separation of the functions of RM and CRM is reflected in the separation of responsibility in managing current (performing) loan and the nonperforming loans. For those reasons, BRI have separated divisions to handle those loans, so that the risk management in lending activity can be focused without disrupting business processes which oriented towards sound business growth. In addition, BRI implemented a compliance test process done by Compliance Directorate to ensure that precautionary principles were applied to the approval on loans above a certain size.

Credit Risk Management is implemented through a variety of built-in credit risk control from initiation (loan origination process), monitoring, restructuring, up to settlement of non-performing loan.

Credit Risk Management is implemented through a variety of built-in credit risk control from initiation (loan origination process), monitoring, restructuring, up to settlement of non-performing loan.

BRI has a policy related to concentrated credit risk management through the establishment of guidelines for credit risk limits. The guidelines are used to determine overall credit risk limitations in portfolio level or bank level for all BRI's products and activities with potential credit risks, with regard to the capital adequacy to absorb the risk arise or losses, and the volatility in loan exposure. Determination of risk limit is aimed to reduce the credit risk exposed by the concentration of loan disbursement.

Risks Identification

BRI manage its credit risk by monitoring credit concentration and actual credit risk exposure in the portfolio, business segments and economic sectors related to credit risk limit and the target. Furthermore, BRI conducts periodic stress-testing analysis using macroeconomic data and internal data in various scenarios.

The measurement and control of credit risk has been implemented through borrower risk assessment using Internal Risk Ratings (Credit Risk Rating/Credit Risk Scoring) since 2001. The current internal Credit Risk Rating/Scoring used at BRI is based on empirical/historical data from the existing BRI borrowers by statistical methodology.

This internal rating is done periodically in order to review the accuracy of the models and assumptions used to project failure, and assumption adjustments will be done should there be any changes in external (regulator) or internal regulations. To overcome the disadvantages that may arise over the use of internal rating models, an independent unit has carried out validation on the unit applying the model. The validation process of the credit risk measurement models is conducted with the back testing method.

Currently, the 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 approval process and to ensure compliance to the authority delegation regulations.

Internal Rating (CRR) in BRI can be used to determine the interest rate charged for borrowers (Risk Based Pricing). This risk based pricing approach does allow price discrimination according to risk level (high risk-high return).

The measurement of the minimum capital requirement to cover risk is performed according to BRI policy referring to the Standardized Approach of Basel II as required by Central Bank since January 2012. The calculation of credit risk is reflected in the Risk Weight Assets (RWA) which calculated on monthly basis which consist of the risk of borrower failure, the risk of counterparty failure and the risk of settlement failure. Parallel with this is the preparation and development of the methodology of Internal Based Rating Approach (IRBA).

BRI conducts periodic stress-testing analysis using macroeconomic data and internal data in various scenarios.

Accounts Past Due Or With Decreased Value/Impaired

BRI sets its own definition for accounts that are past due and accounts experiencing decreased value. Accounts that are past due are all accounts that are more than 90 (ninety) days overdue, either for the payment of principle or interest.

All accounts may experience decreased value/impaired if they are in a condition where there is an objective evidence of loss as a result of one or more events that occurred after the initial acknowledgement of the loan, and the adverse events can impact future cash flows, financial assets or a group of financial assets which can be accurately estimated.

Objective evidence is any result of observation of the events that is a concern to BRI which will affect the borrowers' ability to pay in the future, so that it would adversely impair BRI's loan. If the decline in value is such that the credit value after impairment is less than the carrying value from the outset, a reserve for impairment losses (Allowance for Impairment) must be prepared to cover losses. Reserve of allowance for impairment loss is calculated from the amount of impairment loss on financial assets, whether evaluated individually or collectively.

Risks Identification

The following table discloses BRI net receivables based on portfolio category which was divided into region, the remaining term of the contract and the economic sector, for the bank individually and consolidated with its subsidiaries.

Disclosure of Net Receivables Based on Region – Bank Only

No. (1)	Portfolio Category (2)	31 December 2014 Net Receivables by Region		
		Jakarta (3)	Central and Eastern Indonesia (4)	West Java (5)
1.	Government Receivables	213,499,620	-	-
2.	Public Sector Entity Receivables	66,634,759	2,537,094	8,079,122
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-
4.	Banks Receivables	36,268,312	17,702	-
5.	Mortgage Loan	34,346	879,860	129,420
6.	Commercial Property Loan	1,332,732	984,924	20,620
7.	Employee/Pensioners Loan	12,610,754	44,297,792	8,960,077
8.	Micro Enterprise and Retail Portfolio Receivables	23,027,075	39,545,946	16,785,190
9.	Corporate Receivables	78,586,490	11,925,468	4,696,692
10.	Past Due Receivables	1,056,246	1,127,849	567,042
11.	Other Assets	11,471,562	2,530,800	4,361,997
12.	Exposures at Sharia Business Unit	-	-	-
	TOTAL	444,521,896	103,847,435	43,600,160

Disclosure of Net Receivables Based on Region – Bank consolidated

No. (1)	Portfolio Category (2)	31 December 2013 Net Receivables by Region		
		Jakarta (3)	Central and Eastern Indonesia (4)	West Java (5)
1.	Government Receivables	123,017,637	-	-
2.	Public Sector Entity Receivables	55,478,362	2,271,153	7,202,327
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-
4.	Banks Receivables	28,671,725	17,869	-
5.	Mortgage Loan	21,951	130,162	19,358
6.	Commercial Property Loan	571,802	909,301	31,847
7.	Employee/Pensioners Loan	11,358,853	41,445,520	8,496,937
8.	Micro Enterprise and Retail Portfolio Receivables	20,594,390	34,330,965	13,340,445
9.	Corporate Receivables	69,892,901	10,339,514	3,353,452
10.	Past Due Receivables	950,818	882,582	338,866
11.	Other Assets	9,262,706	2,312,107	4,502,609
12.	Exposures at Sharia Business Unit	-	-	-
	TOTAL	319,821,145	92,639,173	37,285,841

Risks Identification

Disclosure of the Bank only and consolidated net receivables complies with Bank Indonesia Circular No. 13/6/DPNP dated Feb. 18, 2011, on the Calculation of Risk Weighted Assets for Credit Risk with Standardized Approach.

(in million rupiah)

	Central Java & DIY	East Java	Sumatera	Others	Total
	(6)	(7)	(8)	(9)	(10)
	-	-	-	3,514,536	217,014,156
	8,278	3,408,591	2,922,440	1,514,605	85,104,889
	-	-	-	-	-
	-	-	-	123,850	36,409,864
	289,280	182,244	301,678	63,070	1,879,898
	158,297	125,169	131,576	2,695	2,756,013
	8,535,955	11,798,438	16,788,128	3,777,475	106,768,619
	32,490,205	25,390,087	31,367,332	6,111,683	174,717,518
	7,574,208	11,588,653	13,210,118	2,537,880	130,119,509
	679,742	923,142	1,777,254	201,749	6,333,024
	3,871,576	5,994,103	8,494,615	185,034	36,909,687
	-	-	-	-	-
	53,607,541	59,410,427	74,993,141	18,032,577	798,013,177

(in million rupiah)

	Central Java & DIY	East Java	Sumatera	Others	Total
	(6)	(7)	(8)	(9)	(10)
	-	-	-	3,286,158	126,303,795
	401,033	3,608,948	3,530,874	-	72,492,697
	-	-	-	-	-
	-	-	-	85,190	28,774,784
	40,074	22,557	42,424	-	276,526
	113,366	147,693	152,826	-	1,926,835
	8,709,679	11,588,739	18,745,846	727	100,346,301
	27,250,438	21,480,251	31,479,422	-	148,475,911
	6,861,716	10,383,736	13,821,256	955,738	115,608,313
	479,705	666,022	1,325,152	147	4,643,292
	5,327,512	4,960,640	4,686,379	-	31,051,953
	-	-	-	-	-
	49,183,523	52,858,586	73,784,179	4,327,960	629,900,407

Risks Identification

Disclosure of Net Receivables Based on Region – Bank consolidated

No.	Portfolio Category	31 December 2014 Net Receivables by Region		
		Jakarta	Central and Eastern Indonesia	West Java
1.	Government Receivables	214,502,002	-	-
2.	Public Sector Entity Receivables	66,808,134	2,537,094	8,079,122
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-
4.	Banks Receivables	36,625,477	17,836	49
5.	Mortgage Loan	56,724	893,018	145,109
6.	Commercial Property Loan	1,332,732	985,600	20,620
7.	Employee/Pensioners Loan	12,708,045	44,308,891	9,084,357
8.	Micro Enterprise and Retail Portfolio Receivables	23,681,866	39,717,003	16,786,447
9.	Corporate Receivables	80,468,673	11,925,468	4,754,349
10.	Past Due Receivables	1,056,246	1,127,849	567,042
11.	Other Assets	11,508,884	2,533,740	4,372,183
12.	Exposures at Sharia Business Unit	8,802,736	2,242,238	3,552,428
	TOTAL	457,551,519	106,288,737	47,361,706

Disclosure of Net Receivables Based on Region – Bank consolidated

No.	Portfolio Category	31 December 2013 Net Receivables by Region		
		Jakarta	Central and Eastern Indonesia	West Java
1.	Government Receivables	123,566,813	-	-
2.	Public Sector Entity Receivables	55,510,512	2,271,153	7,202,327
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-
4.	Banks Receivables	29,137,764	17,869	-
5.	Mortgage Loan	30,006	139,164	21,930
6.	Commercial Property Loan	571,802	909,487	31,847
7.	Employee/Pensioners Loan	11,433,549	41,452,300	8,650,421
8.	Micro Enterprise and Retail Portfolio Receivables	20,909,057	34,436,923	13,340,445
9.	Corporate Receivables	71,775,516	10,378,071	3,388,266
10.	Past Due Receivables	950,818	882,582	338,866
11.	Other Assets	9,298,458	2,316,287	4,512,794
12.	Exposures at Sharia Business Unit	7,109,118	1,869,908	3,213,382
	TOTAL	330,293,413	94,673,744	40,700,278

Risks Identification

(in million rupiah)

	Central Java & DIY	East Java	Sumatera	Others	Total
	-	-	-	3,514,536	218,016,538
	8,278	3,562,480	3,005,050	1,514,605	85,514,763
	-	-	-	-	-
	421	41,454	47,308	123,850	36,856,395
	291,709	182,244	373,439	63,070	2,005,313
	158,297	125,570	208,082	2,695	2,833,596
	8,552,835	11,819,891	17,088,190	3,777,475	107,339,684
	32,547,605	25,482,474	31,850,467	6,111,683	176,177,545
	7,664,443	11,864,028	13,407,480	2,537,880	132,622,321
	679,742	923,142	1,777,254	201,749	6,333,024
	3,874,681	6,003,364	8,542,201	185,034	37,020,087
	1,813,719	1,655,611	2,497,884	-	20,564,616
	55,591,730	61,660,258	78,797,355	18,032,577	825,283,882

(in million rupiah)

	Central Java & DIY	East Java	Sumatera	Others	Total
	-	-	-	3,286,158	126,852,971
	401,033	3,608,948	3,580,707	-	72,574,680
	-	-	-	-	-
	-	52,107	55,998	85,190	29,348,928
	41,456	24,702	95,396	-	352,654
	113,366	147,693	199,412	-	1,973,607
	8,733,482	11,642,053	19,066,597	727	100,979,129
	27,282,606	21,827,756	31,731,199	-	149,527,986
	6,954,495	10,383,986	13,961,207	955,738	117,797,279
	479,705	666,022	1,325,152	147	4,643,292
	5,327,868	4,962,098	4,706,004	-	31,123,509
	1,676,268	1,403,279	2,346,148	-	17,618,103
	51,010,279	54,718,644	77,067,820	4,327,960	652,792,138

Risks Identification

Disclosure of Net Receivables by Remaining Contract Term - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2014					Total
		≤1 year	Net Receivables by Remaining Contract Term			Non-Contractual	
(1)	(2)	(3)	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	(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

Disclosure of Net Receivables by Remaining Contract Term - Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2013					Total
		≤1 year	Net Receivables by Remaining Contract Term			Non-Contractual	
(1)	(2)	(3)	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	(7)	(8)
1.	Government Receivables	14,075,952	412,539	174,321	38,526,536	73,114,447	126,303,795
2.	Public Sector Entity Receivables	20,936,788	5,400,009	7,188,676	31,034,623	7,932,601	72,492,697
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	15,303,830	2,763,077	501,032	4,709,439	5,497,406	28,774,784
5.	Mortgage Loan	-	3,300	34,737	238,489	-	276,526
6.	Commercial Property Loan	353	14,611	165,855	1,746,016	-	1,926,835
7.	Employee/Pensioners Loan	112,953	4,343,181	20,805,208	75,084,232	727	100,346,301
8.	Micro Enterprise and Retail Portfolio Receivables	18,972,685	73,766,325	27,175,665	27,737,723	823,513	148,475,911
9.	Corporate Receivables	20,484,098	20,019,811	16,449,464	48,650,849	10,004,091	115,608,313
10.	Past Due Receivables	340,916	1,254,099	1,034,301	2,013,976	-	4,643,292
11.	Other Assets	-	-	-	-	31,051,953	31,051,953
12.	Exposures at Sharia Business Unit	-	-	-	-	-	-
	TOTAL	90,227,575	107,976,952	73,529,259	229,741,883	128,424,738	629,900,407

Risks Identification

Disclosure of Net Receivables by Remaining Contract Term - Bank Consolidated with subsidiaries

(in million rupiah)

No. (1)	Portfolio Category (2)	31 December 2014					
		Net Receivables by Remaining Contract Term					Total (8)
		≤1 year (3)	> 1yr sd 3 yr (4)	> 3yr sd 5 yr (5)	> 5 yr (6)	Non- Contractual (7)	
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	296,429,394	176,322,079	825,283,882

Disclosure of Net Receivables by Remaining Contract Term - Bank Consolidated with subsidiaries

(in million rupiah)

No. (1)	Portfolio Category (2)	31 December 2013					
		Net Receivables by Remaining Contract Term					Total (8)
		≤1 year (3)	> 1yr sd 3 yr (4)	> 3yr sd 5 yr (5)	> 5 yr (6)	Non- Contractual (7)	
1.	Government Receivables	14,625,128	412,539	174,321	38,526,536	73,114,447	126,852,972
2.	Public Sector Entity Receivables	20,983,324	5,400,009	7,201,702	31,057,046	7,932,599	72,574,680
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	15,772,409	2,766,583	603,092	4,709,439	5,497,405	29,348,928
5.	Mortgage Loan	40,743	10,991	43,331	257,590	-	352,654
6.	Commercial Property Loan	19,463	23,545	178,755	1,751,844	-	1,973,607
7.	Employee/Pensioners Loan	143,641	4,538,247	21,090,358	75,206,157	726	100,979,129
8.	Micro Enterprise and Retail Portfolio Receivables	19,590,940	73,903,032	27,345,318	27,865,186	823,510	149,527,986
9.	Corporate Receivables	21,548,115	20,719,004	16,587,692	48,938,378	10,004,090	117,797,279
10.	Past Due Receivables	340,916	1,254,099	1,034,301	2,013,976	-	4,643,292
11.	Other Assets	71,556	-	-	-	31,051,953	31,123,509
12.	Exposures at Sharia Business Unit	5,126,088	3,672,287	4,099,937	3,365,018	1,354,773	17,618,103
	TOTAL	98,262,323	112,700,336	78,358,807	233,691,170	129,779,503	652,792,138

Risks Identification

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	Mortgage Loans
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2014					
1.	Agriculture, Hunting and Forestry	-	5,933,029	-	-	1,053
2.	Fishery	-	-	-	-	-
3.	Mining and Excavation	-	855,240	-	46,962	582
4.	Manufacturing	-	25,947,209	-	1,923,068	2,533
5.	Electricity, Gas and Water	-	15,785,697	-	-	-
6.	Construction	-	3,147,705	-	16,459	431
7.	Wholesale and Retail Trading	-	11,623,598	-	85,238	8,852
8.	Accommodation and Food and Beverage	-	-	-	9,479	524
9.	Transportation, Warehouse and Communication	-	8,473,568	-	10	-
10.	Financial Brokerage	154,732,849	4,621,024	-	18,708,270	850
11.	Real Estate, Leasing and Corporate Services	-	346,298	-	20,556	82,369
12.	Public Administration, Defense, and Compulsory Social Security	3,514,640	-	-	216	1,453
13.	Education Services	-	-	-	-	799
14.	Health and Social Services	-	-	-	-	2,697
15.	Public, Socio-culture, Entertainment and other Personal Services	-	5,408,463	-	-	996
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	329,092
19.	Non-Business Activity	-	979	-	37,155	1,447,667
20.	Others	38,314,392	819,717	-	12,717,561	-
	TOTAL	217,014,156	85,104,889	-	36,409,864	1,879,898

Risks Identification

(in million rupiah)

	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)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	747	30,618	21,581,701	17,439,592	604,288	-	-
	-	3,328	1,868,573	330,283	52,971	-	-
	-	525	294,126	4,631,538	23,235	-	-
	-	4,350	4,896,699	31,615,937	506,432	-	-
	-	1,112	179,402	2,999,254	4,867	-	-
	-	16,464	1,074,402	10,035,844	447,326	-	-
	-	33,695	100,807,510	37,927,806	3,240,902	-	-
	2,628,296	3,897	1,570,921	722,009	52,936	-	-
	110,864	4,383	2,188,071	3,591,718	75,381	-	-
	-	5,695	208,377	1,646,912	1,257	-	-
	16,106	28,872	3,108,508	2,928,772	150,825	-	-
	-	222,299	47,636	33,775	3,181	-	-
	-	224,656	209,609	191,098	6,829	-	-
	-	58,023	707,038	742,081	6,545	-	-
	-	333,652	7,797,386	2,287,629	111,271	-	-
	-	3,716	1,631,702	37,095	18,320	-	-
	-	-	-	-	-	-	-
	-	59,922,223	14,969,669	7,585,448	711,804	-	-
	-	45,871,111	11,570,646	3,125,929	314,654	-	-
	-	-	5,542	2,246,789	-	36,909,687	-
	2,756,013	106,768,619	174,717,518	130,119,509	6,333,024	36,909,687	-

Risks Identification

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	Mortgage Loans
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2013					
1.	Agriculture, Hunting and Forestry	-	5,224,676	-	-	116
2.	Fishery	-	-	-	-	-
3.	Mining and Excavation	-	2,426,681	-	663,775	-
4.	Manufacturing	-	18,198,859	-	3,860,830	520
5.	Electricity, Gas and Water	-	11,580,188	-	24	-
6.	Construction	-	3,446,490	-	26,156	281
7.	Wholesale and Retail Trading	-	10,613,440	-	85,736	7,248
8.	Accommodation and Food and Beverage	-	-	-	14,071	74
9.	Transportation, Warehouse and Communication	-	7,166,479	-	2,139	106
10.	Financial Brokerage	94,391,704	4,085,108	-	16,952,333	-
11.	Real Estate, Leasing and Corporate Services	-	728,962	-	19,928	75,660
12.	Public Administration, Defense, and Compulsory Social Security	3,286,264	-	-	-	-
13.	Education Services	-	-	-	-	-
14.	Health and Social Services	-	-	-	-	767
15.	Public, Socio-culture, Entertainment and other Personal Services	-	6,177,187	-	-	977
16.	Personal services for household	-	-	-	-	-
17.	International institution and other international extra agencies	14,843,976	2,394,542	-	530,475	16,435
18.	Undefined Activities	541,438	213,674	-	577,810	174,342
19.	Non-Business Activity	10,214	-	-	2,959,879	-
20.	Others	13,230,199	236,411	-	3,081,628	-
	TOTAL	126,303,795	72,492,697	-	28,774,784	276,526

Risks Identification

(in million rupiah)

	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)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	926	46,770	17,585,381	13,992,876	290,811	-	-
	-	4,652	1,542,929	263,135	27,077	-	-
	-	720	237,048	3,008,407	30,077	-	-
	-	5,677	3,878,606	29,746,185	143,934	-	-
	-	1,496	124,907	2,000,195	4,392	-	-
	-	24,755	965,608	7,199,366	344,434	-	-
	-	47,979	83,270,390	38,863,630	2,476,618	-	-
	1,849,606	5,036	1,193,333	534,129	26,634	-	-
	53,796	6,641	1,722,805	3,157,253	77,418	-	-
	-	6,896	127,667	179,661	1,449	-	-
	22,507	41,549	3,515,871	3,204,841	199,548	-	-
	-	235,314	54,684	65,551	2,380	-	-
	-	343,742	188,592	141,125	4,634	-	-
	-	61,563	569,001	539,861	28,718	-	-
	-	196,141	5,245,676	1,366,115	41,860	-	-
	-	4,181	1,044,560	29,355	4,704	-	-
	-	43,108,553	16,723,525	6,933,994	709,452	-	-
	-	56,204,636	10,481,669	2,592,211	229,152	-	-
	-	-	709	1,784,503	-	-	-
	-	-	2,950	5,920	-	31,051,953	-
	1,926,835	100,346,301	148,475,911	115,608,313	4,643,292	31,051,953	-

Risks Identification

Disclosure of Net Receivables by Economic Sector- Bank Consolidated with subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims On Multilateral Development Banks And Securities	Banks Receivables	Mortgage Loans
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2014					
1.	Agriculture, Hunting and Forestry	-	6,168,567	-	-	9,478
2.	Fishery	-	-	-	-	221
3.	Mining and Excavation	-	855,240	-	46,962	836
4.	Manufacturing	-	26,110,260	-	1,923,068	5,567
5.	Electricity, Gas and Water	-	15,796,981	-	-	-
6.	Construction	-	3,147,705	-	16,459	2,520
7.	Wholesale and Retail Trading	-	11,623,598	-	85,238	28,066
8.	Accommodation and Food and Beverage	-	-	-	9,479	524
9.	Transportation, Warehouse and Communication	-	8,473,568	-	10	704
10.	Financial Brokerage	154,732,849	4,621,024	-	19,154,801	850
11.	Real Estate, Leasing and Corporate Services	-	346,298	-	20,556	106,809
12.	Public Administration, Defense, and Compulsory Social Security	3,514,640	-	-	216	1,453
13.	Education Services	-	-	-	-	917
14.	Health and Social Services	-	-	-	-	2,870
15.	Public, Socio-culture, Entertainment and other Personal Services	-	5,408,463	-	-	3,368
16.	Personal services for household	-	-	-	-	356
17.	International institution and other international extra agencies	-	-	-	43	-
18.	Undefined Activities	20,452,275	2,142,362	-	2,844,847	393,106
19.	Non-Business Activity	-	979	-	37,155	1,447,668
20.	Others	39,316,774	819,718	-	12,717,561	-
	TOTAL	218,016,538	85,514,763	-	36,856,395	2,005,313

Risks Identification

(in million rupiah)

	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)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	53,750	35,180	22,369,950	17,864,774	604,288	-	175,292
	530	3,730	1,872,374	330,283	52,971	-	35,875
	317	525	296,528	4,631,538	23,235	-	48,246
	110	5,230	4,952,304	32,186,573	506,432	-	979,161
	-	1,112	180,380	2,999,254	4,867	-	34,361
	-	17,159	1,140,166	10,154,630	447,326	-	336,255
	3,981	38,101	101,045,494	38,191,917	3,240,902	-	2,132,843
	2,628,527	4,241	1,603,541	807,616	52,936	-	133,674
	110,864	4,383	2,224,864	3,705,943	75,381	-	248,508
	-	5,695	210,402	2,440,105	1,257	-	1,202,960
	34,935	32,240	3,159,759	2,952,283	150,825	-	175,682
	-	222,299	47,636	33,775	3,181	-	64,648
	-	224,656	209,804	191,098	6,829	-	47,991
	300	58,023	720,286	742,081	6,545	-	13,606
	-	334,984	7,874,890	2,287,629	111,271	-	121,243
	-	3,716	1,631,762	37,095	18,320	-	-
	-	-	1,470	-	-	-	-
	282	60,477,300	15,059,752	7,693,007	711,804	-	6,132,445
	-	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
	2,833,596	107,339,684	176,177,545	132,622,321	6,333,024	37,020,087	20,564,616

Risks Identification

Disclosure of Net Receivables by Economic Sector- Bank Consolidated with subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims On Multilateral Development Banks And Securities	Banks Receivables	Mortgage Loans
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	31 December 2013					
1.	Agriculture, Hunting and Forestry	-	5,287,534	-	-	6,932
2.	Fishery	-	-	-	-	678
3.	Mining and Excavation	-	2,426,681	-	663,775	177
4.	Manufacturing	-	18,198,859	-	3,860,830	2,545
5.	Electricity, Gas and Water	-	11,580,188	-	24	-
6.	Construction	-	3,446,490	-	26,156	1,338
7.	Wholesale and Retail Trading	-	10,613,440	-	85,736	41,612
8.	Accommodation and Food and Beverage	-	-	-	14,071	184
9.	Transportation, Warehouse and Communication	-	7,166,479	-	2,139	355
10.	Financial Brokerage	94,391,704	4,085,108	-	17,008,727	-
11.	Real Estate, Leasing and Corporate Services	-	728,962	-	72,035	87,852
12.	Public Administration, Defense, and Compulsory Social Security	3,286,264	-	-	-	-
13.	Education Services	-	-	-	-	-
14.	Health and Social Services	-	-	-	-	767
15.	Public, Socio-culture, Entertainment and other Personal Services	-	6,177,187	-	-	1,111
16.	Personal services for household	-	-	-	-	497
17.	International institution and other international extra agencies	14,843,976	2,394,542	-	530,475	16,435
18.	Undefined Activities	541,438	213,674	-	578,800	192,171
19.	Non-Business Activity	10,214	-	-	2,959,879	-
20.	Others	13,779,375	255,536	-	3,546,281	-
	TOTAL	126,852,971	72,574,680	-	29,348,928	352,654

Risks Identification

(in million rupiah)

	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)
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	33,947	83,644	17,879,672	14,391,762	290,811	-	217,238
	664	4,791	1,544,702	263,135	27,077	-	45,987
	221	720	237,494	3,008,407	30,077	-	115,326
	314	7,330	4,058,473	30,067,833	143,934	-	1,555,500
	-	1,496	124,907	2,000,195	4,392	-	58,538
	-	61,838	993,654	7,294,703	344,434	-	580,609
	4,980	49,459	83,587,260	39,061,809	2,476,618	-	2,465,631
	1,849,606	5,036	1,199,798	570,455	26,634	-	152,586
	53,796	6,679	1,745,397	3,264,983	77,418	-	728,609
	-	6,896	132,126	675,274	1,449	-	4,934,702
	29,553	49,088	3,569,004	3,225,361	199,548	-	256,852
	-	235,314	54,684	65,551	2,380	-	73,715
	-	343,742	188,592	141,125	4,634	-	77,949
	387	61,563	569,855	539,861	28,718	-	14,304
	-	196,898	5,340,275	1,366,115	41,860	-	62,814
	-	4,181	1,044,650	29,355	4,704	-	-
	-	43,108,553	16,723,525	6,933,994	709,452	-	-
	139	56,751,901	10,530,262	2,775,334	229,152	-	1,520,828
	-	-	709	1,784,503	-	-	-
	-	-	2,947	337,524	-	31,123,509	4,756,915
	1,973,607	100,979,129	149,527,986	117,797,279	4,643,292	31,123,509	17,618,103

Risks Identification

Approach used to Determine Allowance for Impairment Losses (CKPN)

To calculate CKPN, BRI first evaluates existing Credit Risk. The approaches that BRI applies to evaluate Credit Risk on Loan are:

1. Individual Impairment

- Loans that individually has a significant value, with objective evidence of impairment
- Restructured loans that individually has significant value

2. Collective Impairment

- Loans that individually has a significant value, without objective evidence of impairment
- Loans that individually has no significant value
- Restructured loans that individually has no significant value

Impairment Losses (CKPN) Calculation Methodology

BRI's Methodology of Impairment Losses (CKPN) Calculation are as follows :

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 factor based on the effective interest rate of the 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 asset.

2. Collective Impairment

Determination of the historical loss rate is calculated using statistical methods based on internal loan grades by considering the following factors :

- Probability of Default (PD)

The probability that debtors will fail to fulfill their obligations, as measured by the traditional Roll Rate Method (using age data for delinquent financial assets), Migration Analysis (using an internal rating system and calculated by analyzing the migration of the level of outstanding financial assets from the highest grade to the lowest grade).

- Loss Given Default (LGD)

The level of loss caused by debtors' failure in fulfilling their obligations.

The following tables disclose billing and provisioning by regions and economic sectors for the Bank, individually and consolidated with subsidiaries.

Risks Identification

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

Disclosure of Receivables and Loan-Loss Provisions by Region – Bank Only

(in million rupiah)

No	Description	31 December 2013							
		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	321,757,132	93,403,193	37,626,672	49,784,691	53,623,597	75,201,545	3,593,993	634,990,823
2	Impaired Assets	5,516,629	1,511,236	771,546	709,391	1,778,686	2,473,594	184	12,761,266
	a. Current	4,395,037	210,373	343,232	46,477	800,003	311,648	-	6,106,770
	b. Past Due	1,121,592	1,300,863	428,314	662,914	978,683	2,161,946	184	6,654,496
3	Individual Impairment Provision	945,141	123,292	148,500	50,558	479,219	601,179	-	2,347,889
4	Collective Impairment Provision	2,478,709	3,196,043	1,005,144	1,780,949	1,563,583	2,700,046	36	12,724,510
5	Write-off	908,306	986,159	315,852	505,222	576,170	1,002,798	-	4,294,507

Risks Identification

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

Disclosure of Receivables and Loan-Loss Provisions by Region - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	31 December 2013							
		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	330,865,936	95,374,650	41,038,403	51,556,877	55,458,477	78,408,352	3,593,993	656,296,688
2	Impaired Assets	5,675,362	1,554,752	1,014,718	733,432	1,833,914	2,644,430	184	13,456,792
	a. Current	4,531,340	244,106	569,706	64,520	838,373	379,829	-	6,627,874
	b. Past Due	1,144,022	1,310,646	445,012	668,912	995,541	2,264,601	184	6,828,918
3	Individual Impairment Provision	956,166	123,292	148,500	50,558	479,219	630,202	-	2,387,937
4	Collective Impairment Provision	2,565,327	3,222,962	1,071,171	1,803,233	1,593,637	2,773,793	36	13,030,159
5	Write-off	912,078	987,537	316,479	505,502	576,610	1,024,713	-	4,322,919

Risks Identification

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

Risks Identification

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 2013						
1	Agriculture, Hunting and Forestry	37,509,151	82,214	569,489	143,871	1,400,828	373,097
2	Fishery	1,856,658	-	37,304	-	73,484	25,411
3	Mining and Excavation	6,390,112	13,770	39,486	15,566	209,105	7,265
4	Manufacturing	56,672,745	712,040	595,427	767,247	754,851	109,964
5	Electricity, Gas and Water	13,726,749	21,431	4,742	10,932	230,965	1,314
6	Construction	12,413,871	1,237,662	254,664	401,617	210,362	58,387
7	Wholesale and Retail Trading	137,265,120	1,932,763	3,407,033	542,295	5,645,443	3,105,460
8	Accommodation and Food and Beverage	3,683,955	89,290	58,904	55,673	110,677	19,082
9	Transportation, Warehouse and Communication	12,352,025	1,103,345	151,120	163,853	266,999	30,590
10	Financial Brokerage	115,768,017	211,674	763	23,401	76,270	2,101
11	Real Estate, Leasing and Corporate Services	8,072,087	539,102	217,327	209,667	297,199	129,072
12	Public Administration, Defense, and Compulsory Social Security	3,645,352	-	1,025	-	3,284	1,927
13	Education Services	682,708	-	2,950	-	6,863	3,627
14	Health and Social Services	1,211,693	33,809	9,556	4,536	33,138	6,074
15	Public, Socio-culture, Entertainment and other Personal Services	13,094,096	121,268	58,546	6,273	351,751	49,315
16	Personal services for household	1,099,459	8,402	7,124	2,958	68,768	5,846
17	International institution and other international extra agencies	85,260,952	-	-	-	-	-
18	Undefined Activities	71,792,658	-	23,341	-	-	111,581
19	Non-Business Activity	4,884,354	-	1,215,695	-	2,885,721	254,394
20	Others	47,609,061	-	-	-	98,802	-
	Total	634,990,823	6,106,770	6,654,496	2,347,889	12,724,510	4,294,507

Risks Identification

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

Risks Identification

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 2013							
1	Agriculture, Hunting and Forestry	38,507,149	116,752	618,517	180,673	1,424,369	378,576
2	Fishery	1,905,586	12	37,769	-	74,145	25,411
3	Mining and Excavation	6,505,887	14,867	40,295	15,566	210,654	7,273
4	Manufacturing	58,650,696	790,782	596,581	767,247	776,025	109,965
5	Electricity, Gas and Water	13,785,287	21,627	4,742	10,932	231,546	1,314
6	Construction	13,156,037	1,244,849	254,664	401,617	218,772	58,387
7	Wholesale and Retail Trading	140,253,495	1,991,591	3,409,830	542,295	5,689,019	3,105,470
8	Accommodation and Food and Beverage	3,857,165	90,898	58,904	55,673	112,821	19,082
9	Transportation, Warehouse and Communication	13,210,757	1,136,119	158,095	163,853	287,408	30,590
10	Financial Brokerage	121,262,520	330,050	2,638	23,401	116,201	2,102
11	Real Estate, Leasing and Corporate Services	8,480,869	539,952	217,822	209,667	301,047	129,072
12	Public Administration, Defense, and Compulsory Social Security	3,719,067	2,202	1,025	-	4,131	1,927
13	Education Services	760,657	115	2,950	-	7,604	3,627
14	Health and Social Services	1,227,218	33,900	9,556	4,536	33,283	6,074
15	Public, Socio-culture, Entertainment and other Personal Services	13,238,309	121,818	81,117	9,519	359,910	53,188
16	Personal services for household	1,100,048	8,402	7,124	2,958	68,771	5,846
17	International institution and other international extra agencies	85,260,952	-	-	-	-	-
18	Undefined Activities	74,043,864	92,326	34,022	-	39,081	129,936
19	Non-Business Activity	4,884,354	-	1,215,695	-	2,885,721	255,079
20	Others	52,486,771	91,612	77,572	-	189,651	-
	Total	656,296,688	6,627,874	6,828,918	2,387,937	13,030,159	4,322,919

Risks Identification

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	2,347,889	12,724,510
2	Charge/release of impairment provision for the current year (Net)	244,829	5,368,130
3	Impairment provision for write-off	236,744	5,342,345
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 Only

(in million rupiah)

No	Description	31 December 2013	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	3,374,560	11,209,365
2	Charge/release of impairment provision for the current year (Net)	(1,000,776)	4,917,668
3	Impairment provision for write-off	25,895	4,268,611
4	Other charge/release for the current year	-	866,088
	CKPN Ending Balance	2,347,889	12,724,510

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	2,387,937	13,030,159
2	Charge/release of impairment provision for the current year (Net)	298,846	5,431,367
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

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	31 December 2013	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	3,403,314	11,511,551
2	Charge/release of impairment provision for the current year (Net)	(989,482)	4,949,753
3	Impairment provision for write-off	25,895	4,297,024
4	Other charge/release for the current year	-	865,879
	CKPN Ending Balance	2,387,937	13,030,159

Risks Identification

Counterparty Credit Risk

The counterparty credit risk lies in treasury and international activities conducted by BRI, specifically for Credit Line products. Net Receivables for the exposure that caused credit risk as a result of the counterparty failure comprises of over-the-counter (OTC) derivatives exposure, repo transaction exposure from the Credit Risk from the issuance of Marketable securities that become underlying repo transactions and reverse repo transactions. Credit Risk Mitigation for BRI of counterparty credit risk is achieved through implementing the guarantee technique through securities or credit that meet regulatory requirements.

The following table discloses Counterparty Credit Risk:

Disclosure of Counterparty Credit Risk – Derivative Transactions

(in million rupiah)

No.	Underlying Financial Instrument	Notional Amount			31 December 2014		Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable ≤ 1 Year after CRM
		≤1 year	> year to sd ≤ 5 year	>5 year	Derivative Receivable	Derivative Payable			
(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

Risks Identification

Disclosure of Counterparty Credit Risk – Derivative Transactions

(in million rupiah)

No.	Underlying Financial Instrument	Notional Amount			31 December 2013		Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable ≤ 1 Year after CRM
		≤1 year	> year to sd ≤ 5 year	>5 year	Derivative Receivable	Derivative Payable			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Bank Only									
1.	Interest Rate	3,529,300	8,032,200	-	4,918	1,565,102	23,173	-	23,173
2.	Foreign Exchange	2,117,580	-	-	-	-	241,453	-	241,453
3.	Others	-	-	-	63	-	63	-	63
	TOTAL	5,646,880	8,032,200	-	4,981	1,565,102	264,689	-	264,689
Bank Consolidated with Subsidiaries									
1.	Interest Rate	3,529,300	8,032,200	-	4,918	1,565,102	23,173	-	23,173
2.	Foreign Exchange	2,117,580	-	-	-	-	241,453	-	241,453
3.	Stock	-	-	-	-	-	-	-	-
4.	Gold	-	-	-	-	-	-	-	-
5.	Metals other than Gold	-	-	-	-	-	-	-	-
6.	Others	-	-	-	63	-	63	-	63
	TOTAL	5,646,880	8,032,200	-	4,981	1,565,102	264,689	-	264,689

Risks Identification

The following table discloses counterparty credit risk for repo and reverse repo transactions – bank only. There is no disclosure on repo and reverse repo transactions by subsidiaries, as BRI's subsidiaries do not conduct repo or reverse repo transactions.

Disclosure of Counterparty Credit Risk: Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	Fair Value of Repo	31 December 2014 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: Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	Fair Value of Repo	31 December 2013 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	-	-	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
	TOTAL	-	-	-	-

Risks Identification

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank Only

(in million rupiah)

No.	Portfolio Category	Fair Value of Repo	31 December 2014 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 Only

(in million rupiah)

No.	Portfolio Category	Fair Value of Repo	31 December 2013 Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	13,230,199	-	13,230,199	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-	-
4.	Banks Receivables	1,474,553	-	1,474,553	294,911
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
	TOTAL	14,704,752	-	14,704,752	294,911

Credit Risk Mitigation (CRM)

BRI considers collateral, warranty, guarantees, and credit insurances as credit risk mitigation (CRM) techniques. BRI implements procedures to identify, measure, monitor and control risks arising from the use of CRM techniques, including legal risk, operational risk, liquidity risk and market risk, including procedures to ensure that the execution of collateral, warranty, guarantees, and credit insurance is carried out in a reasonable time period.

Risks Identification

Types of collateral recognized include:

- a. Cash
- b. Deposits
- c. Gold
- d. Government securities (SUN) issued by Government of the Republic of Indonesia including 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 the Ratings Agencies and recognized by Bank Indonesia with following minimal ratings:
 1. Equal to BBB- if issued by parties under Governments of Other Country's 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 Banks Receivables
 4. Equal to BBB- if issued by parties under Bank Receivables
 5. Equal to A-1 if issued by parties under Corporate Receivables included in Claims on Corporations
 6. Equal to A-2 for short-term securities

Insofar as the collateral is recognized, the underlying instruments or collateral from reverse repo transactions can be considered as risk mitigation on reverse repo transaction.

BRI considers collateral, warranty, guarantees and credit insurances as credit risk mitigation (CRM) techniques. BRI implements procedures to identify, measure, monitor and control risks arising from the use of CRM techniques

Risks Identification

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 is performed periodically.

Recognized insurers include:

1. Parties under portfolio category of Government of Indonesia Receivables
2. Parties under portfolio category of Foreign Government Receivables that have:
 - a. Lower risk weight than insured receivables; and
 - b. Rated at minimum BBB- or equivalent
3. Commercial banks incorporated in Indonesia, branches of foreign banks in Indonesia, and Indonesian Export Financing Agencies that have lower risk weight than insured receivables
4. Incorporated foreign banks classified as prime banks as regulated in Bank Indonesia stipulations on legal lending limit
5. Financial institutions engaged in underwriting or insurance coverage that are under the portfolio category of Public Sector Entity Receivables and Corporate Receivables.

Parties providing guarantees or credit insurer can be state-owned or non-state-owned enterprises. BRI has formulated specific requirements for each type of loan guarantee/insurance agency. Underwriting/credit insurance currently in place is issued by both SOE and non-SOE insurers. An example of credit insurance is people's business loan (KUR) with credit insurance/guarantee of at least 70% of the loan outstanding with a credit insurance/guarantee period at least equal to the loan tenor.

The following table presents disclosure of weighted risks net receivables, taking into account the effects of credit risk mitigation efforts, and the disclosure of receivables and techniques of credit risk, both for bank only and consolidated with subsidiaries.

Risks Identification

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	-	-

Risks Identification

(in million rupiah)

31 December 2014 After Credit Risk Mitigation						RWA	Capital Charge
45%	50%	75%	100%	150%	Others	(13)	(14)
(7)	(8)	(9)	(10)	(11)	(12)		
-	-	-	-	-	-	-	-
-	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

Risks Identification

Disclosure of Net Exposure Receivables After Credit Risk Mitigation – Bank Only

No.	Portfolio Category	31 December 2013			
		Net Exposure Receivables			
(1)	(2)	0% (3)	20% (4)	35% (5)	40% (6)
A.	Balance Sheet Exposure				
1.	Government Receivables	112,532,052	-	-	-
2.	Public Sector Entity Receivables	-	590,576	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	18,083,908	-	-
5.	Mortgage Loans	-	-	222,498	54,028
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	223,312	19,243,840	-	-
9.	Corporate Receivables	390,395	285,962	-	-
10.	Past Due Loans	17	-	-	-
11.	Other Assets	18,911,109	-	-	-
12.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Balance Sheet Exposure	132,056,886	38,204,286	222,498	54,028
B.	Commitment/Contingency Exposure on Off Balance Sheet Transaction				
1.	Government Receivables	541,544	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	555,340	-	-
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	541,544	555,340	-	-
C.	Counterparty Credit Risk Exposure				
1.	Government Receivables	13,230,199	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	1,474,553	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Counterparty Credit Risk	13,230,199	1,474,553	-	-

Risks Identification

(in million rupiah)

31 December 2013 After Credit Risk Mitigation						RWA	Capital Charge
45% (7)	50% (8)	75% (9)	100% (10)	150% (11)	Others (12)	(13)	(14)
-	-	-	-	-	-	-	-
-	66,424,505	-	-	-	-	33,330,367	2,666,429
-	-	-	-	-	-	-	-
-	5,851,256	-	-	-	-	6,542,410	523,393
-	-	-	-	-	-	99,486	7,959
-	-	-	1,926,835	-	-	1,926,835	154,147
-	100,346,301	-	-	-	-	50,173,151	4,013,852
-	-	128,847,314	-	-	-	100,484,254	8,038,740
-	342,328	-	108,937,442	-	-	109,165,798	8,733,264
-	-	-	12,419	4,630,856	-	6,958,703	556,696
-	-	-	12,107,184	33,660	-	12,157,674	972,614
-	-	-	-	-	-	-	-
-	172,964,389	128,847,314	122,983,879	4,664,516	-	320,838,678	25,667,094
-	-	-	-	-	-	-	-
-	5,477,616	-	-	-	-	2,738,808	219,105
-	-	-	-	-	-	-	-
-	2,809,727	-	-	-	-	1,515,932	121,275
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	161,445	-	-	-	121,084	9,687
-	-	-	5,652,186	-	-	5,652,186	452,175
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,287,343	161,445	5,652,186	-	-	10,028,010	802,241
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	294,911	23,593
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	294,911	23,593

Risks Identification

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	-	24,061,701	-	-
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	-	-

Risks Identification

(in million rupiah)

31 December 2014 After Credit Risk Mitigation						RWA	Capital Charge
45% (8)	50% (9)	75% (10)	100% (11)	150% (12)	Others (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
-	-	-	2,832,553	-	-	2,832,553	226,604
-	107,337,849	-	-	-	-	53,668,925	4,293,514
-	-	153,054,376	-	-	-	119,292,162	9,543,373
-	455,698	-	126,264,447	-	-	126,662,451	10,132,996
-	-	-	41,748	6,290,533	-	9,477,547	758,204
-	-	-	14,763,325	28,089	-	14,805,458	976,551
-	10,000	-	13,459,559	-	-	13,705,103	1,096,408
-	192,769,050	153,117,881	157,680,947	6,318,622	-	388,909,663	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

Risks Identification

Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2013			
		Net Exposure Receivables			
(1)	(2)	0% (4)	20% (5)	35% (6)	40% (7)
A.	Balance Sheet Exposure				
1.	Government Receivables	113,081,228	-	-	-
2.	Public Sector Entity Receivables	-	590,576	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	18,657,098	-	-
5.	Mortgage Loans	-	-	222,498	129,051
6.	Commercial Property Loans	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	223,312	19,243,840	-	-
9.	Corporate Receivables	390,395	285,962	-	-
10.	Past Due Loans	17	-	-	-
11.	Other Assets	18,933,864	-	-	-
12.	Exposures at Sharia Unit (if any)	3,285,522	399,929	2,069,270	-
	Total Balance Sheet Exposure	135,914,339	39,177,405	2,291,768	129,051
B.	Commitment/Contingency Exposure on Off Balance Sheet Transaction				
1.	Government Receivables	541,544	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	556,294	-	-
5.	Mortgage Loans	-	-	-	1,105
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	541,544	556,294	-	1,105
C.	Counterparty Credit Risk Exposure				
1.	Government Receivables	13,230,199	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	1,474,553	-	-
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6.	Corporate Receivables	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-
	Total Counterparty Credit Risk	13,230,199	1,474,553	-	-

Risks Identification

(in million rupiah)

31 December 2013 After Credit Risk Mitigation						RWA	Capital Charge
45% (8)	50% (9)	75% (10)	100% (11)	150% (12)	Others (13)	(14)	(15)
-	-	-	-	-	-	-	-
-	66,462,686	-	18,802	-	-	33,368,260	2,669,461
-	-	-	-	-	-	-	-
-	5,851,256	-	-	-	-	6,657,238	532,579
-	-	-	-	-	-	129,495	10,360
-	-	-	1,973,166	-	-	1,973,166	157,853
-	100,978,556	-	-	-	-	50,489,566	4,039,165
-	-	129,766,780	-	-	-	101,173,853	8,093,908
-	342,328	-	110,965,924	-	-	111,194,280	8,895,542
-	-	-	12,419	4,630,856	-	6,958,703	556,696
-	-	-	12,155,158	34,487	-	12,206,888	976,551
-	-	-	11,768,415	-	-	12,195,352	975,628
-	173,635,401	129,826,404	136,916,595	4,665,343	-	336,365,017	26,909,201
-	-	-	-	-	-	-	-
-	5,502,616	-	-	-	-	2,751,308	220,105
-	-	-	-	-	-	-	-
-	2,809,727	-	-	-	-	1,516,123	121,290
-	-	-	-	-	-	442	35
-	-	-	441	-	-	441	35
-	-	-	-	-	-	-	-
-	-	234,430	-	-	-	175,823	14,066
-	-	-	5,789,958	-	-	5,789,958	463,197
-	-	-	-	-	-	-	-
-	94,967	-	-	-	-	47,484	3,799
-	8,407,310	234,430	5,790,399	-	-	10,281,579	822,526
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	294,911	23,593
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	294,911	23,593

Risks Identification

Disclosure of Net Exposure Receivables and Credit Risk Mitigation Technique – Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2014			31 December 2014		
		Net Receivables	Collaterals	Guarantees	Guaranteed Credit Insurance	Others	Unsecured
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(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

Risks Identification

Disclosure of Net Exposure Receivables and Credit Risk Mitigation Technique – Bank Only

(in million rupiah)

No.	Portfolio Category	31 December 2013			31 December 2013		Unsecured
		Net Receivables	Collaterals	Guarantees	Guaranteed Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)-[(4)+(5)+(6)+(7)]
A.	Balance Sheet Exposure						
1.	Government Receivables	112,532,052	-	-	-	-	112,532,052
2.	Public Sector Entity Receivables	67,015,081	-	-	-	-	67,015,081
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	23,935,164	-	-	-	-	23,935,164
5.	Mortgage Loans	276,526	-	-	-	-	276,526
6.	Commercial Property Loans	1,926,835	-	-	-	-	1,926,835
7.	Employee/Pensioner Loans	100,346,301	-	-	-	-	100,346,301
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	148,314,466	223,312	19,243,840	-	-	128,847,314
9.	Corporate Receivables	109,956,127	390,395	-	-	-	109,565,732
10.	Past Due Loans	4,643,292	17	-	-	-	4,643,275
11.	Other Assets	31,051,953	-	-	-	-	31,051,953
12.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Balance Sheet Exposure	599,997,797	613,724	19,243,840	-	-	580,140,233
B.	Commitment/Contingency Exposure on Off Balance Sheet Transaction						
1.	Government Receivables	541,544	-	-	-	-	541,544
2.	Public Sector Entity Receivables	5,477,617	-	-	-	-	5,477,617
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	3,365,067	-	-	-	-	3,365,067
5.	Mortgage Loans	-	-	-	-	-	-
6.	Commercial Property Loans	-	-	-	-	-	-
7.	Employee/Pensioner Loans	-	-	-	-	-	-
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	161,445	-	-	-	-	161,445
9.	Corporate Receivables	5,652,186	-	-	-	-	5,652,186
10.	Past Due Loans	-	-	-	-	-	-
11.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Off Balance Sheet Exposure	15,197,859	-	-	-	-	15,197,859
C.	Counterparty Credit Risk Exposure						
1.	Government Receivables	13,230,199	-	-	-	-	13,230,199
2.	Public Sector Entity Receivables	-	-	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	1,474,553	-	-	-	-	1,474,553
5.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
6.	Corporate Receivables	-	-	-	-	-	-
7.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	14,704,752	-	-	-	-	14,704,752

Risks Identification

Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique – Bank Consolidated with Subsidiaries

(in million rupiah)

No.	Portfolio Category	31 December 2014			31 December 2014		Unsecured
		Net Receivables	Collaterals	Guarantees	Guaranteed Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(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	175,889,192	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

Risks Identification

Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique – Bank Consolidated with Subsidiaries

(in million rupiah)

No.	Portfolio Category	31 December 2013			31 December 2013		Unsecured
		Net Receivables	Collaterals	Guarantees	Guaranteed Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3)- [(4)+(5)+(6)+(7)]
A.	Balance Sheet Exposure						
1.	Government Receivables	113,081,228	-	-	-	-	113,081,228
2.	Public Sector Entity Receivables	67,072,064	-	-	-	-	67,072,064
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4.	Banks Receivables	24,508,354	-	-	-	-	24,508,354
5.	Mortgage Loans	351,549	-	-	-	-	351,549
6.	Commercial Property Loans	1,973,166	-	-	-	-	1,973,166
7.	Employee/Pensioner Loans	100,979,129	575	-	-	-	100,978,554
8.	Microenterprises, Small Business, and Retail Portfolio Receivables	149,293,556	282,936	19,243,840	-	-	129,766,780
9.	Corporate Receivables	112,007,321	413,107	-	-	-	111,594,214
10.	Past Due Loans	4,643,292	17	-	-	-	4,643,275
11.	Other Assets	31,123,509	-	-	-	-	31,123,509
12.	Exposures at Sharia Unit (if any)	17,523,136	-	-	-	-	17,523,136
	Total Balance Sheet Exposure	622,556,304	696,635	19,243,840	-	-	602,615,829
B.	Commitment/Contingency Exposure on Off Balance Sheet Transaction						
13.	Government Receivables	541,544	-	-	-	-	541,544
14.	Public Sector Entity Receivables	5,502,616	-	-	-	-	5,502,616
15.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
16.	Banks Receivables	3,366,021	-	-	-	-	3,366,021
17.	Mortgage Loans	1,105	-	-	-	-	1,105
18.	Commercial Property Loans	441	-	-	-	-	441
19.	Employee/Pensioner Loans	-	-	-	-	-	-
20.	Microenterprises, Small Business, and Retail Portfolio Receivables	234,430	-	-	-	-	234,430
21.	Corporate Receivables	5,789,958	-	-	-	-	5,789,958
22.	Past Due Loans	-	-	-	-	-	-
23.	Exposures at Sharia Unit (if any)	94,967	-	-	-	-	94,967
	Total Off Balance Sheet Exposure	15,531,082	-	-	-	-	15,531,082
C.	Counterparty Credit Risk Exposure						
24.	Government Receivables	13,230,199	-	-	-	-	13,230,199
25.	Public Sector Entity Receivables	-	-	-	-	-	-
26.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
27.	Banks Receivables	1,474,553	-	-	-	-	1,474,553
28.	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
29.	Corporate Receivables	-	-	-	-	-	-
30.	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	14,704,752	-	-	-	-	14,704,752

Risks Identification

Risk Weighted Asset (RWA) Calculation Standard for Credit Risk

Since January 2012, Basel II Standardized Approach is used to calculate RWA for credit risk. The approach refers to Bank Indonesia Circular No. 13/6/DPNP dated Feb. 18, 2011.

In the standardized approach, the nominal of RWA for credit risk is calculated by multiplying net receivables with risk weights based on latest debtor/counterparty ratings, in accordance with portfolio category or a certain percentage for certain types of receivable.

The following table discloses Net Receivables based on portfolio category and rating for bank only and consolidated with subsidiaries.

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale – Bank Only

No	Portfolio Category	Rating Agency	31 December 2014					
			Net Receivable					
			Long-Term Rating					
			Standard and Poor's	AAA	AA+ to AA-	A+ sd A-	BBB+ to BBB-	BB+ to BB-
			Fitch Rating	AAA	AA+ to AA-	A+ sd A-	BBB+ to BBB-	BB+ to BB-
			Moody's	Aaa	Aa1 to Aa3	A1 sd A3	Baa1+ to Baa3-	Ba1+ to Ba3-
			PT Fitch Ratings Indonesia	AAA (Idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	BB+(idn) to BB-(idn)
			PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	[Idr]BB+ to [Idr]BB-
			PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to id A-	id BBB+ to id BBB-	id BB+ to 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 (if any)		-	-	-	-	-	
TOTAL			1,749,315	2,824,323	2,313,528	17,723,174	8,520,644	

Risks Identification

(in million rupiah)

31 December 2014 Net Receivable							(in million Rupiah)
Short-Term Rating						Unrated	Total
B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
B+ to B- B1+ to B3-	Lower than B- Lower than B3	F1+ to F1 P-1	F2 P-2	F3 P-3	Lower than F3 Lower than P-3		
B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
[Idr]B+ to [Idr] B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Lower than [Idr]A3		
id B+ to id B-	Lower than idB-	idA1	idA2	idA3 to 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

Risks Identification

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale – Bank Only

No	Portfolio Category	Rating Agency	31 December 2013					
			Net Receivable					
			Long-Term Rating					
			Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
			Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
			Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1+ to Baa3-	Ba1+ to Ba3-
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	BB+(idn) to BB-(idn)	
		PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	[Idr]BB+ to [Idr]BB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to id A-	id BBB+ to id BBB-	id BB+ to id BB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1.	Government Receivables		-	327.310	-	7.006.817	7.446.729	
2.	Public Sector Entity Receivables		76,858	513,718	25,000	-	-	
3.	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-	
4.	Banks Receivables		713,602	1,291,124	1,094,260	10,844,049	128,498	
5.	Mortgage Loans							
6.	Commercial Property Loans							
7.	Employee/Pensioner Loans							
8.	Claims on Micro and Small Enterprise, and Retail Portfolio							
9.	Corporate Receivables		719,080	361,979	392,993	354,261	258,966	
10.	Past Due Loans							
11.	Other Assets							
12.	Exposures at Sharia Unit (if any)		-	-	-	-	-	
	TOTAL		1,509,540	2,494,131	1,512,253	18,205,127	7,834,193	

Risks Identification

(in million rupiah)

31 December 2013 Net Receivable							(in million Rupiah)	
Short-Term Rating							Unrated	Total
B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3			
B+ to B- B1+ to B3-	Lower than B- Lower than B3	F1+ to F1 P-1	F2 P-2	F3 P-3	Lower than F3 Lower than P-3			
B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)			
[Idr]B+ to [Idr] B-	Lower than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr] A3	Lower than [Idr]A3			
id B+ to id B-	Lower than idB-	idA1	idA2	idA3 to id A4	Lower than idA4			
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
-	-	-	-	-	-	-	111,522,939	126,303,795
-	-	-	-	-	-	-	71,877,121	72,492,697
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	14,703,251	28,774,784
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	113,521,034	115,608,313
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	311,624,345	343,179,589

Risks Identification

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Consolidated with subsidiaries

No	Portfolio Category	Rating Agency	31 December 2014					
			Net Receivable					
			Long-Term Rating					
			Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
			Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
			Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1+ to Baa3-	Ba1+ to Ba3-
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	BB+(idn) to BB-(idn)	
		PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	[Idr]BB+ to [Idr]BB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to id A-	id BBB+ to id BBB-	id BB+ to 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 (if any)		36,386	-	10,000	-	-	
	TOTAL		1,785,701	2,824,323	2,323,528	17,723,174	8,520,644	

Risks Identification

(in million rupiah)

31 December 2014							Unrated	Total
Net Receivable								
Short-Term Rating								
B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3			
B+ to B- B1+ to B3-	Lower than B- Lower than B3	F1+ to F1 P-1	F2 P-2	F3 P-3	Lower than F3 Lower than P-3			
B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)			
[ldr]B+ to [ldr] B-	Lower than [ldr]B-	[ldr]A1+ to [ldr]A1	[ldr]A2+ to [ldr]A2	[ldr]A3+ to [ldr] A3	Lower than [ldr]A3			
id B+ to id B-	Lower than idB-	idA1	idA2	idA3 to 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

Risks Identification

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Consolidated with subsidiaries

No	Portfolio Category	Rating Agency	31 December 2013					
			Net Receivable					
			Long-Term Rating					
			Standard and Poor's	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
			Fitch Rating	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
			Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1+ to Baa3-	Ba1+ to Ba3-
		PT Fitch Ratings Indonesia	AAA (Idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	BB+(idn) to BB-(idn)	
		PT ICRA Indonesia	(Idr) AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	[Idr]BB+ to [Idr]BB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to id A-	id BBB+ to id BBB-	id BB+ to id BB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1.	Government Receivables		-	327,310	-	7,006,817	7,446,729	
2.	Public Sector Entity Receivables		76,858	513,718	25,000	-	-	
3.	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-	
4.	Banks Receivables		713,602	1,291,124	1,094,260	10,844,049	128,498	
5.	Mortgage Loans							
6.	Commercial Property Loans							
7.	Employee/Pensioner Loans							
8.	Claims on Micro and Small Enterprise, and Retail Portfolio							
9.	Corporate Receivables		719,080	361,979	392,993	354,261	258,966	
10.	Past Due Loans							
11.	Other Assets							
12.	Exposures at Sharia Unit (if any)		88,588	51,000	-	-	-	
	TOTAL		1,598,128	2,545,131	1,512,253	18,205,127	7,834,193	

Risks Identification

(in million rupiah)

31 December 2013								(in million rupiah)	
Net Receivable							Unrated	Total	
Short-Term Rating									
B+ to B-	Lower than B-	A-1	A-2	A-3	Lower than A-3				
B+ to B- B1+ to B3-	Lower than B- Lower than B3	F1+ to F1 P-1	F2 P-2	F3 P-3	Lower than F3 Lower than P-3				
B+(idn) to B-(idn)	Lower than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)				
[ldr]B+ to [ldr]B- id B+ to id B-	Lower than [ldr]B- Lower than idB-	[ldr]A1+ to [ldr]A1 idA1	[ldr]A2+ to [ldr]A2 idA2	[ldr]A3+ to [ldr]A3 idA3 to id A4	Lower than [ldr]A3 Lower than idA4				
(9)	(10)	(11)	(12)	(13)	(14)	(15)			(16)
-	-	-	-	-	-	-	112,072,115	126,852,971	
-	-	-	-	-	-	-	71,959,104	72,574,680	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	15,277,395	29,348,928	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	115,710,000	117,797,279	
-	-	-	-	-	-	-	17,478,515	17,618,103	
-	-	-	-	-	-	-	332,497,138	364,191,970	

Risks Identification

RWA Calculation for Credit Risk

Calculation of minimum capital requirements to cover credit risk refers to BI policy based on Basel II Standardized Approach.

Risk Weighted Assets for Credit Risk stood at Rp 381.1 trillion for bank only as of Dec. 31, 2014, while consolidated RWA for Credit Risk stood at Rp399.1 trillion.

Currently, BRI and its subsidiaries are not exposed to credit risk arising from failure of settlement risk and are not exposed to securitization.

The following table presents RWA for credit risk calculated using the standardized approach for bank only and consolidated with subsidiaries – presented in million rupiah.

Disclosure of Asset Exposure on Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2014 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

Risks Identification

Disclosure of Asset Exposure on Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2013 RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	112,532,052	-	-
2.	Public Sector Entity Receivables	67,015,081	33,330,367	33,330,367
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	23,935,164	6,542,410	6,542,410
5.	Mortgage Loans	276,526	99,486	99,486
6.	Commercial Property Loans	1,926,835	1,926,835	1,926,835
7.	Employee/Pensioner Loans	100,346,301	50,173,151	50,173,151
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	148,314,466	111,235,850	100,484,254
9.	Corporate Receivables	109,956,127	109,556,193	109,165,798
10.	Past Due Loans	4,643,292	6,958,729	6,958,703
11.	Other Assets	31,051,953	-	12,157,674
	Total Balance Sheet Exposure	599,997,798	319,823,020	320,838,676

Disclosure of Asset Exposure on Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2014 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	175,889,192	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	749,302,255	373,714,000	375,188,000

Risks Identification

Disclosure of Asset Exposure on Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2013 RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	113,081,228	-	-
2.	Public Sector Entity Receivables	67,072,064	33,368,260	33,368,260
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	24,508,354	6,657,048	6,657,048
5.	Mortgage Loans	351,549	129,495	129,495
6.	Commercial Property Loans	1,973,166	1,973,165	1,973,165
7.	Employee/Pensioner Loans	100,979,129	50,489,565	50,489,278
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	149,293,557	111,970,168	101,173,853
9.	Corporate Receivables	112,007,321	111,607,388	111,194,280
10.	Past Due Loans	4,643,292	6,958,729	6,958,703
11.	Other Assets	31,123,509	-	12,206,887
	Total Balance Sheet Exposure	605,033,169	323,153,818	324,150,970

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2014 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

Risks Identification

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Only

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2013 RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	541,544	-	-
2.	Public Sector Entity Receivables	5,477,616	2,738,809	2,738,809
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	3,365,067	1,515,932	1,515,932
5.	Mortgage Loans	-	-	-
6.	Commercial Property Loans	-	-	-
7.	Employee/Pensioner Loans	-	-	-
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	161,445	121,084	121,084
9.	Corporate Receivables	5,652,186	5,652,186	5,652,186
10.	Past Due Loans	-	-	-
	TOTAL	15,197,859	10,028,011	10,028,011

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2014 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

Risks Identification

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2013 RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	541,544	-	-
2.	Public Sector Entity Receivables	5,502,616	2,751,309	2,751,309
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	3,366,022	1,516,123	1,516,123
5.	Mortgage Loans	1,105	442	442
6.	Commercial Property Loans	441	441	441
7.	Employee/Pensioner Loans	-	-	-
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	234,430	175,823	175,823
9.	Corporate Receivables	5,789,958	5,789,959	5,789,959
10.	Past Due Loans	-	-	-
	TOTAL	15,436,117	10,234,097	10,234,097

Disclosure of Counterparty Credit Risk Exposure – Bank Only

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2014 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	39,669,715	329,734	329,734

Risks Identification

Disclosure of Counterparty Credit Risk Exposure – Bank Only

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2013 RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	13,230,199	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	1,474,553	294,911	294,911
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
	TOTAL	14,704,752	294,911	294,911

Disclosure of Counterparty Credit Risk Exposure – Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2014 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

Risks Identification

Disclosure of Counterparty Credit Risk Exposure – Bank Consolidated with subsidiaries

(in million rupiah)

No.	Portfolio Category	Net Receivable	31 December 2013 RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	13,230,199	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims On Multilateral Development Banks And Securities	-	-	-
4.	Banks Receivables	1,474,553	294,911	294,911
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
	TOTAL	14,704,752	294,911	294,911

Risks Identification

Disclosure of Exposure in Sharia Business unit - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2014	RWA
(1)	(2)	Capital Deduction Factor (3)	(4)
1.	Total Exposure	-	13,762,394
	TOTAL	-	13,762,394

Disclosure of Exposure in Sharia Business unit - Bank Consolidated with subsidiaries

(in million rupiah)

No.	Type of Transactions	31 December 2013	RWA
(1)	(2)	Capital Deduction Factor (3)	(4)
1.	Total Exposure	-	12,242,836
	TOTAL	-	12,242,836

Disclosure of Total Credit Risk Measurement - Bank Only

(in million rupiah)

No.	Type of Transactions	31 December 2014	31 December 2013
(1)	(2)	(3)	(3)
	Total Credit Risk RWA	381,065,044	331,161,598
	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 2013
(1)	(2)	(3)	(3)
	Total Credit Risk RWA	399,129,264	346,922,813
	Total Capital Deduction Factor	-	-

Risks Identification

MARKET RISK

Definition

Market Risk is Risk arising from adverse movement in the market variables of the portfolios held by the Bank that may incur losses for the Bank. In this regard, market variables are interest rates and exchange rates.

Implementation of Market Risk management

To implement Market Risk management, BRI has formulated policies, procedures, and determined market risk limit as outlined in the Treasury Policy and Guidelines of Market Risk Implementation. The limit defined in the policies include open position trading limits, dealer transaction limits, and counterparty limits.

Moreover, BRI is supported by treasury and market risk application (GUAVA), which is an integrated system for front office, middle office and back office functions. Through this application, BRI is able to calculate market risk in a way that is integrated with daily transactions. As well as monitoring instrument risk exposure, BRI also monitors market risk limits and transaction limits, including nominal dealer transaction limits, 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 asset 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 trading book portfolio, which cannot be transferred to 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 use quoted market prices of actively traded instruments (MTM). Market price reflects actual and routine transactions conducted properly. The result of the valuation based on market value (MTM) is periodically validated to ensure fairness and consistency of the price. If the market price is unavailable because the instrument in question is not being actively traded, the calculation of fair value uses price simulations approach (mark-to-model).

Evaluation of Market Risk is regularly conducted by Board of Directors in the Asset & Liability Committee (ALCO) and Risk Management Committee (RMC) forums, and also presented in the form of daily Foreign Exchange Position reports and market risk exposure reports.

Market Risk Management Organization

BRI's market risk management comprises of front office business unit (Treasury Division), middle office (Risk Management Division) and back office (Operation Center Division), each with different authority.

Front office is authorized to carry out financial instrument transactions and is responsible for monitoring market fluctuations. Middle office set and monitors market risk limits and regularly ensure market price data used in MTM. Back office carries out treasury transaction settlements and, on daily basis, sets the MTM at the end of each day. Delegation of authority is realized through setting tiered transaction limits in accordance with competencies and experience.

Risks Identification

BRI's market risk management comprises of front office (Treasury Division), middle office (Risk Management Division) and back office (Operation Center Division), each with different authority. Delegation of authority is done through setting tiered transaction limits in accordance with competencies and experience

Market Risk Management Measurement and Risk Mitigation

Broadly, market risk is measured using Standardized Approach and Internal Value at Risk models through GUAVA application, which is conducted regularly: daily, weekly and monthly. In addition to this regular measurement, BRI also carries out Net Interest Income simulations following every change of market interest rates, as well as arranging maturity profile of securities.

In order to anticipate market risk in its treasury activities, BRI implements a number of measurement, monitoring and control steps, including:

1. Measurement :

- a. Sensitivity testing of interest rate; an analysis on interest sensitivity used as an indicator to project interest rate risk potential and as basis to formulate strategic policies for trading in treasury activities.
- b. Volatility of foreign exchange and interest rates; a measurement of volatility level of foreign exchange and interest rate based on confidence level. The measurement can be used to quantify potential foreign exchange and interest rate risks for treasury trading portfolio.

c. Stress testing and back testing;

- Stress testing is a running of simulation based on certain scenarios to assess the adequacy of capital and/or the bank's liquidity under certain conditions, for example certain interest rates, certain foreign exchange rates and liquidity conditions in certain situations.
- Back testing is an analysis done to ensure the accuracy of methodology or functions as market risk calculation tools, by comparing risk predictions with actual loss.

d. Revaluation of treasury position and BRI's position as a whole, including calculation of treasury products using hypothetical prices.

2. Monitoring of Profit and Loss Assistance, which is a daily monitoring of profit and loss calculation data in treasury activities, in order to assess treasury's performance against predetermined targets.

3. Control steps include:

- Limit and excess controls (front end); a monitoring on treasury transactions limit activities to ensure that treasury transactions comply with established limit especially the cut-loss limit.
- New Product and/or Activity Review for treasury transactions; an analysis of the characteristics of new products and activities in trading, including information on potential profit and loss, potential risk, settlement procedure, revaluation process and risk mitigation.

Risks Identification

RWA Calculation Standard for Market Risk

BRI assesses market risk as part of required regular risk monitoring, as well as the calculation of capital adequacy. According to regulator's policy as set out in Bank Indonesia Regulation No. 14/21/DPNP dated July 18, 2012, market risk calculation using standardized approach that is mandatory for bank covers interest rate risk and foreign exchange rate risk.

RWA Calculation for Market Risk

Interest Rate Risk calculation is done base on the standard method for all BRI financial instruments classified as Trading Book exposed to Interest Rate Risk. Exchange Rate Risk calculation is done base on the standard method for all BRI's foreign currency positions both in the Trading Book and Banking Book.

The risk factors that were considered when calculating the Interest Rate Risk using the standard method are:

- Specific Risk from each securities or financial instrument, regardless of long or short position. An offset position was not possible unless the positions were identical.
- 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 are "dirty" prices, which are determined by adding market value of securities ("clean" price) with present value of accrued interest. Calculation of present value of accrued interest can be ignored if present value of accrued interest will not have

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 scope of portfolio considered in the Capital Adequacy Ratio (CAR) is the following:

- Positions held for resale in the short term
- Positions held to gain short-term profit from actual and/or potential price movement
- Positions held for retaining advantages from arbitration (locking-in arbitrage profit)
- Derivative instruments linked to securities or interest rates, including Bond Forward, Bond Option, Interest Rate Swap, Cross Currency Swaps, Foreign Exchange Forward, Interest Rate Options and Forward Rate Agreements/FRAs.
- All debt securities with fixed and floating interest rates, and all financial instruments of the same characteristics, including Negotiable Certificates of Deposits and securities sold by BRI as Repo / Securities Lending.
- BRI's foreign exchange positions in the Trading Book and Banking Book exposed to Exchange Rate Risk.

Risk-Weighted Assets for Market Risk for bank only as of 31 December 2014 stood at Rp 3.3 trillion, while for consolidated bank and subsidiaries stood at Rp 3.4 trillion.

The following table presents the capital charges and RWA for Market Risk using the standard method:

Risks Identification

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

Disclosure of Market Risk Standardized Method

(in million rupiah)

No.	Type of Risk	31 December 2013			
		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	8,768	109,606	12,368	154,597
2.	Foreign Exchange Risk	174,831	2,185,382	178,882	2,236,020
3.	Equity Risk			-	-
4.	Commodity Risk			-	-
5.	Option Risk			-	-
	TOTAL	183,599	2,294,988	191,250	2,390,617

Risks Identification

OPERATIONAL RISK

Definition

Operational Risk is Risk including but not limited to Risk caused by inadequacy or dysfunction in internal processes, human error, system failure, or existence of external problems affecting the operations of the Bank.

Operational Risk Management Implementation

The implementation of Operational Risk Management has the goal of managing operational risk exposure that potentially result in the Bank's financial or non-financial losses. Operational risk management in BRI also includes legal, reputation, compliance, and strategic risks associated with business processes and operational activities.

In 2014, operational risk management included, among other efforts, monitoring through Operation Risk Assessors (OPRA), which includes the Risk and Control Self Assessment Module, Key Risk Indicators, Incident Management, Risk Management Forum and Maturity Level Evaluation, as well as the implementation of Business Continuity Management. Efforts to raise understanding on risk management are focused on risk awareness culture, fraud awareness, and risk management training and socialization, carried out constantly among all BRI employees, as well as increasing the quality of risk control in all of BRI's operational activities.

BRI manages Operational Risk through Operational Risk Assessors (OPRA), which includes the Risk and Control Self Assessment Module, Key Risk Indicators, Incident Management, Risk Management Forum and Maturity Level Evaluation, as well as the implementation of Business Continuity Management.

Operational Risk Management Organization

BRI's operational risk management governance structure describes the relations between operational risk management functions at corporate level, operating unit level and Internal Audit unit that provides Assurance function. BRI's operational risk management is carried out through a design of organization structure that involves all parties related to operational risk management (the Board of Commissioners, Board of Directors, Risk Management Committee, Risk Management Division, Operational Business Units, Operational Business Units and Internal Audit unit).

The Boards of Commissioners and Directors are responsible for effective risk management within

BRI. To that end, the Board of Commissioners and Directors look into all risks that BRI encounters, and play an important role in supporting and supervising the success of risk management in all operational units. Operational Risk Management is governed based on three functions: Risk Taking Units, Risk Control Units and the Internal Audit Function.

Each BRI's operating unit is responsible for risk management within their respective operational and business activities. In order to instigate a comprehensive risk awareness culture, BRI's Board of Directors implements Risk Management Offices (RM Offices) in each operating unit, from Head Office, Regional Offices, Special Branch Offices, and Branch Offices that cover operational activities, marketing and micro-business, and Sub-Branch Offices.

Among the responsibilities that RM Offices are tasked with are: 1) Promoting risk awareness culture in their respective units 2) Improving risk management processes 3) Reporting the results of risk management and monitoring activities. It is expected that all BRI's employees will understand and implement risk management in all business activities.

Risk Management is tasked with and responsible for the formulation of operational risk management guidelines, the development and implementation of policies,

Risks Identification

procedures and methodology, supervision, assessment and monitoring of operational risk. Furthermore, Risk Management also plays a role in the formulation and monitoring of BRI's operational risk profile, the evaluation of risk management adequacy in new products and activities and supporting risk owners in the development of risk awareness culture, applying antifraud strategy and ensuring compliance with risk management principles. To discuss operational risk management and control improvement, Risk Management coordinates the Operational Risk Management Committee (ORMC) every quarter, involving all related Business Units.

Monitoring and validation of internal control adequacy (assurance) across operational and business activities in operating units are carried out by the Internal Audit unit, which covers the Central Audit Office and the BRI Inspectorate Office. Moreover, the Internal Audit unit also monitors and validates the consistency of BRI's worldwide implementation of operational risk management.

Operational Risk Identification, Measurement and Risk Mitigation

a. Risk and Control Self Assessment (RCSA)

RCSA is a risk management tool used to identify and calculate risk based on impact and likelihood of occurrence.

In 2014, BRI applied RCSA from Head Office to Sub-Branch Office level. In order to mitigate risk in the Branch's micro-business and BRI Units, Micro-Business Managers and Assistant Managers are appointed to manage the risk.

RCSA is an independent tool and is intended to help business units identify and calculate operational risk in all business activities, as well as monitor and set improvement / follow up actions.

RCSA consolidated report is regularly submitted to the Board of Directors in Risk Management Committee (RMC) meeting every quarter. RCSA consolidated report is prepared to provide comprehensive risk profile and to address control or mitigation needs.

Operational risk is constantly changing. For this reason, RCSA risk issues are regularly updated with consideration of BRI business development, including the implementation of new products and/or activities, new market segments and business competition, internal or external regulatory changes, or any other change that may affect BRI's risk exposure. The update is carried out by taking into account Incident Management data, Loss Event Database, Key Risk Indicators, and Audit Report.

b. Key Risk Indicator (KRI)

KRI is a tool to detect increases or decreases in risk through previously set parameters or indicators. Risk trend forecasts are used to formulate a next-step plan relating to operational risk, in order to prevent financial or non-financial losses.

BRI has identified indicators for all types of risks and set risk limits reflecting acceptable condition and level of risks. Key risk indicator identification and determination of threshold are exercised using best judgement that involves Internal Audit Unit, Operating Units, and other relevant parties.

BRI's Key Risk Indicators are reflected in the Bankwide Risk Profile Report and Regional Office Risk Profile, which is monitored routinely and reported to the management on a monthly basis

In order to simplify risk monitoring, reports are available for download from the OPRA application. These KRI reports also provide information on violations, such as SID report and nominal violation, allowing easy monitoring of such risk. Therefore, BRI can strengthen its control in order to prevent the violation from reoccurring in the future.

Risks Identification

c. Incident Management (IM), Loss Event Database (LED), and Operational Risk Capital Charges Calculation

Incident Management (IM) is basically a Loss Event Database, management system which comprises documentation of loss data, both financial and non-financial including actual loss, potential loss, and near misses from the time of event until settlement, including steps to improve and handle incidents that occur.

BRI's operational loss event data is consistently and systematically formulated as loss event database matrix that includes frequency and severity/loss.

The Bank can analyze events of losses based on the data from IM module based on cause, functional activities, and category of events. This information system is used to determine control improvement steps and other preventive steps in order to better control the operational risk.

Calculation Standard for Operational RWA

In order to calculate capital charges and Operational RWA, BRI uses the Basic Indicator Approach in accordance with regulator's policy i.e. Bank Indonesia Circular No.11/3/DPNP dated January 27, 2009, on Calculation of RWA for Operational Risk Using the Basic Indicator Approach. At the same time, BRI has also prepared the implementation of The Standardized Approach (TSA) and Advanced Measurement Approach (AMA).

The BRI Incident Management tool is also equipped with operational risk capital charge simulation using AMA, which comprises Extreme Value Theory and Loss Distribution Approach.

Calculation RWA

Risk-Weighted Assets for Operational Risk for bank only as of 31 December 2014 stood at Rp 83.8 trillion, while consolidated RWA for Operational Risk stood at Rp 84.2 trillion.

The following table presents capital charges and RWA for operational risk calculated using the Basic Indicator Approach in accordance with Bank Indonesia regulations.

Risks Identification

Disclosure of Operational Risk using BIA method– Bank Only

(in million rupiah)

No.	Approach used	Gross Revenues (Average in Last 3 Years)	31 December 2014 Capital Expense	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 Only

(in million rupiah)

No.	Approach used	Gross Revenues (Average in Last 3 Years)	31 December 2013 Capital Expense	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	40,214,297	6,032,145	75,401,807
	TOTAL	40,214,297	6,032,145	75,401,807

Disclosure of Operational Risk using BIA method– Bank Consolidated with subsidiaries

(in million rupiah)

No.	Approach used	Gross Revenues (Average in Last 3 Years)	31 December 2014 Capital Expense	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	44,890,152	6,733,523	84,169,035
	TOTAL	44,890,152	6,733,523	84,169,035

Disclosure of Operational Risk using BIA method– Bank Consolidated with subsidiaries

(in million rupiah)

No.	Approach used	Gross Revenues (Average in Last 3 Years)	31 December 2013 Capital Expense	RWA
(1)	(2)	(3)	(4)	(5)
1.	Basic Indicator Approach	40,398,748	6,059,812	75,747,653
	TOTAL	40,398,748	6,059,812	75,747,653

Risks Identification

d. Risk Management Forum and Maturity Assessment

The Risk Management Forum (RM Forum) is a forum for business unit leaders and employees to discuss issues related to inherent risk in and create obstacles in business or operational activities. The implementation of the RM Forum in each operating unit is expected to support and drive risk awareness culture within BRI.

Maturity involves a self-assessment process in each operating unit, carried out at the end of year. Maturity assessment allows each unit to evaluate the current implementation of risk management and plan for some improvements in the future.

e. Anti-Fraud Strategy Implementation

Fraud control system is carried out in accordance with BRI's internal control procedures and stipulations, inline with BRI management's zero tolerance of fraud. The determination and implementation of Anti-Fraud Strategy as part of Risk Management implementation with the goal of preventing and managing the occurrence of fraud in BRI consists of four pillars: 1) prevention 2) detection 3) investigation, reporting and sanctions 4) evaluation, monitoring and follow-up. The Boards of Directors and Commissioners, management, and all employees of BRI sign anti-fraud commitment as a form of anti fraud awareness and fraud prevention.

f. Risk Management Adequacy Assessment on New Product and Activity (NPA)

Release of every new product and/or activity in BRI involves risk management process that covers risk assessment by product owners on all

types of risks that potentially arise from NPA's issuance, including defining control and oversight steps to mitigate the risks. Risk Management is tasked with assessing the adequacy of NPA risk management and with issuing recommendations to BRI Risk Management Director for approval

g. Business Continuity Management (BCM) Implementation

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. For that reason, BRI requires a Business Continuity Management (BCM) Policy, which takes form of:

- Disaster Mitigation Plan, in order to protect the security and safety of employees, clients and stakeholders within the environment of BRI's Operating Units.
- Business Continuity Plan, in order to ensure the continuation of core business and operational activities, protect BRI's assets and ensure an adequate response in disasters / other disruptive situations.

BRI's BCM implementation in 2014 covered all of BRI's operational units and included updating the Crisis Management Team, appointing floor wardens and designating alternate sites.

Operating units also carry out Threat and Disaster Risk Assessment with the goal of mapping hazardous operational units and drawing up inventories of resources needed to guard against threats and disasters in each operating unit.

Risks Identification

BRI's preparedness to implement business continuity procedures have been proven under times of disasters experienced by a number of BRI's operating units. In 2014, these events included flood in Manado and Jakarta as well as volcanic eruptions in Kediri and North Sumatera. The availability of mobile E-Buzz and Teras Keliling across all BRI's business areas is used as alternate sites in events of disasters, allowing operations to resume as quickly as possible. The availability of these facilities is vital to ensuring the continuance of BRI's core business and operational activities when disasters occur.

Furthermore, Risk Management coordinates the implementation of BCM between all business units among others are Switch Over Data Center and Data Recovery Center and disaster evacuation drills at BRI office buildings, including the BRI Head Office Building, Ragunan IT Building and BRI Regional Office Buildings across the country.

LIQUIDITY RISK

Definition

Liquidity Risk is Risk including but not limited to Risk caused by default of the Bank on liabilities at due date.

Liquidity Risk Management Implementation

BRI manages liquidity risk in order to be able to fulfill its financial obligations on time and maintain an optimal liquidity level. In order to support liquidity management, BRI applies a Liquidity Risk Management Policy that includes liquidity management, maintenance of optimal liquidity reserves, establishment of funding strategy, early warning systems, cashflow projections,

maturity profile, liquidity limit determination, and contingency funding plan.

This policy is intended to ensure the adequacy of daily funding to meet the Bank's obligations in both normal conditions and in crises in timely manner using various available resources, including ensuring the availability of highly liquid assets. Funding strategy prioritizes TPF as a resource with healthy and sustainable structure.

BRI applies a Liquidity Risk Management Policy that includes liquidity management, maintenance of optimal liquidity reserves, establishment of funding strategy, early warning systems, cashflow projections, maturity profile, liquidity limit determination, and contingency funding plan

At corporate level, the implementation of Liquidity Risk Management is coordinated by Treasury Division and Risk Management Division. Treasury Division is responsible to manage nation-wide liquidity that includes interday, daily, short term, medium term, and long term, in rupiah and foreign currencies, according to prevailing regulations. Risk Management Division is responsible to formulate and review liquidity risk management policies.

The results of liquidity position and risk monitoring are administered in the periodic reports to the Board of Directors and Commissioners. Related to the monitoring result in which showing an increase liquidity risk potential, Treasury Division will also provide recommendations on risk exposure mitigation and/or adjustments in timely manner to be included in liquidity management strategy. The recommendations are provided in ALCO Meeting or Contingency Liquidity Crisis Team meeting, which the decision will be taken as follow up actions of prevention and/or effective settlement by adhering to prudential banking principles.

Risks Identification

Liquidity risk control is performed by Treasury and Risk Management Divisions, as part of follow-up actions on monitoring results of performance and compliance of Operating Units to the liquidity threshold. Treasury division will use early warning indicators to monitor the liquidity position as part of liquidity management as well as to identify the possibility of increasing risk.

To identify BRI's actual liquidity condition, the results of measurement by using liquidity ratios are thoroughly analyzed then linked with latest qualitative information to generate reasonable and comprehensive conclusions. Liquidity risk measurement tools used in BRI are: cash flow projection, maturity profile, liquidity ratios, and liquidity risk stress test.

At the end of 2014, regulators issued a Consultative Paper on LCR regulations in Indonesia and require BRI as BUKU 4 Bank to carry out LCR calculation trials beginning in January 2015. Since 2013, BRI has monitored two liquidity ratios using Basel III, namely Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The results of the monitoring of these two ratios showed that BRI is in compliance with regulations with a ratio above the minimum stipulated ratio.

The following table presents information on asset mapping and balance-sheet obligations, as well as receivables and liabilities in administrative accounts within a specific time scale based on the remaining term to maturity.

Risks Identification

Disclosure of Rupiah Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	Balance	31 December 2014				
			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

Risks Identification

Disclosure of Rupiah Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	Balance	31 December 2013				
			≤ 1 month	> 1 month - 3 months	Maturity > 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	18,514,993	18,514,993	-	-	-	-
2	Placement with BI	22,766,365	22,766,365	-	-	-	-
3	Placement with Other Bank	2,604,040	2,564,040	40,000	-	-	-
4	Marketable Securities	50,373,224	26,753,814	1,980,980	-	6,482,477	15,155,953
5	Loans	368,801,800	11,999,600	33,432,804	24,340,727	40,446,837	258,581,832
6	Other Receivables	34,781,786	33,557,749	696,834	510,133	17,070	-
7	Others	12,631,438	3,150,121	661,461	629,084	716,472	7,474,300
	Total Assets	510,473,646	119,306,682	36,812,079	25,479,944	47,662,856	281,212,085
	B. Liabilities						
1	Third Party Funds	420,841,857	358,487,876	20,528,552	10,369,656	12,775,541	18,680,232
2	Liabilities to BI	83,189	67,133	202	6,727	-	9,127
3	Liabilities to Other Banks	917,962	917,962	-	-	-	-
4	Marketable Securities Issued	-	-	-	-	-	-
5	Fund Borrowings	12,467	-	-	-	-	12,467
6	Other Liabilities	13,201,002	6,630,283	4,333,098	1,092,413	1,145,208	-
7	Others	4,815,967	1,396,157	613,246	47,005	1,998,495	761,064
	Total Liabilities	439,872,444	367,499,411	25,475,098	11,515,801	15,919,244	19,462,890
	Assets and Liabilities Difference on Balance Sheet	70,601,202	(248,192,729)	11,336,981	13,964,143	31,743,612	261,749,195
II	Off Balance Sheet						
	A. Off Balance Sheet Receivables						
1	Commitment	-	-	-	-	-	-
2	Contingencies	3,123	3,123	-	-	-	-
	Total Off Balance Sheet Receivable	3,123	3,123	-	-	-	-
	B. Off Balance Sheet Liabilities						
1	Commitment	54,330,121	2,278,900	6,431,564	13,855,596	6,842,069	24,921,992
2	Contingencies	5,704,614	1,404,007	1,282,878	724,912	1,099,140	1,193,677
	Total Off Balance Sheet Liabilities	60,034,735	3,682,907	7,714,442	14,580,508	7,941,209	26,115,669
	Difference of Assets and Liabilities in Off Balance Sheet	(60,031,612)	(3,679,784)	(7,714,442)	(14,580,508)	(7,941,209)	(26,115,669)
	Difference [(IA-IB)+(IIA-IIB)]	10,569,590	(251,872,513)	3,622,539	(616,365)	23,802,403	235,633,526

Risks Identification

Disclosure of Rupiah Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	Balance	31 December 2014				
			≤ 1 month	> 1 month - 3 months	Maturity > 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	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

Risks Identification

Disclosure of Rupiah Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	Balance	31 December 2013				
			≤ 1 month	> 1 month - 3 months	Maturity > 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	18,775,487	18,775,487	-	-	-	-
2	Placement with BI	23,710,858	23,710,858	-	-	-	-
3	Placement with Other Bank	2,409,040	2,369,040	40,000	-	-	-
4	Marketable Securities	52,288,001	27,803,508	1,980,980	-	6,666,877	15,836,636
5	Loans	386,041,695	12,708,638	34,167,525	25,360,830	42,322,265	271,482,437
6	Other Receivables	35,734,220	34,520,182	686,835	510,133	17,070	-
7	Others	13,274,874	3,517,856	668,712	629,084	716,472	7,742,750
	Total Assets	532,234,175	123,405,569	37,544,052	26,500,047	49,722,684	295,061,823
	B. Liabilities						
1	Third Party Funds	438,537,145	381,255,122	23,384,842	8,326,820	25,314,645	255,716
2	Liabilities to BI	118,875	67,133	202	6,727	-	44,813
3	Liabilities to Other Banks	1,841,458	1,835,914	3,108	2,436	-	-
4	Marketable Securities Issued	-	-	-	-	-	-
5	Fund Borrowings	112,467	-	-	-	-	112,467
6	Other Liabilities	13,427,528	6,836,822	4,344,400	1,096,667	1,149,639	-
7	Others	5,080,273	1,406,269	614,559	335,572	1,998,495	725,378
	Total Liabilities	459,117,746	391,401,260	28,347,111	9,768,222	28,462,779	1,138,374
	Assets and Liabilities Difference on Balance Sheet	73,116,429	(267,995,691)	9,196,941	16,731,825	21,259,905	293,923,449
II	Off Balance Sheet						
	A. Off Balance Sheet Receivables						
1	Commitment	-					
2	Contingencies	23,450	23,450				
	Total Off Balance Sheet Receivable	23,450	23,450	-	-	-	-
	B. Off Balance Sheet Liabilities						
1	Commitment	55,100,825	2,375,064	6,475,913	13,970,032	7,157,539	25,122,277
2	Contingencies	5,770,702	1,447,252	1,283,045	724,912	1,114,575	1,200,918
	Total Off Balance Sheet Liabilities	60,871,527	3,822,316	7,758,958	14,694,944	8,272,114	26,323,195
	Difference of Assets and Liabilities in Off Balance Sheet	(60,848,077)	(3,798,866)	(7,758,958)	(14,694,944)	(8,272,114)	(26,323,195)
	Difference [(IA-IB)+(IIA-IIB)]	12,268,352	(271,794,557)	1,437,983	2,036,881	12,987,791	267,600,254

Risks Identification

Disclosure of Foreign Currency Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	Balance	31 December 2014				
			≤ 1 month	> 1 month - 3 months	Maturity > 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

Risks Identification

Disclosure of Foreign Currency Maturity Profile – Bank Only

(in million rupiah)

No	Portfolio Category	Balance	31 December 2013				
			≤ 1 month	> 1 month - 3 months	Maturity > 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	396,114	396,114	-	-	-	-
2	Placement with BI	7,301,979	7,301,979	-	-	-	-
3	Placement with Other Bank	2,909,346	2,906,550	2,796	-	-	-
4	Marketable Securities	9,308,643	3,837,908	2,733,930	-	866,921	1,869,884
5	Loans	46,743,674	12,744,570	3,432,752	4,244,521	6,848,647	19,473,184
6	Other Receivables	26,907,154	17,894,295	1,489,344	1,701,343	1,328,533	4,493,639
7	Others	112,203	-	68,815	27,496	-	15,892
	Total Assets	93,679,113	45,081,416	7,727,637	5,973,360	9,044,101	25,852,599
	B. Liabilities						
1	Third Party Funds	65,524,514	40,465,692	5,733,874	10,189,304	9,081,272	54,372
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	184,976	184,976	-	-	-	-
4	Marketable Securities Issued	6,023,133	-	-	-	-	6,023,133
5	Fund Borrowings	8,956,390	1,909,483	4,065,257	2,981,650	-	-
6	Other Liabilities	4,950,478	1,260,042	851,895	1,045,417	1,074,837	718,287
7	Others	213,668	93,273	67,464	26,341	26,590	-
	Total Liabilities	85,853,159	43,913,466	10,718,490	14,242,712	10,182,699	6,795,792
	Assets and Liabilities Difference on Balance Sheet	7,825,954	1,167,950	(2,990,853)	(8,269,352)	(1,138,598)	19,056,807
II	Off Balance Sheet						
	A. Off Balance Sheet Receivables						
1	Commitment	1,180,490	1,180,490	-	-	-	-
2	Contingencies	34,753	34,753	-	-	-	-
	Total Off Balance Sheet Receivable	1,215,243	1,215,243	-	-	-	-
	B. Off Balance Sheet Liabilities						
1	Commitment	44,170,089	3,982,439	17,780,089	6,515,524	4,647,268	11,244,769
2	Contingencies	10,152,672	701,533	1,059,741	1,654,756	1,452,317	5,284,325
	Total Off Balance Sheet Liabilities	54,322,761	4,683,972	18,839,830	8,170,280	6,099,585	16,529,094
	Difference of Assets and Liabilities in Off Balance Sheet	(53,107,518)	(3,468,729)	(18,839,830)	(8,170,280)	(6,099,585)	(16,529,094)
	Difference [(IA-IB)+(IIA-IIB)]	(45,281,564)	(2,300,779)	(21,830,683)	(16,439,632)	(7,238,183)	2,527,713

Risks Identification

Disclosure of Foreign Currency Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	Balance	31 December 2014				
			≤ 1 month	> 1 month - 3 months	Maturity > 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

Risks Identification

Disclosure of Foreign Currency Maturity Profile – Bank Consolidated with subsidiaries

(in million rupiah)

No	Portfolio Category	Balance	31 December 2013				
			≤ 1 month	> 1 month - 3 months	Maturity > 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	296,291	296,291	-	-	-	-
2	Placement with BI	7,301,979	7,301,979	-	-	-	-
3	Placement with Other Bank	2,885,006	2,882,210	2,796	-	-	-
4	Marketable Securities	9,337,146	3,837,908	2,733,930	-	866,921	1,898,387
5	Loans	46,885,065	12,744,570	3,432,752	4,248,062	6,861,219	19,598,462
6	Other Receivables	27,020,132	18,007,273	1,489,344	1,701,343	1,328,533	4,493,639
7	Others	113,132	930	68,815	27,495	-	15,892
	Total Assets	93,838,751	45,071,161	7,727,637	5,976,900	9,056,673	26,006,380
	B. Liabilities						
1	Third Party Funds	65,744,237	44,618,357	7,675,471	9,698,381	3,697,863	54,165
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	1,849,762	1,631,999	44,543	173,220	-	-
4	Marketable Securities Issued	6,023,133	-	-	-	-	6,023,133
5	Fund Borrowings	8,956,390	1,909,483	4,065,257	2,981,650	-	-
6	Other Liabilities	4,950,478	1,260,042	851,895	1,045,417	1,074,837	718,287
7	Others	213,758	93,364	67,464	26,340	26,590	-
	Total Liabilities	87,737,758	49,513,245	12,704,630	13,925,008	4,799,290	6,795,585
	Assets and Liabilities Difference on Balance Sheet	6,100,993	(4,442,084)	(4,976,993)	(7,948,108)	4,257,383	19,210,795
II	Off Balance Sheet						
	A. Off Balance Sheet Receivables						
1	Commitment	1,180,490	1,180,490				
2	Contingencies	34,753	34,753				
	Total Off Balance Sheet Receivable	1,215,243	1,215,243	-	-	-	-
	B. Off Balance Sheet Liabilities						
1	Commitment	44,242,746	3,982,439	17,780,089	6,515,524	4,659,559	11,305,135
2	Contingencies	10,166,801	701,533	1,063,112	1,664,224	1,453,607	5,284,325
	Total Off Balance Sheet Liabilities	54,409,547	4,683,972	18,843,201	8,179,748	6,113,166	16,589,460
	Difference of Assets and Liabilities in Off Balance Sheet	(53,194,304)	(3,468,729)	(18,843,201)	(8,179,748)	(6,113,166)	(16,589,460)
	Difference [(IA-IB)+(IIA-IIB)]	(47,093,311)	(7,910,813)	(23,820,194)	(16,127,856)	(1,855,783)	2,621,335

Risks Identification

LEGAL RISK

Definition

Legal Risk is risk caused by weaknesses in juridical matters. Weaknesses in juridical matters include but are not limited to weaknesses resulting from legal claims, absence of legal framework, or contractual weaknesses such as failure to meet the requirement for legality of contracts and loopholes in the binding of collateral.

Legal Risk Management Implementation

The Risk Management Division coordinates with the Legal Division in the management of BRI's legal risk. In order to support the process of Legal Risk Management in all BRI operating units, the Legal Division and Legal Officers (LO) in Regional Offices serve as the main legal risk management entity. In addition, the Risk Management Office in all Branch Offices also monitors Legal Risk in their respective units in coordination with LO in regional offices.

In order to establish sound Legal Risk Management in all BRI's operating units, Legal Division and Legal Officers (LO) are set up and assigned in Regional Offices as well as in each Branch through Risk Management Function.

Legal Risk Control is carried out in a number of ways, covering:

- a. Reviewing laws and regulations, both new and existing, as well as current legal events in fields relevant to BRI, in order to ensure that BRI is in full compliance with the law.
- b. Providing legal advice on cooperation agreements between BRI and other parties in order to protect BRI's legal interests prior to the signing of agreements by authorized BRI officials.
- c. Ensuring that each BRI banking transaction related to operations, credit and labor relations is in full compliance with the law and supported by sufficient legal documentation.

- d. Monitoring legal risk in all BRI operating units through reporting mechanisms and legal case documentation as well as dissemination of information on criminal methods and handling procedures to minimize legal risk.

To address lawsuits and claims that arise, the following measures are taken:

- a. Coordination with related operating units and Legal Officers in Regional Offices
- b. Providing legal assistance in accordance with authority when legal cases arise, and providing consultation on technical legal issues
- c. Handling litigations
- d. In the case that a lawsuit could cause significant losses to the Bank, or significantly damage the Bank's reputation, a contingency plan must be put into place to minimize legal risk, including by engaging legal services provided by attorneys and report case's developments to the Board of Directors
- e. Coordination with third parties: Police, Attorneys and the BPN, to handle legal issues

Risks Identification

Besides the aforementioned legal risk control measures, in order to raise awareness of legal risk the Legal Division has issued a compilation of stipulations covering: Collateral and Credit Activities, Operational Activities, Legal Manual and other topics. The compilations of legal issues are intended to be used as legal reference by all operating units in order to ensure consistent legal compliance and therefore protect BRI from legal risk. Further efforts include legal socialization and counseling at all BRI business units, discussions on legal-related occurrences and the issuance of concise legal guidelines i.e. Legal Guide in Operations and Legal Guide in Credit pocket books.

As part of Legal Risk monitoring efforts, the Legal Division coordinates with the Risk Management Division in reporting BRI's Legal Risk profile every month to the Board of Directors through the Risk Profile Dashboard.

Strategic Risk Management Implementation

Formulation and monitoring of implementation strategy involves the corporate plan and the business plan, managed by BRI's Corporate Development and Strategy. BRI's Strategic Risk Management is periodically evaluated by the Board of Directors through in that discuss strategic risk strategy and policy, including the Retail Banking Forum, Risk Management Committee and Business Bank Plan workshop, which is used to coordinate strategy between all business units.

BRI Strategic Risk Management is periodically evaluated by the Board of Directors in various forums that discuss strategy and policy

STRATEGIC RISK

Definition

Strategic Risk are Risk including but not limited to Risk Cause by adoption and implementation of an appropriate strategy for the Bank, in appropriate decision making in the business affairs of the Bank, or lack of responsiveness of the Bank to external changes.

Risks Identification

BRI also implements business plan formulated in the Corporate Plan, Business Plan, and Work and Budget Plan. The Business Plan and the Work and Budget Plan are reviewed every year in order to align them with changes in business environment and Company plans. Meanwhile, the Corporate Plan is a guide that forms part of annual planning, and is reviewed in the case 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 according to BRI's resources.

Corporate Strategy is defined to support BRI's vision and mission and translate them into strategy and work programs of each Division in Head Office to operational business units. These work programs must be consistent so that units can support each other to realize 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 has the aim of allowing BRI to maintain its competitiveness, thereby ensuring the Company's business continuity.

Strategic risk management culture is reflected and documented in monthly Risk Profiles and Regional Office forum. Strategic Risk assessment involves the analysis and comparison of risk exposure with predetermined limits, including asset targets, guarantee expansion, third-party funds and fee-based income. The formulation and implementation of follow-up measures for significant risk exposure is documented in monthly Risk Profiles and presented in Risk Management Committee forum.

In order to mitigate strategic risk, BRI periodically employs monitoring tools to monitor the implementation of strategy and achievement of targets. Through parameters reflected in Risk Profiles – specifically for Strategic Risk – planning strategy for all initiatives linked to business and their supports are monitored in order to ensure the achievement of targets, whether short term or long term. Furthermore, in order to assess the progress achieved by BRI, the Bank issues reports on the Bank Business Plan, functional work plans and Work and Budget plan, with the reports released every quarter by each operating unit.

COMPLIANCE RISK

Definition

Compliance Risk is risk cause by failure of the Bank to comply with or implement prevailing laws and regulations and other legal provisions.

Compliance Risk Management Implementation

Banking is a highly regulated industry, and BRI constantly monitors its compliance with regulations issued by regulators or other authorities. Regulatory sanctions for violations range from warnings to fines and penalties and license revocation. Management of Compliance Risk is carried out across the Bank's operational activities.

The Compliance Director, through the Compliance Division and Risk Management Division, coordinates and manages BRI's Compliance Risk. Meanwhile, Regional Office Risk Management officials and business unit leaders also play a part in growing risk awareness culture. In monitoring exposure to Compliance Risk, the Compliance Division coordinates with the Risk Management Division to produce reports on BRI's Compliance Risk profile through the Risk Profile Dashboard, which is reported to the Board of Directors every month.

Risks Identification

Compliance Risk Management Implementation in 2014 included the submission of monthly reports on the implementation of compliance functions to the President Director, with copies to the Board of Commissioners and Internal Audit unit as basis of evaluation and report for regulators (among others the Financial Services Authority). The Board of Commissioners issues evaluations on BRI's compliance function implementation every trimester.

Compliance risk management policies and procedures are continually updated according to external regulations. Compliance risk management policies and procedures include:

- a. Board of Commissioners and Board of Directors Joint Decision on the Compliance Charter PT. Bank Rakyat Indonesia (Persero) Tbk
- b. Implementation of Compliance Culture in Operating Units
- c. Testing of Prudential Principle in Policy Planning and / or Board of Directors' Decisions, as well as Monitoring of Follow-Up Steps to Test Results by the Compliance Director
- d. Policy on prudential principle testing, where all policies and decisions made by the Board of Directors must be tested for their compliance with internal and external regulations
- e. Policy and Procedure of the Anti-Money-Laundering Program and Counter Terrorism Financing Implementation

The Anti-Money-Laundering and Counter Terrorism Financing programs are in compliance with existing regulations. In order to support these programs, Enhanced Due Diligence (EDD) is promoted as an initiative that is more in-depth than Customer Due Diligence (CDD). The goal is to enhance BRI's awareness of and compliance with these procedures.

Furthermore, BRI also applies a Risk Based Approach methodology summarized in policies and Standard Operating Procedure (SOP) on APU and CTF to protect BRI from money laundering and terrorism. This is reinforced by the implementation of the Anti-Money-Laundering system to monitor suspicious transactions through Cash Transaction Reports (CTR) and Suspicious Transaction Reports (STR).

BRI develops Compliance Risk management processes through Incident Management and Key Risk Indicators. Through these tools, BRI is able to identify and monitor potential sanction, fines or penalties resulting from violations of regulations, and move to prevent them. This process is monitored by the Risk Management Division and Compliance Division through the corporate Compliance Risk Profile, as well as by Regional Office Risk Management Divisions.

Further, both the Head Office Risk Management Division and Regional Office Risk Management Divisions are involved in monitoring compliance on critical aspects stipulated by regulators, such as the planning, opening and reporting of new business units.

Risks Identification

REPUTATIONAL RISK

Definition

Reputational Risk is risk including but not limited to Risk caused by negative publicity pertaining to the business operations of the Bank or negative perceptions of the Bank.

Reputational Risk Management Implementation

Reputational Risk function is controlled by the Corporate Secretary through BRI's public relations. The Corporate Secretary coordinates with Risk Management to evaluate Reputation Risk parameters every month and report the result to the Board of Directors. BRI's public relations experience in handling negative publicity, whether on the national or local scales, has proved highly useful in the Bank's efforts to raise public and clients' trusts. While BRI presently has outstanding reputation, management of negative publicity related to BRI's entire operational aspects must be carried out in accordance with applicable policies and procedures.

BRI has formulated a customer complaint system, and can quickly respond to and resolve customer complaints or legal cases that pose a risk to BRI's reputation. In order to accelerate responses to customer complaints, all business units report such cases through the Incident Management system.

Management of Reputation Risk at a time of crisis is regulated by BRI's Business Continuity Management policy, with the goal of minimizing damage to BRI's reputation in case of disruption or disaster. To this end, BRI runs a Crisis Management Team with an important role at times of disruption or disaster. The Team is responsible to take necessary actions, including actions to manage reputation risk. The Crisis Management Team is formed at the Head Office, Regional Offices and Branch Offices across Indonesia. The most important aspect of reputation risk management in crises is to maintain the confidence of clients, shareholders and the public.

In order to increase control of Reputation Risk, stages of prevention and recovery are followed by improvements to weaknesses in control measures and procedures that could expose BRI to further Reputation Risk.

Steps taken by BRI related to Reputation Risk management include ensuring consistent communication and transparency of information for 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 which may result in negative publicity.

Evaluation on Risk Management System Effectiveness

Periodic evaluations and updates on risk management systems and procedures are necessary to ensure alignment between the Risk Management System, internal BRI conditions, and the latest banking regulations. To carry out these evaluations and updates, BRI utilizes Risk Management Implementation Maturity Evaluation tool.

Risk Management Implementation Maturity Evaluation is a form of self-assessment carried out at least once a year by the Risk Management Office appointed by Business Unit Leaders, before being validated by the Regional Office Risk Management Division Head or the Operational Risk Management Division Head at Head Office.

Risk Management Implementation Maturity Evaluation at each Operating Unit in general has the following goals:

1. To identify the level of implementation of risk management at each Operating Unit.
2. To evaluate the maturity of risk management implementation at each Operating Unit.
3. To encourage each Operating Unit to continuously improve risk management implementation.

Risk Management Implementation Maturity Evaluation is expected to generate benefit as an indicator of the effectiveness of risk management system implementation and processes and procedures initiated by Risk Management Division.

Aside from Risk Management Implementation Maturity Evaluation, evaluation on risk management effectiveness is also carried out by the BRI Internal Audit Unit, from Head Office to all operational units or Resident Auditors at Branch Offices and BRI Units. Reviews on risk management form an internal control activity that aims to ensure the adequacy of risk management. Internal Audit plays an active role in raising internal control system effectiveness, and has an independent position in evaluating the adequacy of internal control systems for risk management implementation. Evaluation processes are regularly carried out by Internal Audit – at least once a year.

In 2014, comprehensive evaluation on risk management was also carried out by external consultants. The goal of this evaluation was to ensure that BRI was correctly applying principles of risk management in accordance with international best practices, as well as to improving its risk management in line with changes in the banking industry.

HR Development in the Field of Risk Management

In order to implement quality risk management, BRI requires human resources that are competent in their task-field and who emphasize risk culture and risk management in their day-to-day activities. In order to have human resources that are reliable in the field of risk management and comply with relevant regulations, BRI carries out the risk management education programs including:

a. Risk Management Certification and Refreshment

Risk Management Certification is attended by the Board of Commissioners, Board of Directors, and employees at Managerial level and above. For those who have already obtained the Risk Management certificate, BRI offers refreshment courses, providing the latest updates on risk management.

b. e-learning

Risk Management education is also offered through interactive learning methods. E-learning is offered to all BRI employees to educate them on risk management philosophy and implementation.

c. Socialization

Routine socialization is carried out by the Risk Management unit to all BRI employees in Indonesia, with a focus on the risk management tools employed by BRI.

d. Training

Training programs and seminars for BRI employees are held by external parties.



Management Discussion and Analysis



The focus of development in MSME sector has led to well-maintained market share, increasing productivity, and improving efficiency.

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General Overview

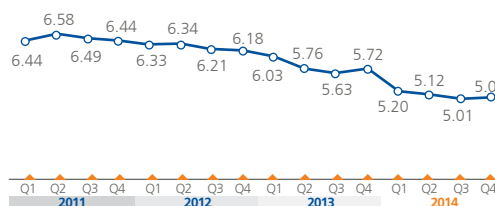
DEVELOPMENT OF MACRO ECONOMIC CONDITIONS AND BANKING INDUSTRY

As of the end of 2014, global economic conditions were still in the recovery stage, as reflected in economic growth of only 3.3% year-on-year (IMF), and still below the level of 2007. Moreover, the global economic recovery remains unbalanced. This trend can be seen in the fact that while economic conditions in the US are steadily improving, Europe, Japan, China and developing countries, are experiencing slow growth as a result of the abovementioned economic conditions. In January 2015, the IMF lowered the 2015 global economic growth projections to 3.5%, or 0.3% lower than the previous projection.

Global financial markets in 2014 continued to face the challenges from 2013, including the termination of the Fed's stimulus programs and a potential increase in the Fed Fund Rate (FFR). Meanwhile, the price of oil continued to drop steadily throughout 2014: the price of WTI oil for export in January 2015 decreased 28.05%, while OPEC oil experienced the sharpest drop, decreasing 36% YTD. Oil prices are predicted to remain low in 2015, causing the global inflation rates its also remain low, especially in the largest oil-consuming nations, such as the US.

In line with weak global demand, Indonesia's economic growth as of the end of 2014 tended to remain slow in comparison with 2013. The economic growth reached 5.78% YOY in 2013, with 5.02% in 2014, which was lower than the level set in the National Income and Expenditure Plan (APBN-P) 2014 of 5.5%. The 2014 growth represents the lowest level for Indonesia since the last quarter of 2009.

Deceleration of Economic Growth Throughout 2014



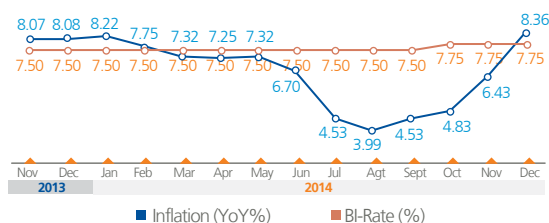
Source: CEIC, January 2015

Externally, the deceleration of economic growth during 2014 was influenced of falling exports caused by decreasing global commodity demand and prices, as well as restrictions on the export of raw minerals. However, while overall exports dropped, manufacturing exports are likely to remain improved.

Domestically, the deceleration was driven by the limited in state consumption in line with the budget savings programs and increasingly limited investment activities.

Increase in BI Rate as a Counterweight of Higher Fuel Prices

As in 2013, the inflation rate in 2014 saw a significant increase as a result of the increase in the price of subsidized fuel at the end of 2014, as well as the weakening of the rupiah. After seeing a drop from 8.22% in January 2014 to 3.99% in August 2014, the inflation rate grew by 8.36% in December 2014, higher than had been expected by Bank Indonesia.



Source: Bloomberg

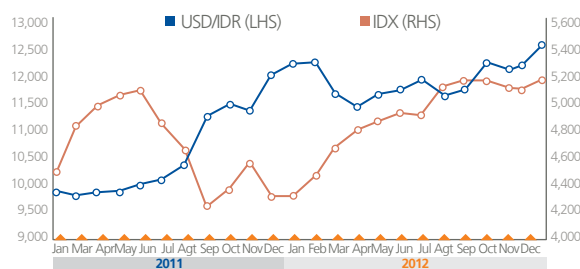
General Overview

Having remained stable at 7.5% until October 2014, in November 2014 BI's interest rate was pushed 0.25% to 7.75%. This increase was in line with the previous month's increase in subsidized fuel prices, as well as the expected future inflation rates.

Weakening of the Rupiah against the US Dollar

The rupiah's exchange rate against the US dollar saw steep depreciation in 2014, but appreciated against the currencies of trade partner nations. The rupiah's lowest point against the dollar was Rp12,850 in December 2014, before it increased at the end of the year to Rp12,440. The rupiah's depreciation against the dollar in the fourth quarter of 2014 was due to the strong dollar currencies against almost all major currencies following the release of improved US economic data and the project FFR interest rate increase.

Continued Weakening of the Rupiah Exchange Rate against the US Dollar



Source: Bloomberg

Meanwhile, against other currencies including the Japanese yen and the euro, the rupiah saw fairly high appreciation. Bank Indonesia continued to guard the stability of the rupiah exchange rate according to the fundamental rate, supporting macro economic stability and guiding the economy in a sound and consistent balanced direction.

Besides the regional factors, the ongoing current account deficit in the fourth quarter also contributed to the weakening of the rupiah, whereby in 2014, the account deficit was 2.5% of GDP.

Meanwhile, capital and financial accounts recorded a fairly large surplus supported by foreign direct investment (FDI) and portfolios. This was in line with the positive perceptions of Indonesia's economic prospects and attractive yields. With this development, foreign exchange reserves grew in December 2014 to US\$111.9 million or equal to 6.5 months of imports, and Foreign Debt payments were above the standard international minimum of around three months of imports.

Banking Industry Remains Strong

As a result of Indonesia's slower economic growth in some sectors, the banking sector in 2014 also showed a slow down compared with 2013. However, on the whole, the Indonesian banking sector still recorded a number of positive results, including growth of banking assets by 14.71% from Rp4,954 trillion in December 2013 to Rp5,445 trillion in October 2014. The improved national banking performance could be seen in the national banking loans value, which as of December 2014 had grown by 11.58% YOY to Rp3,674 trillion. Meanwhile, the LDR ratio reached 89.30% in December 2014, lower than the ratio at the end of 2013. This result is related to the slower growth and in line with tight liquidity as well as high interest rates.

As of December 2014, investment loans grew 13.16% YOY to Rp903.2 trillion, a decrease from 2013's investment loans growth of 34.95% YOY. Working capital loans over the same period grew 10.83% YOY to Rp1,757.4 trillion, slowing down from the 2013 growth of 20.43%. Meanwhile, consumer loans grew 11.51% to Rp1,013.6 trillion, registering a decrease from the growth of the

General Overview

previous year of 13.59%. The quality of national banking loans remained relatively stable despite the risks posed by the domestic economy and loans growth. The banking gross Non-Performing Loans (NPL) ratio was 2.16% in December 2014, higher than the 1.77% registered for NPL in the same period of the previous year.

As a Result of Monetary Tightening in 2013, Industry Loans Growth was Lower Compared to Third Party Fund Growth at the End of 2014

In savings, the growth of national banking Third-Party Funds (TPF) was higher than loans growth. At the end of 2014, total Third-Party Funds reached Rp4,114.4 trillion, or grew 12.29% YOY. However, this increase was slightly lower than in the same period of 2013, which was stood at 13.60% YOY. Growth of the banking industry's savings and demand deposits in December 2014 decreased compared with the growth in 2013, while time deposits increased. Demand Deposits grew 5.05% in December 2014 to Rp889.6 trillion, decreasing 10.39% from 2013. In the same period, savings grew 5.92% to Rp1,284.4 trillion, a decreased from 12.62% in 2013. Meanwhile, Time Deposits grew 20.93% to Rp1,940.4 trillion, an increase of 16.16% from 2013.

The Indonesian banking system's capital conditions remained reasonably strong, as could be seen in the Capital Adequacy Ratio (CAR), which reached 19.57% in December 2014, far exceeding the 8% minimum and better than 18.13% reached at the end of 2013. The increase in the CAR level was in line with the start of the application of Basel III regulating minimum banking capital. According to the regulations, banks must fulfill minimum capital set according to their risk profile, for example 8% of weighted assets for banks in risk profile 1; 9-10% for banks in risk profile 2; 10-11% for banks in risk profile 3; and 11-14% for banks in risk profile 4 and 5. Incrementally, Bank Indonesia aims for all national banks to achieve a minimum CAR of 10.5% by 2019.

Economic Growth in 2015 is Expected to Improve

In 2015, economic growth may improve. The IMF predicts the global economy to grow by 3.5%, faster than the 3.3% in 2014. Meanwhile, the World Bank expects growth to increase to 3% from 2.6% in 2014. This improvement will largely be supported by improvements in the US economy.

Taking into account the economic condition during 2014, Indonesia's economic growth in 2015 is expected to be around 5.2-5.4%, improved than in 2014. In addition to continually strong household consumption, this growth is supported by state spending capacity (fiscal room) arising from the cut in fuel subsidies, allowing budget to be channeled to more productive areas such as infrastructure development and increased capital for state-owned companies. In 2015, the long-running burden of energy subsidies is not expected to reoccur.

The global economic conditions in 2015 are still overshadowed by a number of risks, the first is the threat end of the Fed low interest rate. This could come in light of the FFR beginning to increase in the second semester of 2015, although in mid-2014, analysts predicted that the Federal Open Market Committee (FOMC) would raise interest rates in early 2015. The delay in the increase of the FFR from early to mid-2015 had several causes, including the US inflation rate's failure to meet the targets, meaning that, even without an increase in the FFR, the real interest rate has already risen.

The second risk is the price of oil, which remains low. Global crude oil prices dropped more than 40% in six months to a level of US\$50/barrel following a supply surplus, a drop in demand and the strengthening of the US dollar. This situation is expected to continue in 2015 in line with the OPEC decision not to cut crude palm oil production. The economies of exporting countries such as Russia and Venezuela have dropped sharply and seen their budget deficits widen exponentially.

General Overview

The third factor is the European Central Bank's (ECB) stimulus program, the effects of which have been negligible. The weakening of commodity prices and the value of world currencies against the US dollar indicates that the threat of deflation will continue to loom over the world. For this reason, it is feared that ECB stimuli, which have the aim of increase inflation, will not have a significant effect. Market players expect that the stimulus to be disbursed within the next two years will reach a level in line with the balance sheet of 2012, or three trillion euros, leading to conclusions that an extra 1 trillion euros will be added by the end of 2016.

The fourth factor is the ongoing Japanese recession. The Japanese economy saw drops of 1.9% and 0.6%, respectively, in the second and third quarters of 2014. The government of Japan has, in an effort to reverse this trend, disbursed a stimulus and lifted annual monetary base targets to 80 trillion yen (\$724 billion) from a previous target of 60-70 trillion yen. The Japanese government has also delayed tax increases for 18 months in an effort to boost the Japanese stock market.

The fifth factor is the continued drop in China economic growth. As of the end of 2014, China economic data were still showing down. The IMF and World Bank predict the China economy to grow by 7.1% in 2015, lower than 2014's level of 7.4%. Further data show that China exports remain slow, growing at only 4.7% YOY, far lower than the previous year's growth of 11.6%. Meanwhile, China imports contracted by 6.7% YOY, whereas in 2013, they grew by 4.6% YOY. All data pointed to sluggish condition will fuel market speculation of a coming government stimulus.

The pressure on the rupiah would remains to continue in 2015. Taking into account the developments in the domestic and global economies, Bank BRI's Economics Team predicts that in the first half of 2015, the rupiah will be at a level of Rp12,400 to Rp12,600 per USD. The rupiah may experience a further drop in the third quarter to Rp12,500 and Rp12,800 per USD as the Fed's interest rate begins to increase. In the fourth quarter, the rupiah may appreciate to Rp12,400 and Rp12,600 level per USD. These predictions are based on the assumption that all government work programs will be implemented according to plan.

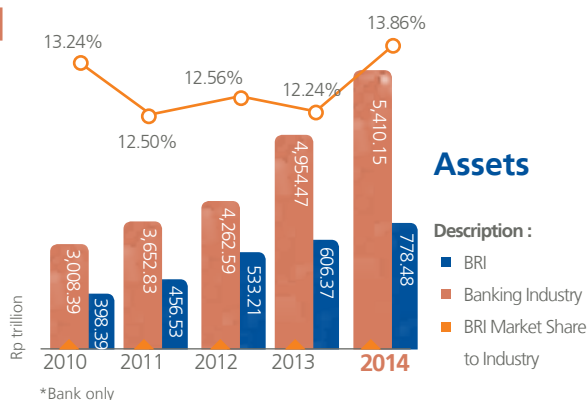
Bank BRI also predicts a stabilize level of BI Rate in 2015 at 7.5%-7.75%. This is based on Bank Indonesia's responded to the increased of FFR level that estimated to reach 1.75% at the end of 2016.

General Overview

Market Share

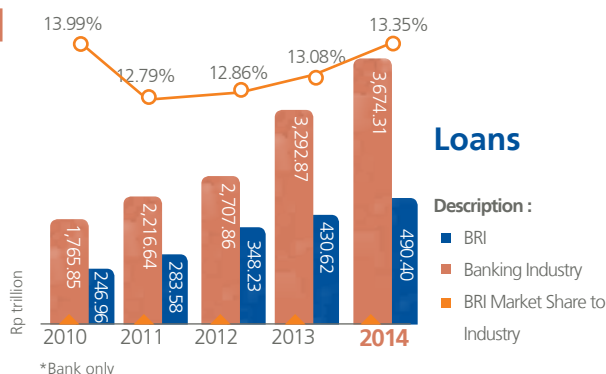
Assets growth

BRI	Banking Industry
In 2014, BRI's assets grew 28.31% to Rp778.0 trillion from Rp606.37 trillion at the end of 2013. At the end of 2014, BRI's market share was 14.13%.	Banking Industry assets grew by 13.34% from Rp4,954.47 trillion in 2013 to Rp5,410.15 in December 2014.



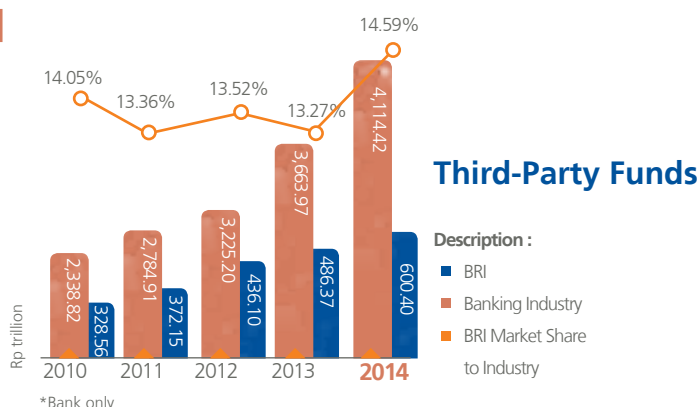
Loans Growth

BRI	Banking Industry
BRI's loans grew 13.88%, reaching Rp490.40 trillion from a 2013 level of Rp430.62, stronger growth than the Banking Industry loans. BRI's loans market share at the end of 2014 was 11.97%.	Banking Industry loan increased by 11.58%, from Rp3,292.87 trillion in December 2013 to Rp3,674.31 trillion in December 2014, lower than 2013 growth of 21.60%.



Growth of Third-Party Funds

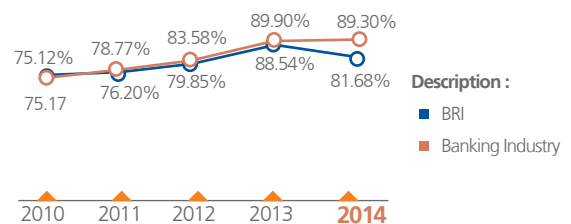
BRI	Banking Industry
BRI's third-party funds increased 23.45% from Rp486.37 trillion to Rp600.40 trillion at the end of 2014. BRI's market share of third-party funds at the end of 2014 grew to 14.81%.	Third-party funds in the Banking Industry sector grew by 12.29% from Rp3,663.97 trillion in December 2013 to Rp4,114.42 trillion in December 2014.



General Overview

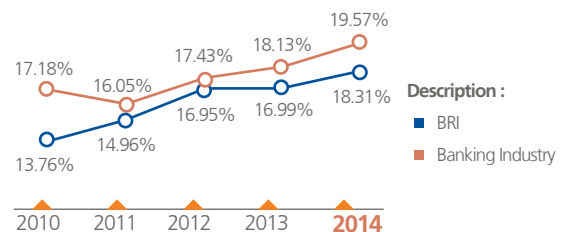
Loans to Deposits Ratio (LDR)

BRI	Banking Industry
BRI's success in accumulating third-party funds brought BRI's LDR to the commendable level of 81.68%.	The national LDR tended to decrease, from a position of 89.90% at the end of 2013 to 89.30% in December 2014.



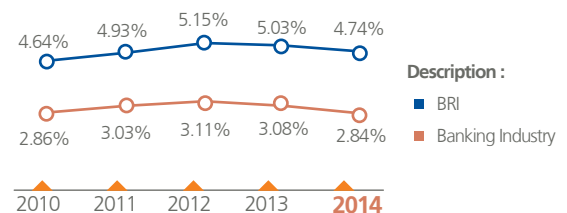
Capital Adequacy Ratio (CAR)

BRI	Banking Industry
Increases in net profit strengthened BRI's CAR from a position of 16.99% at the end of 2013 to 18.31% at the end of 2014.	Banking Industry CAR grew from 18.13% in 2013 to 19.57% in December 2014.



Return on Assets (ROA)

BRI	Banking Industry
BRI's ROA was 5.03% in 2013 and 4.74% at the end of 2014, relatively high compared with the Banking Industry ROA.	Banking Industry ROA was relatively maintained, from 3.08% in 2013 to 2.84% in December 2014.



Prospects and Strategy

PROSPECTS AND STRATEGY

The Indonesian economy is predicted to experience continued slowdown in 2015, in line with the global economy, which has still not fully recovered. The IMF predicts the global economy to grow at a rate of around 3.5% in 2015, or lower than the global economic growth of 4.70% in the 2004-2008 period prior to the global financial crisis. Based on data from the Central Statistics Agency (BPS), the Indonesian economy grew 5.02% in 2014, lower than 5.78% in 2013.

Internal factors hampering Indonesia's economic growth include the increasing burden of subsidies, as noted in the Financial Memorandum of the 2015 National Work and Budget Plan (RAPBN). The government raised the price of fuel in November 2014 in order to ease the burden of subsidies. At the same time, Indonesia's financial market conditions has seen fluctuation in recent months, as visible in the weakening of the rupiah against the US dollar and the weakening of the Jakarta Composite Index (JCI).

Based on the above conditions, the World Bank and the IMF expect the Indonesian economy to grow by 5.50-5.80% in 2015. Meanwhile, government predictions on economic growth are in line with those of the World Bank, i.e., around 5.70%. These predictions,

which exceed those for the global economy, are indicative of the domestic economy's resilience to global economic changes.

The sluggish trend of national loans growth in 2014 was a result of, among other factors, stringent liquidity, especially in the first half of the year, and the increase in Bank Indonesia's interest rate reference.

The higher growth of TPF compared to loans growth, derived the LDR ratio to decrease by 89.30% at the end of 2014. Having experienced a peak of 92% in July 2014, the national banking sector strove to bring the ratio into line with the slower loans growth rate, driving the LDR to drop. In November 2014, Bank Indonesia issued a number of policies in response to the increase in fuel prices. One of these policies was to stipulate the inclusion of Securities issued by Bank Indonesia in the calculation of the LDR. As a result of this policy, national banking LDR in 2015 is expected to be lower, allowing the Bank to increase loans growth.

In light of the aforementioned conditions, the national banking industry seems to set to experience fairly serious macro economic challenges in 2015. Nevertheless, the broad national banking

potential couples with policy support from regulators leaves room for growth. This potential forms the cornerstone of BRI's Business Plan, which is based on the selective growth principles with a focus on optimizing market penetration, sharpening product development and delivery channels, optimizing business portfolios, selectively developing markets and optimizing synergy with subsidiaries. These measures are accompanied by the intensification of coordination and collaboration of all BRI human resources.

STRATEGY

Taking into account the liquidity conditions that remained challenging, in 2015 BRI intends to focus on the accumulation of Third-Party Funds (TPF) and the provision of banking services, allowing the Bank to gain income from fee-based income rather than depending solely on interest income. In addition to TPF, BRI will apply a funding mix strategy through the diversification of resources apart from TPF to enrich long-term funding.

Prospects and Strategy

Funding for the Micro, Small and Medium (MSM) sector remains the focus of BRI's loans growth. Nevertheless, bearing in mind business opportunities in the corporate segment, which provides Trickle-Down Business (TDB) to the MSM sector, the Bank will also allocate resources to the corporate segment, especially state-owned enterprises. It is hoped that through the optimization of the TDB concept, business in the MSM sector can deliver fast and quality growth.

On Third Party Funds (TPF), BRI strives to ensure that low cost funds (savings and demand deposits) are prevalent over high cost funds. Diversification of resources includes probing the alternate sources of funds through the issuance of Negotiable Certificates of Deposits (NCD), issuance of securities and foreign debts. Subsequently, these sources of funds will be used for intermediate functions in the selective and balanced provision of loans. This fund strategy is designed to ease the management of liquidity, maturity profiles and interest risk and reduce the interest burden.

BRI also develops its banking services in support of all client financial activities, whether in financial management or transactions, optimizing its real-time online network – the largest in Indonesia. This strategy is intended to develop a closed financial system based on client community. The use of all products and services within this closed financial system will increase fee-based income.

In order to support business expansion and positioned the capital structure in line with the regulator stipulations, BRI has devised measures that ensure the strength of the capital structure, including maintaining dividend payout ratios at an optimal level and expanding loans to business segments with low risk-weighted assets.

In order to maintain and increase its market share, BRI continuously expands its banking service reach through electronic outlets, such as BRI mobile outlets and other types of outlets. These units constitute physical offices focused on micro operating units, such as Teras BRI, including the Floating Teras BRI.

The establishment of these units is carried out selectively and carefully, taking into account the internal and external factors including prevailing regulations. Furthermore, BRI also plans to expand its business by opening Branch Offices abroad.

Meanwhile, BRI plans to broaden its communication network, thus supporting business development, improving BRI's operational speed and supporting government programs. To this end, BRI plans to launch a satellite, with operations expected to kick off in 2016. Currently, BRI's network communication is served by service providers that are unable to optimally fulfill all of BRI's communication requirements, thus limiting the Bank's capacities.

Business Review

BUSINESS SEGMENTS

BRI divides its markets segments between three main segments, namely the Micro Segment, Retail Segment and Corporate Segment, in line with its vision and mission. BRI further elaborates its business segments to: Micro Business and Programs, Retail and Medium Business, SOE and Corporate Business, International Business, Treasury and Supporting Capital Market Services, as well as subsidiaries with a focus on Syariah, Agribusiness and Remittance business.

BRI Business Segments

Micro and Program	• Micro Loans • Programs Loans • Micro Deposits	Micro Business is aimed at individual clients and micro entrepreneurs, while business programs are aimed at state infrastructure development programs to fund public projects.
Retail and Medium	• Retail Loans • Medium Loans • Consumer Loans • Retail Deposits	Retail Business is aimed at small and medium entrepreneurs, as well as consumer funding services.
SOE and Corporate	• SOE and Corporate Loans • SOE and Corporate Cash Management	Corporate Business is aimed at state-owned and non-state-owned corporations that provides trickle-down business to the micro, small and medium sector.
International, Treasury and Capital Market Services	• Trade Finance, Remittance, Money Changer • Treasury Products • Capital Market & DPLK (Financial Institutions Pension Fund) Services	International Business and Treasury is aimed at optimizing international business products and services, as well as Treasury services and supporting capital market services for clients.
Subsidiaries	• Bank BRISyariah • Bank BRIAgro • BRI Remittance Co., Ltd	Subsidiary activities provide BRI with business synergy covering sharia banking services, agribusiness services and remittance services.

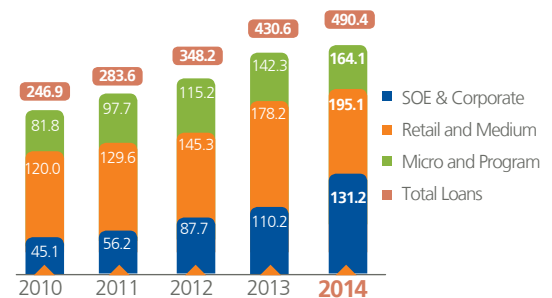
Business Review

With advance network and services, based on cutting-edge technology and competent Human Resources, BRI is able to develop sustainable MSME business which contributes toward high profitability.

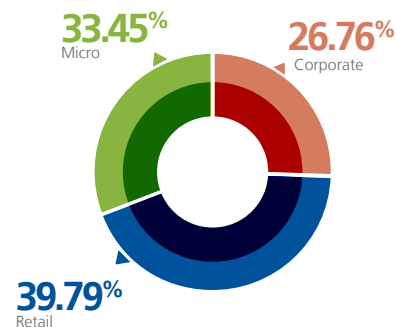
BRI focuses its business on the micro, small and medium sector, which in 2014 accounted for 73.0% of BRI's total loans. Meanwhile, loans disbursement to the state-owned enterprises and corporate sector aims to capture potential, optimize existing fund liquidity and open up trickle-down business for the micro, small and medium sector through supply chains and cross-selling in the state-owned enterprises and corporate sector. As of the end of 2014, BRI recorded a total of 8,799,243 debtors.

The following section illustrates the development of each BRI business segment, based on Bank only data.

BRI Loans (in Rp trillion)



Loans Composition



Business Review

Micro Business and Program Loans



Business Review

Micro Business and Program Loans

SUMMARY

1. Constitutes BRI's core business segment, designed to serve individual customers and micro business development.
2. BRI's core micro loan products are Kupedes/ Micro Loans and KUR Micro, while Simpedes forms the core savings product. At the end of 2014, the government enacted a moratorium on the disbursement of KUR Micro until early January 2015. In cooperation with Jamkrindo, BRI then launched a new loans product with the same product specifications to replace KUR Micro, namely Kupedes Rakyat.
3. Additional outlets to support the acceleration of the Micro Business segment, bringing total BRI Units to 5,293 units, Teras BRI to 2,457 units and Mobile Teras BRI to 610 units.
4. The number of BRI micro loan customers has reached 7.3 million customers, while micro deposit customers have reached 37 million.
5. Total outstanding Micro loans (including KUR Micro) grew by 15.99% to Rp153.3 trillion, and Micro segment NPL has been maintained at a level of 1.12%.
6. Migration from KUR Micro to Kupedes is continuing, covering 983,000 customers with total loan value of Rp16.6 trillion.
7. Total Micro segment savings grew 13.70%, reaching Rp166.2 trillion. Around 86.28% of Micro segment savings are in savings accounts, with an average balance of Rp3.86 million per account.
8. BRI is the fore banking in commercial loans disbursement programs to support the implementation of financial inclusion. Several loans program disbursed through BRI, include KUR, KPPE, KPERNP, General KKPA and other loans program loan. As of December 2014, BRI's loan outstanding for program loan and stood at Rp10.80 trillion disbursed to more than 70,000 customers.

MICRO BUSINESS

By constantly improving its service quality, BRI is able to maintain client loyalty and its position as the world's best micro banking institution that is profitable and sustainable. With a loyal and strong savings and loans client base, BRI continues to dominate its sector, providing the best banking services to the micro business segment in Indonesia.

MICRO BUSINESS PRODUCTS

The loan products for the micro segment are Kupedes and KUR Micro. Kupedes constitutes business loans and consumer loans with a ceiling of Rp100 million, and a competitive interest rate for all economic sectors, aimed at enterprises or individuals that meet the criteria which served in all BRI micro networks. KUR Micro is a financing facility for start-up businesses with loan insurance guarantees from the Government through government insurance agencies Jamkrindo and Askkrindo with a ceiling of Rp20 million. The government's loan insurance limit of 70 to 80% of the total losses makes KUR Micro as a loans scheme with an adequate risk and return profile for BRI.

The disbursement of KUR Micro generates pipeline to Kupedes customer base. For that reason, and with the KUR Micro moratorium on December 2014, BRI has developed a new loans product: Kupedes Rakyat. Kupedes Rakyat's product specifications are

Business Review

Micro Business and Program Loans

the same as those of KUR Micro, aimed at start-up micro businesses, with a loans insurance guarantee of 70% from total loss. The difference is on a slightly higher loans value, with a maximum of Rp25 million, and that the insurance premium, previously under the expense of the government, becomes the expense of BRI. Aside from loan products designed for commercial use, BRI also serves loan for consumer use, through BRIguna Karya aimed at employees and BRIguna Purna aimed at pensioners. The featured savings product for micro customers is Simpedes, which is designed to simplify banking transactions for micro customers.

All micro products and services are provided through an online network, whether as conventional outlets, namely BRI Units, Teras BRI and Teras BRI Keliling, which are the sub-outlets of BRI Units, or through e-channels such as ATMs and Mobile Banking. The current total conventional operating network serving micro businesses reaches 8,360 operating units, or more than 80% of BRI's total outlets, consisting of 5,293 BRI Units, 2,457 Teras BRI and 610 Teras BRI Keliling.

BRI consistently places the MSME sector, especially the micro segment, as the focus of its business development. This takes into account BRI's excellence in the MSME loans extension, such as proper infrastructure operating network of BRI micro segment, reliable banking information technology system, professional human resources, and comprehensive and tiered monitoring systems, large client base and broad experience in servicing the MSME segment.

With the current micro business performance, including loan reaching Rp153.3 trillion and total customers of 7.3 million, BRI have shown its dominance in micro lending market share and become the market leader in Indonesia's micro lending business.

Business Review

Micro Business and Program Loans

SUPPORTING THE FINANCIAL INCLUSION PROGRAM

BRILINK – CREATES BUSINESS, REACH THE UNBANKED

In order to serve a larger community, BRI has implemented branchless banking through the BRILink system.

Embracing Digital Financial Services, BRI developed BRILINK as a system that has accommodate the implementation of Bank Indonesia Regulation No. 16/8/2014 on Digital Financial Services and OJK Regulation No. 19/POJK.03/2014 on branchless financial services in the framework of financial inclusion. Currently, Digital Financial Services are limited to BUKU 4 banks that have already issued electronic money for two years and meet Bank Indonesia stipulations on operational requirements, including: adequate information technology, a dedicated Digital Financial Services unit and adequate risk management. Banks aiming to provide digital financial services must first receive authorization from Bank Indonesia.

There are now more than 20,000 BRILink agents sourced from BRI's customer base, the largest in Indonesia. The implementation of BRILink allows BRI to expand its network, providing the community (whether they already have bank accounts or not) with easy, close, convenient, fast and safe banking transactions through BRILink agents.

Through BRILink agents, customers can now access BRI banking services including cash deposits, cash withdrawals, interbank transfers, buying cellular voucher, state welfare payments, certain bill payments including electricity and telephone bills and mortgage payments.

With BRILink, BRI want to expand customers base among the unbanked segment who need banking service/transactions through agents, gather low cost funds through savings accounts and increase fee-based income. BRILINK also expected to drive higher efficiency due to lower investment cost.



Business Review

Micro Business and Program Loans

Micro Business Development in 2014

The following are development of micro business in 2014:

1. Recruitment of Micro Loan Officers

Additional marketing officer in BRI units has raised the ratio of micro loan officers to 4.32 in 2014 from 3.66 in 2013, demonstrating BRI's readiness to prepare the capacity for quality loan growth in years to come.

2. Network Expansion

With tremendous potential of micro business, BRI consistently expands its micro network infrastructure. In 2014, BRI added 149 BRI Units, 251 TerasBRI units and 145 TerasBRI Keliling units. As of the end of 2014, BRI had also begun to develop the BRI floating Teras, which is planned to operate boat in 2015. This is intended to reach the furthest and most remote islands of Indonesia that have minimal infrastructure and are most easily reached by sea or river. The main driver of the implementation is market penetration strategy through intensification and extensification, ensuring customer loyalty and protecting the bank's main business from the competition.

3. Infrastructure Improvement

BRI improves its existing network infrastructure by, among others, updating the supporting equipment including IT and non-IT softwares over 5 years of age, interior and exterior renovation of BRI operating units and outlets. In order to facilitate poster communication and to anticipate development of new IT-based applications in the future, BRI plans to launch its own satellite, BRI Sat.

4. Human Resources Development

BRI's efforts to enhance the quality of its human resources include:

- Regular and continuous education programs held at BRI's 8 education centers across Indonesia
- Formulation of educational materials and curricula in line with business requirements
- Regular coaching and evaluation within the micro business units to ensure that all BRI employees have the required expertise
- Regular socialization of micro business products and strategies
- Application of effective reward and positive punishment programs

5. Strengthening Customer Base

In order to strengthen its customer base, BRI constantly strives to increase BRI customer loyalty by maximizing potentials from trickle-down business and cross-selling, such as that savings customers become e-banking service users. Increases in number of customer are intended to strengthen BRI's customer base in line with the regional economic development.

6. Optimization of Micro Business Marketing Programs

As part of efforts to expand its customer base, increase loyalty and increase savings as well as lending, in 2014 BRI realized a number of integrated marketing programs, including:

"Panen Hadiah Simpedes (PHS)"

This is a marketing program, delivered as a lucky draw of 'Undian Simpedes' and 'Panen Bulanan Simpedes' (PBS) program, with the tagline "Gampang sekali, Banyak sekali dan Berkali-kali" (So Easy, So Many, So Many Times)

Business Review

Micro Business and Program Loans

“Pesta Rakyat Simpedes (PRS)”

PRS is intended as a special marketing event for Simpedes products and was first held in 2008. This program is aimed at marketing Simpedes and other micro business products through raising awareness and purchase intentions for BRI's micro products, especially Simpedes. In 2014, the program was used as an integrated marketing program for Kupedes, KUR, Micro, Simpedes and e-banking loans products, and was held at more than 200 BRI Branch Offices, by promoting the theme mobile banking and internet banking.

“Simpedes Hadiah Langsung (SHL)”

A Simpedes Acquisition Program offering direct prizes to customers with certain account balances.

BRI Employee Simpedes Marketing Program

In order to maximize Simpedes marketing, all BRI employees are invited to participate in the “Employee Get Member” marketing program.

Partnership Program with Retailer Partners

BRI also develops its Micro Business through partnership with potential retailers partners. In this program, BRI provides the Bank's savings and loans products, as well as loans accustomed to the needs of retailer partners.

“Simpedes Bikin Gampang”

An educational program for e-banking features and facilities such as SMS Banking, mobile BRI, Mocash, Simpedes Card and e-channel (ATM and EDC) to increase the use of Simpedes and educate the customers about Simpedes' use for any transactions, anywhere.

Micro Insurance

This product is developed by BRI to cover existing micro products and services. Micro insurance is aimed at all micro customers that require insurance cover with simple features and administration.

7. Microfinance International Cooperation (MIC)

MIC is a form of global corporate social responsibility for BRI with the aim of developing the world's most advanced microfinance business. Through MIC, BRI consistently carries out Microfinance Training and Study Visits (MTSV), business captures and technical assistance in the field of microfinance. BRI has also established cooperation with a number of global microfinance agencies such as the Asia- Pacific Rural and Agricultural Loans Association (APRACA), Microfinance Network (MFN), Microloans Summit, Banking With The Poor (BWTP), Woman World Banking, APEC and others.

BRI's success in realizing its mission of developing its micro business was resulted in the UN stipulation to reward BRI as a global microfinance laboratory. A number of activities carried out by BRI in 2014 also demonstrate its role in the development of micro banking, not only within Indonesia but also internationally, including:

- In September 2014, cooperated with the Foreign Ministry, MSME and Cooperative Ministry, as well as Bank Indonesia on the activity of Dispatch expert on microfinance for Myanmar, by providing technical assistance on micro banking to the banks, financial institutions and central bank of Myanmar, Yangon, Myanmar.
- As a keynote speaker at the 38th APEC forum for Small and Medium Enterprises Working Group (SMEWG) in March 2014 in Taipei
- As a keynote speaker at the 39th APEC forum for Small and Medium Enterprises Working Group (SMEWG) in September 2014 in Nanjing, China
- In March 2014, participated as a speaker at the Asia-Pacific Forum on Financial Inclusion held by the APEC Business Advisory Council and the Asian Development Bank Institute in Shanghai, China

Business Review

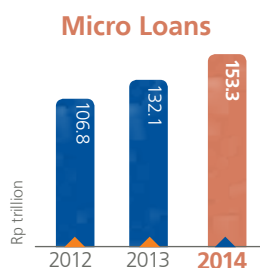
Micro Business and Program Loans

Micro Business Performance in 2014

1. Growth of Micro Loans Outstanding

Expansion and improvement of its network infrastructure, recruitment of additional competent HR including Loans Officers and the implementation of a range of business development programs have enabled BRI to take advantage of growth opportunities and record micro loans growth of 15.99% to Rp153.3 trillion by the end of 2014. This growth was propelled by the growth of KUR Micro at 17.92% to Rp24.5 trillion and Kupedes loans by 15.63% to Rp 128.8 trillion.

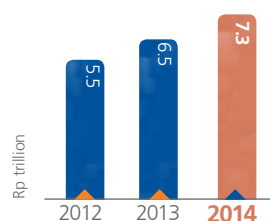
Development of Micro Loans Outstanding (Rp trillion)



2. Micro Customers Development

BRI's micro business growth did not derived solely from growth of loans outstanding, but also from the increase in the number of customers. In 2014, the number of loans customers grew from 700,000 to 7.3 million.

Total Micro Borrowers



3. Micro Loans Quality

Increased organizational performance, an improved IT-based work system, additional and enhancement of competent HR as well as deeper knowledge of micro customer characteristics, enabled BRI to manage its micro loans quality. Thereby despite the unfavorable economic conditions, BRI was able to maintain its micro loans NPL at a level of 1.12% in 2014.

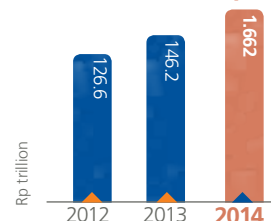
NPL of Micro Loans



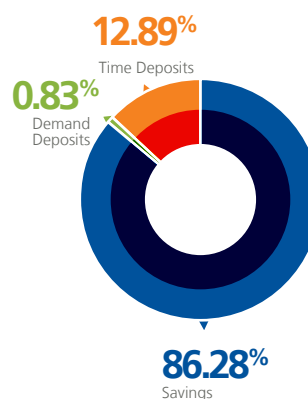
4. Micro Deposits Development

As a result of BRI loans marketing program intensification, in 2014 BRI's total third party funds from micro business customers grew 13.68% to Rp166.2 trillion. Savings products, which constitute of low cost funds, continued to dominate the composition of third-party funds with a share of 86.28% followed, with 12.89% from time deposits and 0.83% from demand deposits. With the gains from third-party funds, the micro business was able to be self-funded.

Total of Micro Deposits



Composition of Micro Deposits (Dec 2014)

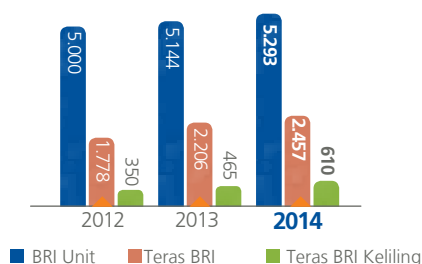


Business Review

Micro Business and Program Loans

5. Development of Micro Outlets

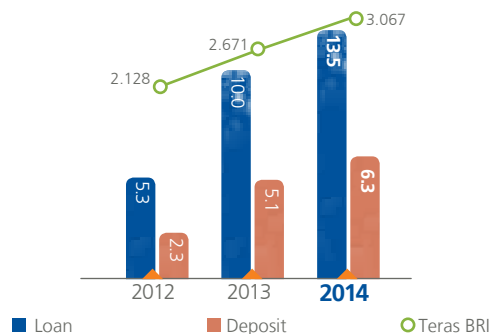
In 2014, BRI added 149 BRI Units, 251 Teras BRI and 145 mobile Teras, bringing the totals to 5,293 BRI Units, 2,457 Teras BRI and 610 mobile Teras. Furthermore, since mid-2014, BRI began to develop Branchless Banking with an agent system. Through this system, the Bank facilitates the public, and particularly BRI customers, with easier access to BRI banking services. As of the end of 2014, BRI recorded more than 20,000 agents across Indonesia.



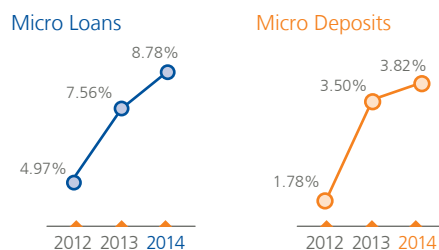
6. Teras BRI Performance

Teras BRI, the spearhead of the conventional micro banking services, continued to deliver a significant contribution, through the acquisition of customers and micro loans outstanding and savings. In 2014, the optimization and expansion of the Teras BRI and mobile Teras led to the increase of micro loans from Teras BRI by 36.16% to Rp13.5 trillion, while total savings grew 26.58% to Rp6.3 trillion. As such, Teras BRI's contribution to micro loans outstanding was 8.8%, while its contribution to was 3.8%.

Teras BRI & Mobile Teras BRI Performance



Teras BRI contribution to Total Loans and Micro Deposits



PROGRAMS LOANS

The Program Loans involves the extension of loans for productive activities, both for working capital as well as investment, in order to support the Government programs, at the same time to provide MSMEs access to banking services, and to support food security program, as well as plantation revitalization and provision of biofuel power plant.

The Program Loans is subsidized (interest rate subsidy) by the Government and commercial loans program. It is funded by BRI's commercial funds and loans channeling, in which the sources of funds and the risks are borne by the fund owner.

Business Review

Micro Business and Program Loans

Program Loan Products

Program Loans Products includes:

Food and Energy Security Loans (KKPE)

KKPE is investment and/or working capital loans provided in support of the implementation of food security programs and biofuel power plant programs. KKPE is sourced from BRI's commercial funds and receives an interest rate subsidy from the Government.

The KKPE scheme consists of KKP-E for Sugarcane, crops, Horticultural Products, Food Procurement, Livestock and Agricultural Machineries. The KKPE Sugarcane scheme is working capital loans provided to farmers for the cultivation of sugarcane, through farmers' groups of partnerships with Business Partners/Sugar Factories.

Biofuel Energy Development and Plantation Revitalization Loans (KPEN-RP)

Investment loans provided to accelerate the development of estates through the expansion, rejuvenation and revitalization of crops, supported by Government interest rate subsidies with or without corporate partnership in plantation development, and the management and marketing of plantation products. This program also serves to improve the output of biofuels as an alternative source of energy. KPEN-RP uses BRI's commercial funds, with a non-partnership scheme for rubber and cocoa commodities, which are served directly by BRI Branch Offices/Sub Branch Offices.

Primary Cooperatives Loans for Members (KKPA)

KKPA is working capital loans and/or investment loans provided to cooperatives, and in turn to their members, to funds productive businesses in partnership with the core company. In addition to BRI's commercial funds, KKPA is also funded by PT Permodalan Nasional Madani (PNM) and Government Bonds (SUP).

Loans for Small Business Groups (KKUK)

Loans for Small Business Groups (KKUK) is working capital loans and/or investment loans made available by BRI to small business groups that have previously obtained capital assistance from BRI in the form of P4K/ KPKU/ KPTTG-Taskin/ KPKM loans with a good track record, or productive business groups that are not yet as BRI's debtors but require additional capital for their business development. KKUK loans is sourced from BRI's commercial funds.

Loans for Small and Micro Businesses funded by Government Bond (KUMK-SUP)

KUMK-SUP is loans sourced from the Government in the form of Government Bonds (SUP). In 2005, BRI received a bond fund allocation of Rp500 billion, which must be settled in installments at five times every six months. The Bank's current government bond fund stands at Rp200 billion.

Business Review

Micro Business and Program Loans

Coastal Community Empowerment Loans (PEMP)

PEMP loans is a form of cooperation between BRI and the Maritime Affairs and Fisheries Ministry, involving loans provided to coastal cooperatives in support of lending and borrowing working capital (USP).

“Kredit Usaha Rakyat Ritel”

Retail Business loans is working capital loans and/or investment loans with a loan plafond of above Rp20 million to Rp 500 million, provided to small-business owners with a feasible but not yet bankable productive business. KUR is guaranteed by the Government through Askrindo and Jamkrindo. However, as of December 2014, the Government has enforced a moratorium on KUR provision. In the future, BRI's KUR customers will be served by commercial loans schemes or other loans programs.

Program Loan Development in 2014

BRI's positioning as a market leader in loans extension programs is due to BRI's extensive experience in this field, as well as the result of its wide operating network and professional HR's infrastructure, which enable the Bank to offer the program loan throughout Indonesia.

Program loan are a mainstay of BRI's operations because of the sizeable potential of loans growth, as well as the positive effects of the segment development, given that program loan borrowers are also potential BRI commercial loans customers, whether in micro business or retail business.

In 2014, efforts to develop business programs included:

1. Business gatherings with potential companies
2. Coordination with technical and non-technical ministries and Bank Indonesia
3. Cross-selling with other BRI products
4. Improvement of loans extension programs (including the Guidelines of the Implementation of Programs Loans)
5. Optimization of IT in support of business requirements and development
6. Increasing employee competence through regular training and workshops

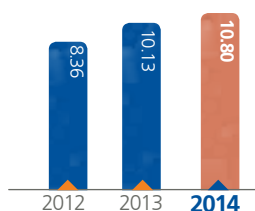
Business Review

Micro Business and Program Loans

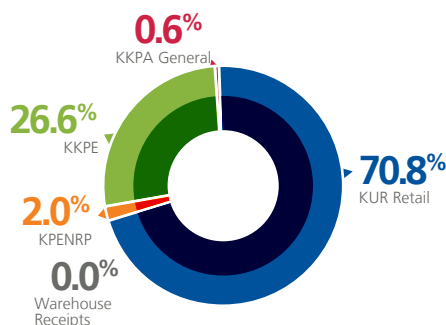
Program Loans Performance

Loans outstanding disbursed in 2014 reached Rp10.80 trillion to more than 70,000 debtors. The disbursement of program loans was dominated by Retail KUR with 70.8%, followed by KKPE with 26.6%. KKPE disbursement was dominated by Livestock (54.1%) and Sugarcane (24.0%).

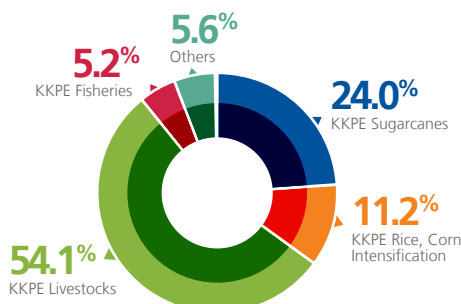
**Program Loans Performance
(Include KUR Retail)**



Program Loans Portfolio Composition



KKPE Disbursement Composition



MICRO BUSINESS AND PROGRAMS LOAN REVENUE AND PROFITABILITY

In 2014, micro and programs loans extension contributed net interest income and other operating revenue of Rp31.9 trillion, and contributed net profit to BRI of Rp13.9 trillion.

MICRO BUSINESS AND PROGRAMS LOAN STRATEGY IN 2015

Micro Business

In light of the tremendous market potential of the micro business sector, and taking into consideration external conditions over the next three years, BRI's micro business development will focus on maintaining BRI's competitive position and increasing BRI's business volume by optimizing existing competitive strength, increasing the market share of existing products and increasing the use of BRI's existing products. BRI's strategies for micro business development are, briefly, as follows:

1. Market Penetration, consisting of:
 - a. Optimizing marketing programs to support micro business performance
 - b. Increasing the use of BRI's existing products
 - c. Raising funding culture and funding structure for micro business

Business Review

Micro Business and Program Loans

2. Market Development, consist of optimizing the community banking concept and expanding micro business to new areas with great business potential
3. Product Development, consist of developing savings and loans products in line with micro market requirements
4. Development of e-banking in the micro business community through optimizing existing e-channels
5. Increasing HR quality through consistent guidance, mentoring and supervision
6. Increasing IT quality and capacity to support micro business development

Programs Loans

Strategies to support the program loans development include:

1. Cooperation and partnership with relevant companies/agencies in order to support and expand Programs Loans
2. Optimizing the potential for Trickle-Down Business with other business segments
3. Coordination with BRI operating units, principally Branch Offices and Regional Offices, in order to expand Program Loans
4. Mentoring and enhancing good working relations with Companies/Agencies/Business Partners
5. Business Gatherings with Business Partners or Potential Business Partners
6. Socialization of partnerships with companies related to Programs Loans

Business Review

Retail and Medium Business



Business Review

Retail and Medium Business

Summary:

In general, BRI's Retail Business segment covers retail and medium loans to finance small and medium enterprises (SMEs), consumer loans disbursement, accumulation of retail third-party funds and other consumer business.

1. Retail loans is a segment with a significant share in BRI's loans portfolio, which is 40% of the total loans portfolio.
2. Total Retail business loans grew 9.5% to Rp195.08 trillion. Retail loans expansion focuses on the provision of consumer loans, with featured products including BRIguna (employee and pension loans), BRI Mortgage, Investment Loans and Working Capital Loans for the retail and medium business segment.
3. BRI generates retail funds through various savings products, including Demand Deposits, Deposits and Savings. By the end of 2014, BRI retail funds grew 25.2% to Rp210.16 Trillion.
4. BRI's business expansion is supported not only by a conventional operating network, but also by the e-channel network spread throughout Indonesia. BRI's ATM network of 20,792 ATMs is the largest and most extensive in Indonesia.

LOANS

Retail and Medium Business products included in retail loans is commercial loans for the retail and medium-segment as well as consumer loans such as employee loans (Briguna Karya and Purna), Mortgage, KKB and Credit Cards.

RETAIL AND MEDIUM COMMERCIAL LOANS

BRI provides Retail and Medium Loans in order to meet the financing needs of SMEs communities, both in Working Capital Loans and/or Investment Loans. BRI defines the Commercial Retail Loans as loans with a value above Rp100 million to Rp 5 billion, while Medium Loans are those with a value above Rp5 billion to Rp50 billion. The provision of these loans is carried out through 461 Branch Offices and 584 Sub-Branch Offices under the coordination of 19 Regional Offices.

Development of Retail and Medium Commercial Loans in 2014

In general, the characteristics of Commercial Retail Loans and Medium Loans offered by Indonesian banks are fairly similar. This causes tight competition in the sector. As such, BRI strives to develop products that are different

from those offered by competitors, with better and fast service quality, yet remain in compliance with prudential banking principles.

To face the competition in this sector, BRI applies comprehensive strategies in the provision of loans, as in addition to focusing on business expansion BRI also strives to maintain its loans quality. To that end, BRI emphasized on outstanding features in the development of retail and medium loans; such as the extensive operating network and adequate marketing forces both in quantity and quality.

In 2014, BRI's efforts to develop Commercial Retail and medium loans are as follows:

1. Evaluation and determination of retail and medium loans targets to improve the outstanding level and expansion of retail and medium business, by taking into account the regional potential factors and the growth of the economic sector.
2. Trickle-down business program, involving marketing aimed at suppliers and distributors from BRI's customers; SOEs and prominent corporations
3. Cross-selling of other BRI products to increase revenue
4. Dissemination of BRI institutions' or partners' loans products

Business Review

Retail and Medium Business

5. Regular and continuous monitoring of AO performance
6. Review of AO formation according to targets, regional potential and managed segment
7. Regular training programs to boost marketing forces to raise and develop employee competence

8. BRI's also conducts the following efforts to maintain loans quality:

- Sharpening risk profile analysis and risk mitigation for loans provision as an early-warning measure
- Comprehensive onsite and offsite monitoring and evaluation of loans portfolios, and mentoring the operating units
- Provision of solutions covering technical solutions to operational issues, automatic monitoring, customer installment payment convenience, loan restructuring criteria and other issues faced by operating units
- Improving loans risk management knowledge among all elements of retail and medium business
- Refinement of policy, system and procedures, both related to application, monitoring and settlement of customers in special mention.

Retail and Commercial Medium Loans Performance in 2014

The total retail and medium loans outstanding reached Rp195.1 trillion, of which 41.32% were consumer loans. Following are the achievement by sub business segment:

1. Retail Commercial Loans

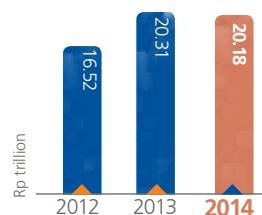
In 2014, KMK and KI portfolios with a ceiling between Rp100 million to Rp5 billion showed moderate growth of 12.4%, thereby the total retail loans outstanding was amounted to Rp94.3 trillion by the end of 2014.



2. Medium Loans

In 2014, with challenging economic conditions, the development of loans outstanding with a value of more than Rp5 billion to Rp50 billion was fairly stagnant. The medium loans outstanding at the end of 2014 stood at Rp20.2 trillion, a slight decrease from Rp20.3 trillion at the end of 2013.

Medium Loans



3. The dynamic macro economic conditions impacted the business conditions of debtors in this segment, making monitoring and management of loans quality fairly challenging. Retail loans NPL was maintained at 3.08%, yet the medium loans NPL was increased slightly to 5.91%.

CONSUMER LOANS

Since 2007, in line with the improved standard of living among the Indonesian people, banks have to be prudent in offering its banking services with the 56.67% of Gross Domestic Product (GDP) is dominated by household consumption. Indonesia is a potential market for consumer loans.

BRI currently provides full consumer banking services including Savings, Demand Deposits, Deposits, and priority services for emerging affluent customers, employee loans, mortgage loans, motor

Business Review

Retail and Medium Business

vehicle loans, multi-use loans as well as credit cards. In addition, BRI also designed the accurate marketing communication strategies, to ensure that BRI products and loans remain the first choice by the community.

BRI Consumer Loans remain dominated by BRIGuna (loans for fixed-income groups, employees and pensioners), which contributes 80%. However, BRI also offers other consumer loans products, including Mortgages (KPR), Apartment Ownership Loans (KPA), Motor Vehicle Loans (KKB), and Credit Cards.

The process of Consumer Loans provision refers to the income of potential customers, with proof of income statements from his/her employment, or operating revenue statements for entrepreneurs, with adequate assessment on the loans collateral. For this reason, the growth of consumer loans are very much affected by the society income and purchasing power, as well as general economic conditions such as the inflation rate and economic growth.

Consumer Loans Products

BRIGuna

BRIGuna is a featured product of BRI consumer loans with aimed fixed-income employees and pensioners including civil servants, BRIGuna applied for the customers' consumer and productive needs. 90% of BRIGuna loans are currently lent to active employees. BRI's operating network, the largest and most extensive in the country, is a cornerstone of this BRI's competitive excellence in this segment.

Mortgages

BRI mortgages with its convenient features, aimed at fulfilling the customers' need for homes. BRI currently cooperates with more than 400 housing projects across Indonesia. In addition, BRI offers convenient features in its mortgages, including flexible terms, competitive interest rates, guaranteed ownership documents security, and other features that provide added values to the potential debtors.

Welfare Housing Loans or *Kredit Pemilikan Rumah Sejahtera (KPRS)*

KPRS is a Mortgage created for low-income debtors, established in collaboration with the Government/Ministry of Public Housing (Kemenpera). The resources to support KPRS financing originated

from merged funds between BRI and the Government/Kemenpera, thereby the interest rate for the KPRS scheme is both low and fixed during the loan period.

Auto Loans (*Kredit Kendaraan Bermotor - KKB*)

BRI's auto vehicle loans or KKB are intended to fulfill the customers' need for motor vehicles. BRI KKB ensures affordable interest rates and the best services through the partnerships with Sole Brand Holders, dealers and multifinance agencies. BRI KKB also offers features without down payment combined with the BRI loans products.

Credit Cards

BRI Credit Card was launched in 2006 with the intention of providing transaction convenience for customers. BRI currently offers a range of credit cards, including BRI Standard, Gold, Platinum, Infinite Corporate, Business and Co-Branding.

Development of BRIGuna, mortgages, auto loans and Credit Cards

In 2014, the following activities were carried out in the effort of business expansion:

1. Directing fast services on the BRI Consumer Loans brand to ensure its strong positioning among Indonesian society. As part of efforts to create brand image and raise awareness,

Business Review

Retail and Medium Business

BRI carries out promotion and actively participates in the national and international exhibitions.

2. Improving competitive service standards at the same time ensuring prudent Risk Management. Apart from the addition of consumer loans operating network, BRI also constantly improves its technology to ensure a satisfactory Service Level Agreement. BRI also constantly innovates the development of product features in line with customers' requirements.
3. Optimization of Trickle-Down Business, including obtaining data and information of Trickle-Down Business to develop consumer business, as well as cross-selling consumer loans (BRlguna, mortgages and auto vehicle loans) among employees and corporate clients of BRI.

Development of consumer loans products in 2014 included:

BRlguna

1. Sustainable development of BRlguna product, ensuring that all product features are in line with market needs
2. Marketing of BRI Consumer Loans products with competitive interest rates

Mortgages

1. Optimization of Cooperation Agreements with developers
2. Optimization of the Home Ownership Program
3. Focus on KPRS loans in certain cities

Auto Loans

1. Concentration of auto vehicle loans in certain large town and cities in Indonesia
2. Focus on certain brands in certain regions
3. Optimization of the Car Ownership Program and Join Promo with dealers

Credit Cards

BRI has developed credit cards business, included:

1. Product Development
The Infinite Credit Card, for the premium segment (high net-worth individuals)
2. Email Blast
Promotion of BRI Credit Cards through emails to BRI Credit Card holders
3. SMS Activation
SMS activation service for cardholders who hasn't activate their BRI Credit Cards yet. The activation is a way

of allowing cardholders to carry out transactions with BRI Credit card, thereby the SMS activation service must ensure to be addressed to the concerned cardholders.

4. Redemption Points through EDC

A program allowing cardholders to carry out retail purchase transactions using accumulated points

5. Mass Insurance Debit

A feature aimed at simplifying the payment of insurance premiums to insurance firms that have been partnered with BRI Credit Cards

6. 3D Secure

In order to provide convenience and security in online transactions for Credit Card holders, BRI Credit Cards apply an additional security procedure involving a one-time password sent to mobile phones and registered at the BRI Card Center.

7. Development of the Autopayment Application through CSAP

This feature provides convenience for cardholders with automatic routine payments through BRI Credit Cards. This makes it even easier for BRI customers to pay regular monthly bills, such as TV and electricity, with the bill automatically debited from the BRI Credit Card.

Business Review

Retail and Medium Business

8. Development of Autodebet Application through CSAP

This feature provides convenience to the cardholders to settle BRI credit card billings, which will be debited automatically from the listed savings account.

9. Development of 6-Digit Pin Request System

In line with PBI No 14/2/PBI/2012 and Circular Letter No 14/17/DASP effective as of 1 January 2015, which requires all credit card transactions in Indonesia to use a 6-digit PIN, BRI has developed a secure system or application that simplifies the distribution of PINs, and in compliance with the principles of prudence

10. Smart Data Online

A feature for the BRI Corporate Card that can be accessed real time via web browser, assisting the companies to improve the efficiency of fee reconciliation

11. BRI Points for the Corporate Card

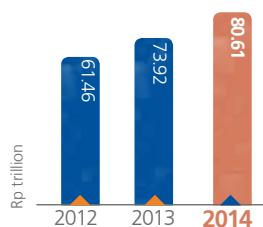
Each transaction using the Corporate Card with a value of Rp100,000 will earn 2 BRI Points. All transactions in MCCs will receive BRI Points.

Consumer Loans Performance

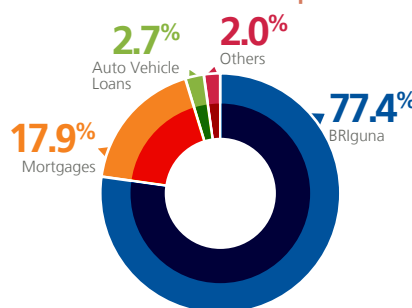
1. Total Consumer Loans outstanding in 2014 grew 9.0% to Rp80.6 trillion from Rp73.9 trillion in 2013. This

growth was driven by an 8.4% increase in BRIguna loans from Rp57.5 trillion in 2013 to Rp62.4 trillion in 2014. BRIguna's share of total Consumer Loans remained dominant, at 77.4%.

Consumer Loans



Consumer Loans Composition



2. Consumer Loans expansion is carried out prudently, by maintaining loans quality. The prudential process of monitoring and selection of customers ensured that the consumers loans NPL remained relatively low in 2014 at 1.21%.
3. Meanwhile, other consumer loans, namely mortgages grew higher at 20.8%, with loans outstanding grew from Rp11.9 trillion in 2013 to Rp14.4 trillion, thereby the share of total consumer loans grew from 16.1% to 17.9% by the

end of 2014. Over the year, as the recognition of its products quality, BRI mortgage received several awards from external parties, as follows:

- a. Bank BRI as Mortgage Bank Provider from Idea Rumah Award - Readers Choice 2014
- b. In the Property and Bank Awards 2014, BRI mortgages were rewarded for their innovation and technology
- c. Residence Indonesia Award 2014: BRI mortgages named as Consumers' Choice Innovative Mortgage Product of the Year

4. By the end of 2014, BRI had issued around 765,000 credit cards, with credit outstanding of Rp1.09 trillion, grew 32% from the previous year. Several awards received by BRI credit cards included Silver Champion of Indonesia WOW Brand 2014 from Markplus.

DEPOSITS

BRI offers a range of savings products that provide convenience for customers to deposit their funds securely with high standards of services. In order to promote its savings products, BRI conducts the integrated marketing programs. For certain savings products, BRI offers periodical promotion programs with attractive prizes. BRI's main savings products in the Consumer Business segment are as follows.

Business Review

Retail and Medium Business

In light of the macro economic and liquidity conditions in the Indonesian banking industry in 2014, BRI decided to set 2014 as a funding year. As a funding year, the focus was on improving the performance of customers' fund acquisition, especially in Savings.

A number of marketing programs were implemented, such as the Employee Get Member program (EGM). EGM is a competitive program among BRI employees, whether marketing, front liner or back office. Each employee is given a target to acquire a certain amount of customers for BRI savings products; winners are entered into the next level of the competition, the regional and national levels. The EGM program has delivered positive results, as seen in the increase of BRI savings accounts by nearly 10 million in 2014 to 49.2 million accounts.



Deposits Products

BritAma

BritAma is a featured savings product intended to seize a share of third-party funds in urban areas. BritAma is aimed at customers that require convenience and security in their banking transactions, both in rupiah and in foreign currencies.

BRI also has a range of other products with features suited to the customer needs, such as BritAma Valas, BritAma Bisnis and BritAma Rencana.

These savings products are complete with attractive features including transaction convenience through ATMs and EDCs, available from anywhere in the world and supported by 24 hours Internet Banking and Mobile Banking. The products are also supported by 10,396 BRI business units, CDM BRI and BRI Kiosks across the nation.

BRI Junio

BRI Junio is a product with a target market of children under the age of 17. The goal of this product is to promote banking among young people and instill in them an enthusiasm for saving. The BritAma savings account is very attractive, as customers are given a BRI Card Private Label Limited Edition decorated with children's favorite cartoon characters, such as Superman, Tweety and Tom and Jerry.

BRI Hajj Savings

Haji Savings is a product for customers wanting to go on the Haj pilgrimage. The product assists the customers to prepare the Haj fee. Deposits can be made online at all BRI operating units and are connected directly (host-to-host) through the switching application through the Religious Affairs Ministry.

Tabunganku

The Tabunganku product is part of Bank Indonesia's Indonesia Savings Movement. The product is aimed at individuals, and its stipulations are few and convenient, as part of efforts alongside other Indonesian banks to increase savings culture and the prosperity of the people of Indonesia. Tabunganku's attractive features include zero administrative fees and an affordable initial deposit.

Business Review

Retail and Medium Business

GiroBRI

GiroBRI is a BRI product aimed at drawing low-cost funds from the public. GiroBRI is available in rupiah or foreign currencies and completes with a debit card and BRIVA (BRI Virtual Account), which simplifies customers' deposits and business transactions.

DepoBRI

Other third-party funds derive from Deposits, namely DepoBRI, a timed savings account with a choice of period, from 1, 2, 3, 4, 6, 12 or 18 to 24 months, and competitive interest rates.

Deposits Performance

In 2014, BRI retail deposits products managed to accumulate funds of Rp210.2 trillion, an increase of 25.2% from the 2013 position of Rp167.8 trillion. In addition to the achievement in obtaining third-party funds through savings products, BRI also received recognition from external parties, including the Top Brand Award in the Savings category from Marketing Magazine for the BRI Junio product, as well as 2nd place in the Deposits Account and Savings Account categories. A Mark Plus Insight and InfoBank survey on Bank Loyalty has awarded BRI with the Indonesian Brand Champion Award 2014 (Gold) in the Savings Account in Conventional Banking category with Assets below Rp100 trillion. BRI savings products were also named Indonesian most Favourite Women and Youth Brand 2014 from Marketeers.

E-CHANNEL

To support the acquisition of retail low cost funds and improve competitive banking products and services, BRI consistently develops its integrated e-Channels network with the latest technology. E-channel network infrastructure development is carried out in a planned fashion, taking into account the importance of information security (See also section on IT System Development).

As part of BRI commitment to provide easy access to its customers, BRI adds infrastructure facility to e-channel network every year, which consists of ATMs, Kiosks, CDMs, EDCs and e-Buzz, as illustrated in the following table.

E-Channel Development

To optimize its largest customer base, BRI aims to further develop its e-channels, including ATMs, EDCs, Kiosks and CDMs. The development of e-channels has three main goals: increasing customer access, raising fee-based income and increasing operational efficiency.

Business Review

Retail and Medium Business

In order to improve the reliability and efficiency of IT-based transactions, BRI has initiated cooperation on the procurement of a satellite with Space Systems/Loral LLC (SSL) from the US and the procurement of a launchpad from French firm Arianespace. The satellite, named BRI-Sat, planned to be launched in 2016, will be the first retail satellite to support banking activity in Indonesia and only one in the world. It is hoped to exponentially increase BRI's banking service quality.

BRI PRIORITAS SERVICES

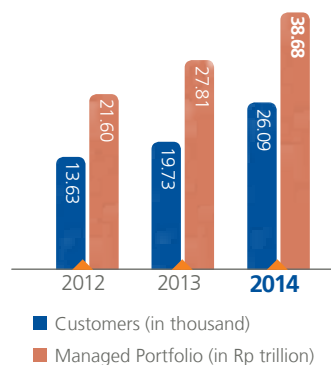
BRI Prioritas is a banking services offered exclusively to affluent customers and high net-worth individuals. It includes general banking services, investment and financial planning consultation, bancassurance and pension planning. Features of BRI Prioritas included tailor-made services from a Priority Banking Officer, a cash courier service, telephone transactions business & private mini lounge, Internet & e-banking corner, free meeting room, reserved parking spaces and a 24-hour Call Center. Other privileges offered to BRI Prioritas customers include travel privileges, lifestyle privileges, concierge services and other international-scale privileges in partnership with Premium Debit MasterCard.

BRI Prioritas carries out a range of activities to increase customer awareness, loyalty and retention, grouped under the themes of intellectual, lifestyle, heritage and seasonal events. As part of its services to the Prioritas segment, BRI owns 16 priority lounges in cities across Indonesia. The BRI Priority Services Center (SLP) is designed to maximize comfort and safety, so that customers feel comfortable to conduct transaction business.

The SLP organization has been developed with a concept of built-in control and is managed professionally by Priority Banking Assistants (PBA), Priority Banking Officers (PBO) and Priority Banking Managers (PBM) experienced and qualified according to regulator competency standards. These standards include the WAPERD certificate for Mutual Funds agents, the Indonesian Life Insurance Association (AAJI) certificate for bancassurance and the Wealth Management Trainer certificate.

BRI Prioritas Performance

The BRI Prioritas programs succeeded to record significant increases in its customers' numbers and portfolio in 2014. BRI Prioritas total customers grew 32.5% to 26,100, while the management portfolio grew 39.06% to Rp38.7 trillion. Furthermore, based on the SQIndex 2014 Customer Perception Survey, BRI Prioritas was awarded a Service Quality Award 2014 for its achievement in attaining excellent service quality.



SEGMENT PROFITABILITY

Overall services of retail segment has succeeded in delivering net interest income and other operating income of Rp21.5 trillion, and contributed a net profit of Rp7.9 trillion to BRI in 2014.

Business Review

Retail and Medium Business

RETAIL AND MEDIUM BUSINESS STRATEGY 2015

Retail and Medium Commercial Loans

BRI has prepared a series of programs to accelerate retail and medium loans achievement targets in 2015, as follows:

1. Provision of retail and medium loans products in line with market needs and competitive
2. Optimization of existing customers
3. Marketing activities aimed at increasing customer loyalty and customers' usage
4. Expansion of cooperation with corporate or institutions customers to optimize the potential of cross-selling and trickle-down business
5. Development of HR competency through structured training programs, including PKL competence in selling skills, service quality and loans analysis, as well as improvements to performance evaluation methods and awarding of compensation based on portfolio volume and quality
6. Use of information technology to market new products, monitoring loans and access product information

Consumer Loans

1. Continuous products development, including mortgages, KPRS and auto vehicle loans
2. Increased utilization of products and features
3. Sales strategy using the customers' database, third parties (dealers or developers), walk-in customers and implant banking through the Home Ownership Program (HOP) and Car Ownership Program (COP) with large companies in order to attain trickle-down business
4. Improvements to business process and organization that have already been implemented in several principal cities through effectiveness reviews of Monoline Business Process in 13 SKK and 45 KKK for the expansion plan at 14 major cities in Indonesia.
5. Optimization of payment systems through BRI e-channels
6. Enhancement of Credit Cards marketing
7. Increased cooperation with BRI merchants on Credit Card Business
8. Innovative development of BRI Credit Cards
9. Application of specific marketing strategies in each region

Deposits

1. Focus on increasing market share in urban areas
2. Improvements to funding structure and funding culture in BRI
3. Expansion and improvement of total delivery channels, especially e-channel.
4. Innovation of attractive savings products and e-banking with creative marketing programs

BRI Prioritas

1. Focus on developing products and improve service quality
2. Implementation of marketing programs covering acquisition, retention and loyalty
3. Maintain service performance of priority banking
4. Recruitment and training of competent marketing human resources
5. Additional Priority Service Centers and Priority Lounges in a number of major cities in Indonesia

Business Review

State-Owned Enterprises (SOEs) and Corporate Business



Business Review

State-Owned Enterprises (SOEs) and Corporate Business

Summary :

1. The development of SOEs and Corporate loans focuses on business opportunities for cross-selling to develop other business segment and increase fee-based income, especially in the MSME segment through trickle-down business.
2. Total SOEs and Corporate Loans outstanding in 2014 grew 19.1% to Rp131.2 trillion.
3. SOEs Loans dominated with 56.48%. The remainder was Corporate Loans. Outstanding Corporate Loans recorded an increase of 19.63% to Rp57.12 trillion.
4. SOEs Loans NPL was maintained at 0.00%, while Corporate Loans NPL experienced an increase of 1.78%.

Over the last few years, BRI SOEs and Corporate business has been able to grow rapidly. The support of BRI's products variety and fast business processes has been the cornerstone of this business. SOEs and Corporate Loans business development strategy involves improving the competitive position, especially loans given to companies that support national economic development, as well as could potentially provide trickle-down business to MSMEs, which are BRI's main business focus.

BRI targets the integrated marketing in this segment, through cross-selling of banking products and services with the goal of creating one-stop financial services. In addition, the synergy will contribute in the growth of fee-based income.

Optimization also conducted by focusing on marketing towards the companies that serve as the backbone of the national economy.

In its efforts to attain this strategy, BRI consistently improves and develops its banking services, service quality, products features and HR competency. These banking service facilities include specific loans schemes, cash management, loans facilities for vendors, sub-contractors, suppliers, distributors and mentoring partners, as well as consumers loans for employees of the state-owned or private enterprises. BRI also develops further banking services including host-to-host, one-gate payment, Imprest accounts, Master accounts, bill payment and Briva (BRI Virtual Account).

Business Review

State-Owned Enterprises (SOEs) and Corporate Business

State-Owned Enterprises Business

In 2014, provision of loans to SOEs grew 18.69% to Rp74.15 trillion, with agribusiness and infrastructure constituting the contribution of two biggest sectors. BRI's strategy to develop its SOEs business through market development and market penetration by optimizing alliances with other banks, in syndicated payments, club deals and others, enables a diversification of payments to sectors that serve as the backbone of the Master Plan for Acceleration and Expansion of Indonesian Economic Development, namely infrastructure, energy, logistics and transportation.

Corporate Business

BRI's Corporate Loans in 2014 experienced an increase of 19.63% to Rp57.1 trillion, with agribusiness and industry as the two largest sectors.

Agribusiness

Loans provided to the agribusiness sector are intended to support the financing of on-farm and off-farm agriculture, both upstream and downstream. The on-farm financing sector covers business and activities in agricultural cultivation, including plantations, forestry, livestock and fisheries. The

off-farm financing sector covers business or industries in the field of agricultural-related products and activities, such as nurseries, agrochemicals, pesticides, agricultural machinery and animal feed.

BRI's strategy to develop the Agribusiness sector involves improving product and service quality, implementing integrated marketing, and optimizing the existing customer database, which has been conducted by implementing principles of prudence and proper risk management. The main targets of agribusiness loans development is export commodities financing with a competitive advantage and agribusiness with a multiplier effect on MSMEs, through the creation of one-stop services, closed-system financing and risk-adjustment mechanisms, as well as improving the quality of account officers as professional business advisors.

General Business Loans (Non-Agribusiness)

Loans provided to the non-agribusiness sector are aimed at financing the corporate segment in the fields of industry, construction, transportation, infrastructure, mining and oil and gas. This development is carried out with principles of prudence, by utilizing BRI's largest operating network in Indonesia, as well as

optimizing treasury products and BRI comprehensive International Business products, so as to optimize BRI's interest income and fee-based income. Furthermore, business development also focuses on the companies with a trickle-down effect on BRI's MSME business.

Corporate Funds Management

Corporate business also prioritizes management services for the placement of client funds, as well as the development of banking services that can increase fee-based income. To fully tap the potential of corporate customers, BRI develops institutional relations in order to provide specific services to non-individual customers, consisting of Government institutions and private institutions that required national-scale banking services.

Business Review

State-Owned Enterprises (SOEs) and Corporate Business

Targets for fund management mostly include state education agencies, pension funds and private enterprises. Furthermore, in order to keep up with the rapid development of the business world and its demand for customer-relevant banking products and services, BRI continuously updates its available products and services, which include:

Cash Management

For customers that required accurate and fast banking transaction services, BRI offers the Cash Management System (CMS). With this integrated and connected online system, BRI offers banking service solutions that allow BRI customers to manage liquidity, carry out several transactions and obtain financial and transaction reports independently in the convenience of their own location and devices.

In 2014, BRI has develop CMS through a series of system upgrade, including:

1. Incremental development and improvement of CMS BRI in line with customer needs
2. Improvement of Standard Operating Procedure (SOP) and optimization of the Desk Cash Management unit in accordance with BRI's business needs and development

3. Development of monitoring tools for CMS BRI operations
4. Development of general CMS application features
5. Development of customized CMS application features for customers
6. Refinement of the CMS interface to make it more user-friendly

State Revenue Module (MPN)

MPN is an integrated application, involving the cooperation of BRI and the Finance Ministry, in which BRI provides facilities for taxpayers (WP), tax settlements (WB), and tax deposits (WS), to conduct deposit transactions for state revenues. In 2014, BRI developed the application to allow taxpayers to carry out payment transactions through tellers: ATMs, EDCs, Internet banking and mobile banking.

Partnership with Government Ministries and Agencies

In support of government programs, BRI cooperates with several Ministries. This cooperation enables BRI to gain third-party funds and administration services. In 2014, BRI cooperated with the Public Housing Ministry, the

Education and Culture Ministry, the Health Ministry, the Agriculture Ministry, the Health Care and Social Security Agency and the Occupational Health Agency, among others.

Visa on Arrival (VoA)

VoA is a visa issued to foreign citizens visiting Indonesian upon arrival at immigration. BRI provides service counters for the payment of VoA, and manages VoA funds on behalf of the Immigration Agency.

PDAM Payment Point

BRI manages Perusahaan Daerah Air Minum (PDAM) finances and bill payment revenue from PDAM customers in support of the company's operations to provide clean water to the public.

SEGMENT PROFITABILITY

The realized of SOEs and Corporate Loans in 2014 contributed to the net interest income and other operating income of Rp2.94 trillion, and contributed a net profit to BRI amounted to Rp989 billion.

Business Review

State-Owned Enterprises (SOEs) and Corporate Business

SOEs AND CORPORATE BUSINESS PERFORMANCE

1. Loans Disbursement.

Total outstanding SOEs and Corporate Loans grew by Rp21.05 trillion to Rp131.21 trillion in 2014, made up of an increase in SOEs loans of Rp11.67 trillion and an increase in Corporate loans of Rp9.37 trillion.

2. Loans Quality

Despite the challenging economic conditions in 2014, the quality of SOEs business segment loans was maintained at 0.00%, and 1.78% in the Corporate business segment. This achievement was due to BRI's continued application of principles of prudence in the loans disbursement process.

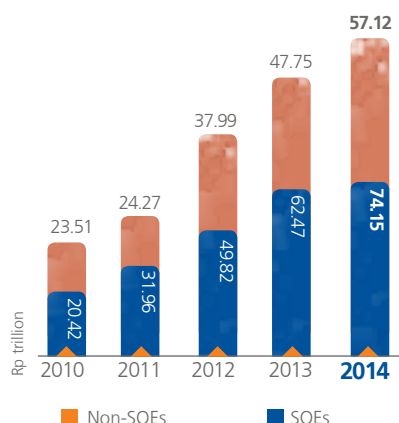
3. Fee Based Income

The volume of institutional-relation activities and corporate fund management played a large role in the attainment of SOEs and Corporate Loans income of Rp329.9 billion.

4. Funds acquisition

Funds acquisition in the SOEs and Corporate segment reached Rp225.79 trillion, becoming a source of funds for Corporate business expansion.

Corporate Business Loans



SOEs AND CORPORATE BUSINESS STRATEGY

For the development of SOEs and Corporate business in the years to come, BRI has formulated the following strategies:

- Enhancing SOEs loans market penetration as an entry gate for other BRI business

Business Review

State-Owned Enterprises (SOEs) and Corporate Business

- Market penetration through closed-system financing, through the identification of potential new business and the optimization of integrated marketing and trickle-down business
- Customization of loans schemes, both cash loans and non-cash loans, as a part of solution to clients' business requirements
- Optimization of alliances with other banks in joint payments (syndication, club deals, sub-participation).
- Improving quality, function and role for BRI's HR, allowing them to act as financial advisors to debtors
- Optimization of IT in line with business needs
- Optimization of cooperation with institutional clients through improved cross-selling
- Improving intensity of cooperation with government agencies, SOEs and corporations

Business Review

International Business



Business Review

International Business

Summary :

1. BRI International Business is supported by 3 overseas offices and 1,200 correspondent banks around the world.
2. Trade finance volume and remittance activity are recorded rapid growth by the improvement of BRI's network, a range of services supported by new product features and the latest information technology.
3. Trade finance volume and international banking services improvement became the cornerstone of fee-based income increment over the last five years.
4. In 2014, fee-based income reached Rp602.0 billion, grew 17.03% from 2013, or increased by 54.96% CAGR over the last 4 years.

In order to continuously develop Bank business-banking services, especially Trade Finance and International Business, BRI continues to develop business services related to international trade. This development includes updates on policy related to international business, building relationships with domestic and foreign correspondent banks, mentoring the operating units across Indonesia, as well as developing and marketing the international business in order to provide a fee-based income contribution to BRI.

In addition to fee-based income improvement, International Business services also contribute to the improvement of BRI's business, including loans expansion and the provision of short-term sources of funds. This is supported by general service-quality enhancements, with end-to-end services for BRI customers through the provision of remittance and bank note services.

INTERNATIONAL BUSINESS PRODUCTS AND SERVICES

Trade finance products and international banking services include:

1. Issuance of Letter of Credit (LC) and SKBDN
2. LC refinancing
3. Post-shipment Financing
4. Bill Purchase Financing
5. Standby LC, Guarantees, and Counter Guarantees
6. Trust Receipts (TR)
7. Documentary and Clean Collection
8. Money Changer
9. Interbank Banknote Transactions
10. Remittance

INTERNATIONAL BUSINESS DEVELOPMENT IN 2014

Continuing the annual promotional program successfully implemented in 2013, BRI implemented the Mudik Bareng BRIfast Remittance as a reward for marketing program in August 2014. This program, in addition to serve as customer retention, also proved effective in the acquisition of new customers.

BRI also cooperates with TKI (PTKIS/LPK) agents for the marketing of BRIfast Remittance, as well as the acquisition of BritAma TKI savings customers. BRI also developed the incoming remittance feature with other banks (in cooperation with the LINK network, Prima and ATM Bersama) to provide comprehensive services to customers, including system enhancement (new version) to increase SLA remittance for the customers.

BRI currently cooperates with 1,200 Correspondent Banks, and is supported by 14 Nostro accounts in foreign currencies. BRI also conducts marketing activities for Trade Financing LC and Non LC products, Risk Participation and Guarantee issuance with Counter Guarantees from Correspondent Banks.

Business Review

International Business

In addition to marketing of trade finance products and international banking services, BRI also seeks offshore funding through the issuance of Bankers' Acceptance (BA), Bilateral Loans and raising of foreign currency deposits from retail and corporate customers.

INTERNATIONAL BUSINESS PERFORMANCE IN 2014

Trade Finance

In 2014, global economic conditions remained unfavorable, and the economies of China, Japan and European countries continued to experience sluggish growth. This had a significant impact on Indonesia's export and import transactions, which decreased 4% yoy, from USD333.7 billion to USD 321.8 billion.

Although the global economic conditions remained unfavorable, fee-based income from trade finance transactions reached Rp442.60 billion. The volume of BRI's trade finance transactions grew 14.89% yoy, from USD 18.8 billion to USD 21.6 billion, with an increase in export transactions from USD 4.7 billion to USD 5.3 billion, or increased by 12.76% yoy, supported by BRI's stable agribusiness business.

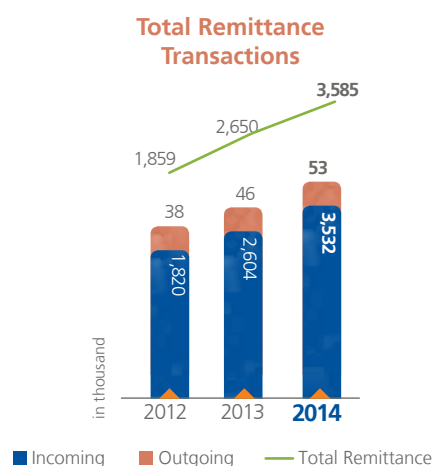
To continue improving the transactions volume of trade finance, BRI conducts several efforts, including HR revitalization, development of products and support systems. These efforts aim to improve the centralization of trade finance processing services at the Trade Processing Center (TPC), and are expected to fulfill BRI's requirement for faster, more efficient and more accurate trade finance operational services. BRI also possesses marketing HR in regional offices that are considered to have sizeable trade finance potential as a means of market penetration and increasing service quality for customers.

Remittance

BRI offers remittance services in cooperation with banks and other financial agencies all around the world under the name BRIfast Remittance. To improve its remittance services, BRI strives to expand cooperation with correspondent banks and remittance counterparts, as well as offering credit to account and cash pick-up features, enabling the customers to transfer money to a BRI account or to take cash from a BRI branch. BRIfast Remittance is real-time online and offers convenient, secure and fast transfer, in line with the customer needs and requirements.

BRI currently cooperates with 43 counterparts in 13 countries, supported by more than 9,600 BRI operating units in real-time online and the largest across Indonesia. With these networks, BRI is able to provide remittance service scope that is hard to rival by other banks.

In order to improve remittance services for Indonesian workers, BRI has added, to its BRIngin Remittance Company in Hong Kong, the Remittance Representatives in several countries that host Indonesian migrant workers, including Malaysia, Abu Dhabi and Saudi Arabia. BRI's remittance transactions grew from 1.9 million in 2012, to 2.6 million in 2013, and again grew to 3.5 million transactions in 2014.



Business Review

International Business

With the implementation of the ASEAN Economic Community (AEC) at the end of 2015, employee and professional migration between ASEAN countries will become easier, increasing the potential for remittance business development. BRI has prepared for the AEC with efforts to strengthen the remittance business and enhance service quality, including by developing BRIfast Remittance, as an innovative remittance program in line with the customer needs.

Money Changer

BRI offers a money changer service for currencies including USD, SGD, AUD, CAD, EUR, GBP, CHF, SAR, CNY, JPY, THB, HKD and MYR, with real-time online service at all BRI Branch Offices.

BRI's money changer service offers competitive exchange rates in line with global exchange rates. In marketing and developing its money changer business, BRI has banknotes dealers whose task is to determine exchange rates, exchange rate negotiation, inventory management, as well as conducting monitoring or assistance function to the BRI work units that run money changer business.

In order to fulfill BRI or third parties' need for banknote liquidity and inventory management, BRI also actively exports and imports banknotes through the cooperation with correspondent banks in several countries.

Overseas Operating Units

Today, the domestic banking sector still possesses great potential in general BRI still, focuses on domestic business development. However, in effort to improve service quality with economic and technological developments, whereby the domestic economy is integrated with the global economy, BRI strives to develop its International Business through Overseas Operating Units (UKLN).

BRI is currently supported by three Overseas Operating Units, namely BRI New York Agency (BRINYA), BRI Cayman Islands Branch (BRCIB) and BRI Hong Kong Representative Office (BRI HKRO). The support which include are trade loans, fund-raising, commercial loans, risk participation, remittance, USD settlement and expansion of BRI's overseas reach.

In the development of its asset portfolio, BRINYA is active in providing loans to the US global companies, as well as Indonesian companies actively carrying out trade transactions with the US. Furthermore, BRINYA also participates in the financing of Indonesian government projects through the Overseas Financing scheme, as part of BRI's efforts to assist the government's infrastructure development projects. BRINYA performance continues to show positive growth. BRINYA's assets reached USD1.46 billion in 2014, and recorded profits of USD16.4 million.

BRICIB, one of supporting agency of BRINYA, is also active in banking activities, both in assets and in liabilities. BRICIB's assets grew 152.4% from the end of 2013, from USD280 million to USD706.8 million in 2014, with total loans of USD281.3 million, contributing net profits of USD4.2 million.

BRI HKRO represents BRI in Asia's financial center, Hong Kong. BRI HKRO is tasked in gathering

Business Review

International Business

information relating to business and investment opportunities in order to develop bilateral trade and promote Indonesian export/import products and activities. BRI HKRO also supervises BRI's Subsidiary in Hong Kong, BRI Remittance Company (BRC).

In addition to three overseas operating units above, BRI is also currently pioneering the opening of a Branch Office in Singapore, which was authorized by the Monetary Authority of Singapore in 2014. This Branch Office is expected to strengthen BRI International Business, especially in the Asia-Pacific region. With the addition of this unit, International Business is expected to grow exponentially, seizing more opportunities and serving all clients' needs.

INTERNATIONAL BUSINESS PROFITABILITY

International Business contributes significant fee income to BRI, with rapid growth over the last three years.



Business Review

International Business

INTERNATIONAL BUSINESS STRATEGY IN 2015

As part of efforts to develop its International Business, BRI has formulated the following strategies:

1. Development of BRI Singapore Branch Office
2. Development of the Trade Processing Center for the Greater Jakarta area
3. Product development, including of the TPC service portal directly accessible by customers, as well as remittance services
4. Increased Trade Finance Officer quality and professionalism through certification
5. Development of remittance representative functions to become representative offices
6. Increased cooperation with other banks, including the Regional Development Bank (BPD), domestic banks and overseas correspondent banks
7. Formulation of Money Changer cooperation schemes with correspondent banks and domestic Money Changer agencies



Business Review

Treasury Business and Capital Market Supporting Services



Business Review

Treasury Business and Capital Market Supporting Services

Summary:

- Liquidity and market risk management practices in line with regulatory requirements, optimizing assets performance.
- BRI is meeting the demands of capital market customers through its capital market services, comprising trusteeship, selling agents, custodian services, and DPLK.

TREASURY BUSINESS

The decline in global and domestic economic in 2014 rendered a serious challenge to the capability of BRI's Treasury Business in managing asset and liability structure, to ensure real contribution for the Bank's performance sustainability. Rupiah was weak throughout 2014, a test for Treasury to exercise apt strategy in order to protect BRI's Balance Sheet. As evident BRI's net open position did not exceeded Bank Indonesia's (BI) requirement or BRI's Treasury Policy, thus Treasury was successful in its role to minimize foreign exchange rate risk.

The continued high inflation due to the cut in fuel subsidies led BI to again raise the reference interest rate from 7.50% at the beginning of the year to 7.75% at the end of the year. This helped trigger a rise in customers' deposit interest rates, leading to increased cost of funds. In order to minimize the impact of the adjustment of deposit interest rates with cost of funds, BRI strove

to maintain the composition of low-cost funds above 50% and maintain savings interest rates unaffected by interest rate changes.

Treasury Performance in 2014

In the fourth quarter of 2014, BRI issued Medium-Term Notes (MTN) and Negotiable Certificate of Deposits (NCD) as to diversify funds, especially from non-DPK instruments. This is to mitigate refinancing risk and reduce interest fees in light of interest rate trends continuing to rise until the end of the year, as well as to reduce maturity gaps especially for short-term loans with a period between 1 to 3 years. Funds gained from the issuance of the two bonds will be used to support BRI's loans growth.

Although the above efforts have already been optimized, cost of funds still rose around 67 bps from 3.71% in 2013 to 4.38% in 2014. in spite of increasing of interest rate to 175 bps in the second half of 2013, which started to present an impact in early 2014, it is clear that BRI succeeded in maintaining the stability of costs of funds.

Besides the challenges in maintaining costs of funds, in 2015 the Indonesian banking system began to implement Basel III policy related to Liquidity Risk Management through Liquidity Coverage Ratio reports, which showed an increase in bank liquidity resilience. BRI has made preparations to improve assets composition, making it more liquid.

As of the end of 2014, BRI's liquid asset proportion reached 30.2% of total earning assets. Meanwhile, BRI also managed to increase total assets from Rp606.4 trillion to Rp778.0 trillion, a growth of 28.3% yoy, with Earning Assets constituting 90.7% of the total. This achievement presented BRI continuous efforts to grow to become the Bank with the biggest assets in Indonesia despite the unfavorable global economic conditions and a sluggish domestic economy.

Treasury Strategy in 2014

In general, to provide optimal Treasury services and Capital Market Supporting Services, as well as manage market and liquidity risk, BRI implements the following strategies:

1. Management of liquidity, resources and bank funds usage, as well as professional and directed market risk management
2. Trading of arbitrage, market making and proprietary trading with the application of principles of circumspection and disciplined trading limits
3. Credit assessment to obtain investment opportunities in financial instruments and equity

Business Review

Treasury Business and Capital Market Supporting Services

4. Provision of financial market products and services, both for internal BRI operating units and customers, with competitive prices
5. Development of capital market and financial market products and services in order to acquire fee-based income

Continuing the abovementioned strategies, and in order to develop Treasury business and Capital Market Services, in 2014 BRI separated the Capital Market Service functions from the Treasury Division, establishing the Investment Services Division. A Global Market Group within the Treasury Division has also been established, with functions divided between four other groups: the Money Market Group, Foreign Exchange Group, Fixed-Income Group and Derivatives & Product Developments Group. This separation of functions is intended to focus Treasury Business management in support of BRI's business requirements and those of BRI's corporate customers.

In addition, BRI also develops products and services that support customer requirements, such as Currency Options, Interest Rate Swaps and Cross-Currency Swaps, as well as services including Remote Area, Electronic Foreign Exchange at regional offices and the development of mobile Briefx. In order to serve customers' foreign currency transactions, BRI Treasury Business offers foreign currency transaction services, and hedging transaction through forwards and swaps. In

complement to foreign currency transactions, BRI periodically offers market updates services via e-mail and SMS Blast to the customers. BRI constantly strives to increase currency transaction services with the support of Treasury Remote Areas in Bandung, Surabaya, Yogyakarta and Medan, supported by the Briefx system. This system allows customers to directly receive deal confirmation emails for each transaction. As an alternative for the optimization of cash management, BRI also offers Deposit on Call products as a short-term fund-placement solution to minimize idle money.

Management's continuously concerns on HR development, by disseminating treasury products to all BRI operating units in order to enhance their knowledge to support business development.

CAPITAL MARKET SUPPORTING SERVICES

With increasingly diversified investment channels in Indonesia, customers have more investment choices in money market and in capital market. BRI's Capital Market Support Services is present to help customers invest in capital market. Not only in terms of investment, Capital Market Support Services also serve corporate customers that seek financing by issuing securities in capital market. BRI's Capital Market Support Services consist of:

Trustees and Selling Agents

Trustee is the party that represents the interest of debt security holders, in and out of court. Going forward, BRI will continue its partnership with the Capital Market to develop Trustee service.

Trustee and Selling Agent Performance in 2014

As selling agent, BRI markets investment products, among others mutual funds, government securities (ORI), and Sukuk Ritel. Cooperating with eight Investment Manager, BRI currently offers 29 Mutual Funds products, focusing on BRI Prioritas customers. In 2014, BRI was appointed by the Government as selling agent of ORI010 and Suku Ritel Series SR005.

BRI markets ORI and Sukuk Ritel through Branch Offices and Sub-Branch Offices located throughout Indonesia. BRI strives to always garner trust from the Government as selling agent/sub-selling agent for every ORI and Sukuk Ritel issuance, generating fee-based income from the sales of investment products.

Business Review

Treasury Business and Capital Market Supporting Services

Custodian Services

BRI has been serving as Custodian Bank since 1996 and offers various asset management services, including money market instruments such as time deposit or deposit on call, Bank Indonesia Certificate as well as fixed income instruments such as government bonds, corporate bonds, and equity in the form of shares. BRI has been appointed as Sub-Registry to Government Bonds transactions and executor of SBI Scriptless by Bank Indonesia. BRI's Custodian Service encompasses mutual funds management that covers widerange of Mutual Funds and equity in the form of shares.

BRI provided Custodian Services that include the mutual funds, and Financial Agency Pension Funds. The custodian services offered cover the following:

- Safekeeping Services and Portfolio Valuation
- Settlement handling
- Income collection, including tax payment
- Corporate actions and proxy services
- Information and reporting services
- Mutual funds and DPLK custodian services
- Online stock brokerage BBRI
- Custodian services for assets securitization
- Global custodian services for global securities placements

During 2014, BRI Custodian provided various services to the customers and continuously become the customers' main choice, i.e. corporates, investment managers or individuals in terms of assets placement options. This was illustrated by the increase in assets management by BRI Custodian, which have grown significantly over the last 5 years.

The focus in 2014 was on improving existing services. Speed, convenience and accuracy are the focus, as part of efforts to realize the commitment to provide the best possible service to customers. In 2014, products and services developed by BRI Custodian included:

- Development of Global Custody service through direct membership of the International Central Securities Depository (ICSD) to increase the accuracy and speed of customers' global securities transactions
- Development of the Compliance Module system in line with capital market regulations in order to simplify the monitoring of Investment Manager compliance with mutual funds portfolio management
- Improved services through separation of compliance, operational, tax and reporting functions
- Development of an integrated operational system in order to implement **Straight-Through Processing** in custodian service operations

Going forward, BRI Custodian remains committed to improve its corporate and individual customer services, with a constant emphasis on prudential principles. As such, Custodian BRI continuously improves its HR capacity and capability, boosts integrated operating systems and provides comprehensive services to customers.

Custodian BRI Performance

Year	Funds Managed
2010	31.94 T
2011	39.98 T
2012	56.46 T
2013	103.98 T
2014	126.85 T

Trustee Services

BRI Trustee services involve assets placement management of customers' assets, which are financial assets for and on behalf of the customers. BRI is the first Bank in Indonesia to receive Bank Indonesia authorization to carry out trustee services through Bank Indonesia Letter No 15/19/DPB1/PB1-3 dated 12 February 2013, and Bank Indonesia affirmation letter No 15/30/DPB1/PB1-3 dated March 19, 2013.

The scope of BRI Trustee services as stipulated by Bank Indonesia regulations covers:

- Payment Agent Services
- Security Agent Services
- Investment Agent Services

Business Review

Treasury Business and Capital Market Supporting Services

TRUSTEE SERVICES

Involve placement and management of **settlor** property assets based on written agreements between the Bank as **trustee** and the settlor as the **beneficiary**.
(PB 14/17/PBI/2012)



BRI Trustee services was started with financial transactions covering oil and gas projects carried out by Cooperation Contract Contractors under SKK Migas, BRI now serves non oil & gas sector to meet the increase needs of the customer.

Trustee Service Business Development in 2014

BRI Trustee services also support BRI financing units, both in individual and in syndicated financing transactions. In 2014, BRI Trustee services gained the trust from several institutions to manage trust funds. This is a manifestation of our customers' trust to the Bank; thereby we will continuously provide better services to our customers in the future.

Business Review

Treasury Business and Capital Market Supporting Services

BRI Trustee Performance

in Rp trillion	
Year	Funds Managed
2013	9.1
2014	17.0

Financial Institution Pension Funds (DPLK)

Financial Institution Pension Funds (DPLK) acts as Trustee for Defined Contribution Pension Programs (PPIP) set up by Bank BRI on 9 January 2006. BRI DPLK products are known as **BRI Pension Plan Investment** program open to the general public, whether individuals or groups, for employees in both formal and informal sectors.

BRI Pension Plan Investment offers 4 investment options, namely the Financial Market Investment Package, Fixed-Income Investment Package, Share Investment Package and Combined Investment Package. **BRI Pension Plan Investment** offers the following features:

1. Advanced management including daily Net Asset Value (NAV) valuation, as the Mutual Funds and NAV management are published daily in the national newspapers
2. Simple registration and deposit process
3. Wider network support through BRI branch offices and sub-branch offices
4. Relatively safe products with very competitive returns
5. Performance transparency, whereby BRI DPLK Financial Reports was audited by independent auditors and published in national newspapers

At the beginning of 2014, BRI DPLK received authorization from the Financial Services Authority (OJK) to manage the Pensions as Severance Compensation Program (PPUKP). The PPUKP program offers a number of advantages to the Company, among others are:

- Compensation/calculation as reserve of PSAK 24 Employee Benefits (Compensation) to fulfill corporate obligations in accordance with Law 13 on Manpower
- Corporate registered funds, ensuring that if an employee is not eligible for compensation, the Company does not need to compensate him or her
- The amount paid is in line with the Company's obligations, avoiding overpayment that exceeded the employee's rights in accordance with the company's compensation regulations

On investment performance, BRI DPLK by the end of December 2014 had managed to obtain returns above the benchmark, which are:

- Money Market DPLK: returns of 10.48% with the average benchmark of 1 month deposit interest rates in 5 banks with the most assets at 7.33%
- Fixed Income DPLK: returns of 9.96% with a 7.85% IRDPT (Fixed Income Mutual Funds Index) benchmark
- Share DPLK: returns of 24.83% with 22.29% JCI benchmark

DPLK Performance in 2014

Fee-based income contribution from BRI DPLK, as the founder, as of December 2014 amounted to Rp29.8 billion, an increase of 16.63% compared with the same period of the previous year, while total assets management as of December 2014 amounted to Rp3.7 trillion, an increase of 24.3% compared with the same period of the previous year.

To provide convenience and simplicity for participants, BRI DPLK has developed e-channels in order to enable the users to view the account information and carry out top-up transactions through ATMs, Mobile Banking and Internet Banking. BRI DPLK also issues e-statements containing information on investment portfolios through automatic emails.

Business Review

Treasury Business and Capital Market Supporting Services

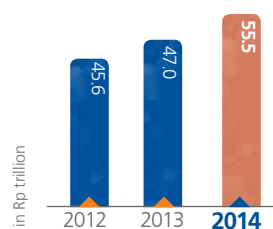
In its future development strategy, BRI DPLK envisions to become a market leader in the Pension Fund industry through prudent long-term investment with optimal returns, managed with professionalism and transparency.

7. BRI Custodian's assets management grew 21.99% from the previous year to Rp126.8 trillion at the end of 2014, contributing fee-based income of Rp30.1 billion
8. BRI DPLK assets management reached Rp3.7 trillion at the end of 2014, grew 24.26% from 2013

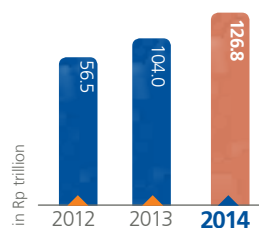
TREASURY BUSINESS AND CAPITAL MARKET SUPPORTING SERVICE PERFORMANCE IN 2014

1. Succeeded in maintaining cost of funds in the midst of interest rate increased, stringent liquidity and a sluggish domestic economy. BRI's cost of funds rose 67 bps from 3.71% at the end of 2013 to 4.38% at the end of 2014
2. Succeeded in issuing three series of MTN BRI Phase 1, with values of Rp300 billion for Serie A, Rp60 billion for Serie B and Rp360 billion for Serie C with fixed coupon rates of 8.75%, 9.25% and 9.50%, respectively
3. Succeeded in supporting foreign loans to replace subordinated debt maturing in December 2014. Total acquired loans reached USD370 million with a period of 3 years and an interest rate of LIBOR at 3M+1.69% (all in)
4. In general, succeeded in maintaining liquidity ratios such as GWM, Net Currency Position, Loan-to-Deposit Ratio and Cash Ratio in line with BI regulations and internal Treasury Policy
5. Fee-Based Income from capital market supporting services in 2014 reached Rp67.2 billion, grew 21.10% from 2013
6. Total securities managed by BRI as trustee as of December 2014 stood at Rp55.5 trillion, grew 18.10% from the same period in 2013

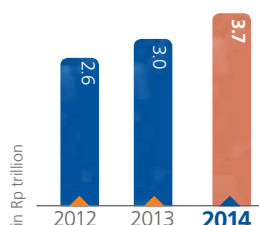
Trustee Assets Management



Custodian Assets Management



BRI DPLK Assets Management



Business Review

Treasury Business and Capital Market Supporting Services

TREASURY BUSINESS AND CAPITAL MARKET SUPPORTING SERVICE STRATEGY IN 2015

1. Yield enhancement through realignment of BRI non-loan portfolio earning assets to financial instruments with a higher yield, prioritizing principles of prudence
2. Improving the marketing of integrated Treasury products according to customer needs, such as customer hedging transactions, through the use of BRI's existing e-channels
3. Joint marketing with related BRI operating units for Trustee, ORI, Sukuk Ritel and Mutual Fund products
4. One-stop investment service helpdesk, covering custodian, DPLK, Trustee and corporate services
5. Marketing of global security custodian services
6. Introduction of Custodian Services to existing Corporate customers
7. Expansion of sales network of BRI Pension Plan Investment program through micro operating unit
8. Addition of features to BRI Pension Plan Investment program such as the Sharia Investment Package and insurance coverage
9. Upgrades the mutual funds investment system
10. Becoming a syndicated loan Facility Agent
11. Support BRI's inorganic growth



Financial Review

This sub-chapter presents analysis and discussion on BRI's financial performance. The presentation of financial performance complies with Indonesian Statement of Financial Accounting Standards (PSAK) as well as Accounting and Reporting Guidelines for Indonesian Banking Industry. At the end of this analysis, BRI also presents brief overview on the performance of its subsidiaries, as integral and inseparable part from the Bank's financial performance.

The content of the following analysis refers to BRI Consolidated Financial Statements audited by Public Accountant Firm Purwantono, Suherman dan Surja (PSS-EY), in accordance with Independent Auditor Report No. RPC- 6591/ PSS/2015 dated 16 January 2015 that concluded that BRI's consolidated financial statements have been presented fairly on all material matters. BRI's Audited Consolidated Financial Statements are attached to this Annual Report.

Profit and Loss

in Rp Million

	2012	2013	2014	Growth	
				2012-2013	2013-2014
Interest Income	48,272,021	57,720,831	73,065,777	19.57%	26.58%
Profit Sharing - Sharia	1,338,400	1,740,253	2,056,436	30.02%	18.17%
Less: Interest Expense and Bonus	(13,126,655)	(15,354,813)	(23,679,803)	16.97%	54.22%
Interest income and profit sharing -Net	36,483,766	44,106,271	51,442,410	20.89%	16.63%
Other Operating Income	8,389,732	8,348,459	9,299,140	-0.49%	11.39%

Financial Review

Profit and Loss

in Rp Million

	2012	2013	2014	Growth	
				2012-2013	2013-2014
Allowance for Written-Off Impairment Losses on Financial and Non-Financial Assets - Net	(2,668,177)	(3,947,875)	(5,721,905)	47.96%	44.94%
(Expense) Reversal for net estimated commitment and contingencies - net	(262)	191	(175)	-172.90%	-191.62%
Reversal for net allowance for impairment losses on non-financial assets - net	(31,489)	1,309	2,721	-104.16%	107.87%
Less: Operating Expense	(19,491,032)	(22,380,778)	(26,660,314)	14.83%	19.12%
Operating Income	22,682,538	26,127,577	28,361,877	15.19%	8.55%
Non-Operating Income/Expense - Net	1,177,034	1,782,489	2,497,196	51.44%	40.10%
Income before tax	23,859,572	27,910,066	30,859,073	16.98%	10.57%
Tax Expense	(5,172,192)	(6,555,736)	(6,605,228)	26.75%	0.75%
Net income before extraordinary items	18,687,380	21,354,330	24,253,845	14.27%	13.58%
Net extraordinary items	-	-	-	-	-
Net Income	18,687,380	21,354,330	24,253,845	14.27%	13.58%

Comprehensive Profit and Loss

in Rp Million

	2012	2013	2014	Growth	
				2012-2013	2013-2014
Net income	18,687,380	21,354,330	24,253,845	14.27%	13.58%
Other comprehensive income – net after tax	(26,372)	(1,437,676)	506,154	5351.52%	-135.21%
Current Year Comprehensive Income	18,661,008	19,916,654	24,759,999	6.73%	24.32%

ROE stood at **31.22%**

One of the highest in Indonesian banking industry

CAR reached **18.31%**

Exceeding regulatory requirement, which reflected the Bank's ability to cover risks and benefit from growth potentials

NPL (gross) **1.69%**

Signified sound loan quality

LDR at **81.68%**

Showed ability to maintain liquidity and expansion potential.

*Bank only

Financial Review

Profit and Loss Statement

The Bank's financial performance throughout 2014 shows a solid performance, especially considering that it was achieved amid an unfavourable time and economic conditions that were not conducive to the Bank's business. The achievements were enabled by several factors, : sound loans quality that maintained above banking industry average, growth of loan outstanding, ideal loan composition, improved human capital productivity, and better operational efficiency. Since 2005 or in the last 10 years, BRI also able to maintain its position as the Bank with the largest profit. Consolidated profit that BRI was able to deliver in 2014 grew by 13.58% from Rp21.35 trillion in 2013 to Rp24.25 trillion.

Interest Income

To create robust and sustainable business growth, BRI apply selective assets growth strategy, focus on quality, and prudential banking principles implementation. Driven by this strategy, BRI's earning assets in 2014 grew by 28.06% compared to 2013, while loans disbursement in 2014 grew above the industry with sound loans quality. At the end of 2014, BRI's total loans grew by 13.91% from Rp448.34 trillion in 2013 to Rp510.69 trillion in 2014, while NPL (gross) was stable stood at Rp1.78% as of December 2014.

BRI's efforts to maintain loans quality and portfolio composition – predominantly occupied by Micro Loans – successfully supported its interest income (including Sharia profit sharing) throughout 2014, which grew by 26.34% from Rp59.46 trillion in 2013 to Rp75.12 trillion in 2014. Of the total interest income, Rp65.93 trillion or 87.76% was contributed by interest on loans.

In addition, BRI's policy to maintain competitive interest rate across all loan categories brought positive impact to the growth of business volume and customer base. This strategy was supported by widened network, scope of conventional offices as well as e-channel and reliable and sufficient human capital, effectively created barrier of entry for competitors while expanding BRI's market share in the banking industry.

The increase of BI Rate to 7.50% at the end of 2013 from 7.75% in November 2014 also drove the increase of cost of funds. Competition in funding, which had previously intensified following BI Rate hike throughout 2013, became more rigorous. However, BRI apply some strategies to minimize impacts – among others by maintaining TPF composition and sought to have CASA as majority of the total TPF generated.

Another strategy to increase interest income was by maintaining loan quality, applying more rigid credit risk mitigation measures, and accelerate settlement process on non-performing loans through loan restructuring or other ways that would generate positive impacts to BRI.

Financial Review

Interest Income							in Rp Million
Component	2012		2013		2014		
	Rp million	%	Rp million	%	Rp million	%	
Loans	42,674,331	86.02%	52,117,514	87.65%	65,930,652	87.76%	
Government bonds (recapitalization bonds)	375,218	0.76%	163,117	0.27%	245,878	0.33%	
Marketable Securities	2,194,902	4.42%	2,684,034	4.51%	3,402,020	4.53%	
Placements with other Banks and Bank Indonesia	1,967,685	3.97%	1,330,426	2.24%	1,372,015	1.83%	
Demand deposits with Bank Indonesia	163,713	0.33%	190,842	0.32%	222,584	0.30%	
Others	2,234,572	4.50%	2,975,151	5.00%	3,949,064	5.26%	
Total Interest Income	49,610,421		59,461,084		75,122,213		

In 2014, interest income from earning assets other than loans increased by 25.16% and reached Rp9.19 trillion in 2014. Despite this significant increase on interest income from assets other than loans, composition of interest income from loans was relatively stable at 87.65% in 2014 from previously 87.76%, as return from non-loans earning assets was far lower than return from loans while at the same time composition of loan with high yield increased.

Interest Expense

Interest expense in 2014 grew by 54.22% from Rp15.35 trillion in 2013 to Rp23.68 trillion. The growth was contributed by the increase of deposit rate and growing share of time deposits to the total TPF composition. This reflected an impact of BI Rate increase by 25 bps at the end of 2013 and by 25 bps in November 2014, coupled with funding competition amid tight liquidity condition. Nevertheless, the Bank was able to manage CASA composition, therefore cost of funds was maintained at 4.38% in 2014, or grew by 67 bps from the previous year.

Interest Expense							in Rp Million
Component	2012		2013		2014		
	Rp million	%	Rp million	%	Rp million	%	
Demand Deposits	1,478,777	11.27	1,266,686	8.25	1,283,499	5.42	
Savings	2,126,266	16.20	2,255,230	14.69	2,612,080	11.03	
Time Deposits	7,366,603	56.12	9,435,407	61.45	16,743,689	70.71	
Others	2,155,009	16.42	2,397,490	15.61	3,040,535	12.84	
Total Interest Income	13,126,655		15,354,813		23,679,803		

Financial Review

Net Interest Income

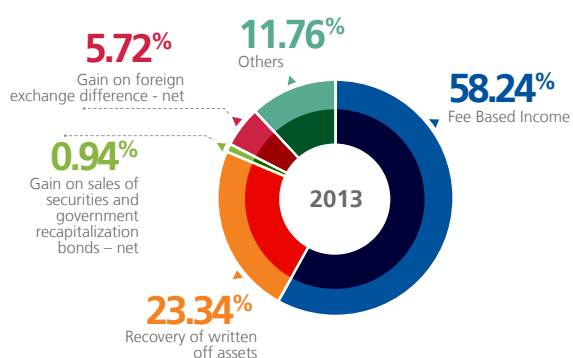
BRI's net interest income in 2014 reached Rp51.44 trillion or grew by 16.63% from 2013 result of Rp44.11 trillion. As described in the previous subsection, increase of interest expense exceeded interest income, therefore growth of net interest income in 2014 was lower than in 2013.

Other Operating Income

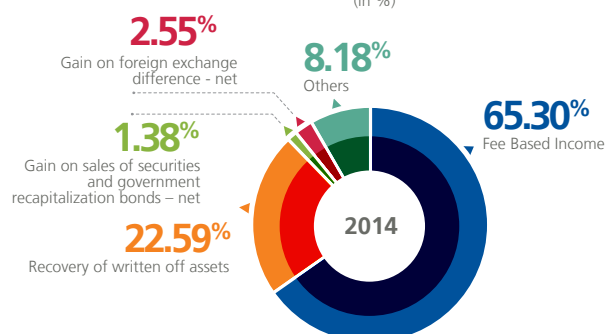
Other operating income in 2014 increased 11.39% to Rp9.30 trillion, due to fee-based income that grew by 24.89% to Rp6.07 trillion in 2014 from Rp4.86 trillion in 2013. With this growth, fee-based income contribution to total other operating income also rose to 65.30% in 2014 from 58.24% in 2013.

Component	2012		2013		2014	
	Value	%	Value	%	Value	%
Fee Based Income	3,929,559	46.84	4,862,438	58.24	6,072,460	65.30
Recovery of written-off assets	2,258,387	26.92	1,948,158	23.34	2,100,676	22.59
Gains of sales of marketable securities and Government recapitalization bonds - net	56,041	0.67	78,252	0.94	127,975	1.38
Gains from foreign exchange difference - net	428,800	5.11	477,524	5.72	237,304	2.55
Others	1,716,945	20.46	982,087	11.76	760,725	8.18
Total Other Operating Income	8,389,732		8,348,459		9,299,140	

Other Operating Income Composition
(in %)



Other Operating Income Composition
(in %)



Financial Review

In 2014, BRI was able to recover written-off assets amounted to Rp2.10 trillion, which demonstrated successful implementation of non-performing loans settlement program. In addition, BRI was also able to book gains on sales of marketable securities and government recapitalization bonds amounting to Rp127.97 billion.

Meanwhile, other operating income in 2014 amounted to Rp760.73 billion. Other operating income consisted of reversal of provision for pension preparation period, fines, advance loan settlement, clearing rejection fee, and others.

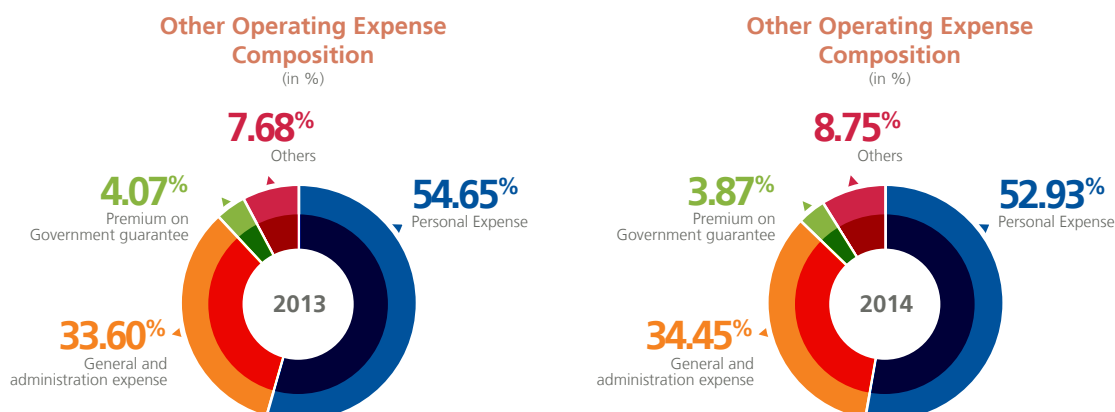
Other Operating Expense

Other operating expense grew by 19.12% to Rp26.66 trillion from Rp22.38 trillion in 2013. This account consisted of personnel expense, general and administration expense, premium for government guarantee program, and others.

The increase of personnel expense by 15.37% to Rp14.11 trillion was due to salary increase in the second quarter of 2014, distribution of performance based incentives, and ongoing recruitment to fulfil employee formation. Increasing salary was aimed to motivate employee to increase their productivity and deliver their best performance.

Other Operating Expense						in Rp Million
Component	2012		2013		2014	
	Value	%	Value	%	Value	%
Personal Expense	9,605,547	49.28	12,231,994	54.65	14,111,461	52.93
General and administration	6,343,661	32.55	7,518,886	33.60	9,184,155	34.45
Premium on Government guarantee	749,297	3.84	911,957	4.07	1,030,657	3.87
Others	2,792,527	14.33	1,717,941	7.68	2,334,041	8.75
Total Other Operating Expenses	19,491,032		22,380,778		26,660,314	

Financial Review



The increase of general and administration expense by 22.15% to Rp9.18 trillion was due to distribution of incentive for outsourced personnel, increase of rent as well as improvement, maintenance, and addition of conventional and e-channel network (see also "Network Development" under Marketing chapter).

Allowance for Written off Impairment Losses on Financial and Non Financial Assets-Net

In 2014, the amount of allowance for impairment losses on financial and non-financial assets stood at Rp5.72 trillion, increased by Rp1.77 trillion compared to Rp3.95 trillion in 2013. The Bank set aside this provision to cover risks, especially credit risk.

The increase of allowance for impairment losses was influenced by challenging Indonesia's economic condition 2014, as marked by relatively high inflation and current account deficit that put pressure to Rupiah against Dollar, which overall contributed to the increase of BRI's business risk exposure. To counterveil the risks, BRI provisioned allowance to cover risk of future assets value impairment.

Operating Income and Income Before Tax

BRI's operating income in 2014 grew by 8.55% to Rp28.36 trillion from Rp26.13 trillion in 2013. Furthermore, BRI also generated net non-operating income amounted to Rp2.49 trillion in 2014. In total, income before tax amounting to Rp30.86 trillion, or rose by 10.57% from Rp27.91 trillion in 2013.

Income Tax

Calculation of income tax is in accordance with Law No. 7 of 1983 on Income Tax, amended for the fourth time by Law No. 36 of 2008 dated 23 September 2008, which stipulated single tariff for fiscal year 2010 henceforth at 25%.

Financial Review

Pursuant to Law No. 36 of 2008, Government Regulation No. 77 dated 21 November 2013 on "Income Tax Reduction Facility of Domestic Listed Companies" and Minister of Finance Regulation No. 238/PMK.03/2008 dated 30 December 2008 on "Monitoring and Implementation Procedures on Tax Reduction Facility Granted to Listed Companies", domestic public companies in Indonesia are eligible to apply for Income Tax reduction facility of up to 5% from the highest applicable income tax rate.

Public companies that may obtain the facility are companies that at least 40% of its paid-in shares are owned by 300 (three hundred) parties, each owns less than 5% of the total paid-in capital. This requirement must be met by a Public Company at minimum within 183 (one hundred and eighty three) calendar days in 1 (one) fiscal year.

Based on letter No.DE//2015-0232 dated 5 January 2015 and monthly share register report (Form No.X.H.I-2 dated 5 January 2015 issued by Share Registrar Datindo Entrycom concerning BRI's shares ownership in 2015), the criteria has been met for year ended 31 December 2014. Therefore, BRI applies single tariff of 20% for fiscal years 2010, 2011, 2012, 2013, and 2014.

In accordance with tax stipulations, BRI's tax expense in 2014 amounting to Rp6.61 trillion, or increased by 0.75% from Rp 6.56 trillion in 2013.

Consolidated Net Income

After tax income, BRI's net income for 2014 stood at Rp24.25 trillion, up by 13.58% from 2013 net income of Rp21.35 trillion. Earnings per share stood at Rp982.67.

Comprehensive Income

Presentation of Other Comprehensive Income After Tax follows the issuance of PSAK No. 1 (revised 2009) on Financial Statements Presentation enforced effectively as of 1 January 2011. Other Comprehensive Income After Tax comprised:

1. Loss of to Rp25.62 billion due to the foreign exchange difference in the presentation of financial statements in foreign currency
2. Unrealized gain of Rp709.62 billion from on marketable securities and government recapitalization bonds available for sale-net of the amount transferred to profit and loss in respect of changes of fair value of securities and recap bonds available for sale
3. Income Tax on other comprehensive income – loss amounting to Rp177.85 billion

The total net comprehensive income was Rp506.15 billion of profit.

Total Comprehensive Income

By calculating the above comprehensive income, BRI's total comprehensive income in 2014 was stood at Rp24.76 trillion or grew by 24.32% from Rp19.92 trillion in 2013.

Financial Position

Assets

In 2014, BRI's assets increased by 28.07% from the previous year to Rp801.96 trillion. The growth of asset was driven by the growth of loans that increased by 13.91% to Rp510.69 trillion from Rp448.34 trillion in the previous year. Moreover, other earning assets such as placements in other banks and marketable securities increased by 80.86% from Rp120.20 trillion in 2013 to Rp217.39 trillion in 2014. Although other earning assets gained significant increase, loans remained the major component in BRI's assets, which accounted for 63.86% of the Bank's total assets in 2014.

in Rp Million

Summary of Balance Sheet	2012	2013	2014	Growth (%)	
				2012-2013	2013-2014
Cash	13,895,464	19,171,778	22,469,167	37.97	17.20
Current Account with Bank Indonesia	42,524,126	40,718,495	51,184,429	-4.25	25.70
Current Account and Placements with other banks - net	71,084,903	45,742,003	72,615,882	-35.65	58.75
Marketable Securities - Net	56,622,173	66,039,800	133,700,040	16.63	102.45
Government recapitalization bonds	4,315,616	4,511,419	4,303,596	4.54	-4.61
Loans	362,006,543	448,344,856	510,696,841	23.85	13.91
Allowance for Impairment Losses -/-	(14,914,865)	(15,418,096)	(16,162,795)	3.37	4.83
Investments - Net	196,742	222,851	251,573	13.27	12.89
Fixed Assets - Net	2,804,366	3,972,612	5,917,470	41.66	48.96
Other assets	12,801,722	12,877,208	16,978,818	0.59	31.85
Derivative Receivables - Net	28,850	4,981	536	-82.73	-89.24
Acceptance Receivables - Net	4,786,121	3,679,684	6,525,688	-23.12	77.34
Deferred Tax	2,024,911	2,188,506	1,659,705	8.08	-24.16
Other Assets	5,961,840	7,004,037	8,792,889	17.48	25.54
Total Asset	551,336,790	626,182,926	801,955,021	13.58	28.07

ASSETS COMPOSITION

Loans

In 2014, BRI successfully increased its loan outstanding, with growth that reflected business and banking industry's conditions. Focusing on Micro, Small, and Medium (MSM) segment, BRI's MSM occupied a significant portion and accounted for 71.25% of the overall loan portfolio. The remaining 25.69% was disburse to corporate segment, which covered SOEs and Non-SOEs customers, while 3.05% was channelled to Sharia receivables and financing through BRI's subsidiary (BRISyariah).

Financial Position

Loans by Currency

in Rp Million

Segment	2012	2013	2014	Growth (%)	
				2012-2013	2013-2014
Micro					
Rupiah	115,494,852	142,266,742	164,054,180	23.18	15.31
Foreign Currency	-	-	-	-	-
Retail					
Rupiah	139,723,181	171,286,336	190,408,020	22.59	11.16
Foreign Currency	6,650,545	10,568,002	9,420,570	58.90	-10.86
Corporate					
Rupiah	58,565,193	72,495,929	85,636,668	23.79	-18.13
Foreign Currency	30,324,491	37,699,457	45,577,850	24.32	20.90
Sharia Receivables and Financing	11,248,281	14,028,390	15,599,553	24.72	11.20
Total Loan					
Rupiah	325,031,507	400,077,397	455,698,421	23.09	13.90
Foreign Currency	36,975,036	48,267,459	54,998,420	30.54	13.95

Loans Quality/NPL

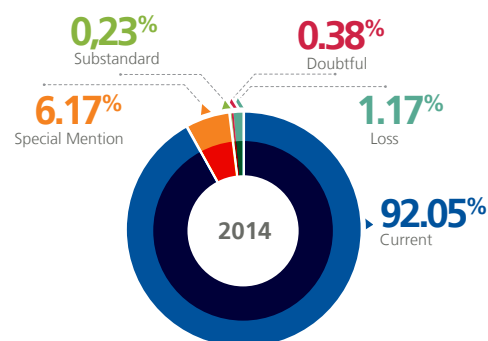
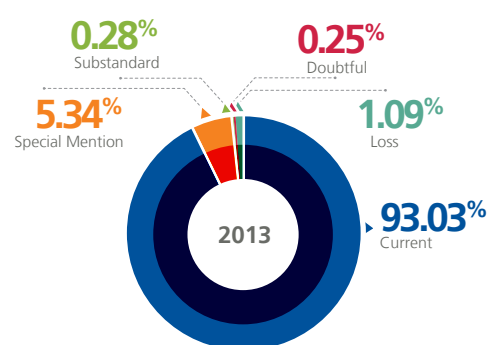
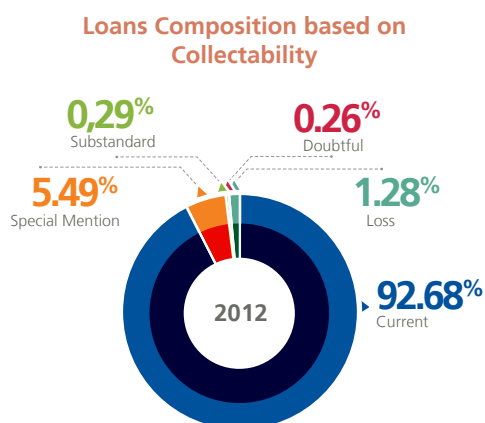
BRI always takes into account risk management and applies prudent procedure in disbursing loans. Thus, Non-Performing Loans (NPL) in 2014 manageable at 1.78% (including BRI Agro and BRISyariah). This level of NPL was considered relatively low, considering the economic condition in 2014 that was increasingly challenging due to the sluggish economic growth, stringent liquidity, and rigorous competition. To manage loans quality in the future, BRI will consistently enhance the quality of non-performing loans settlement, improve loans approval and administration systems, and intensify monitoring process.

Non Performing Loans

in Rp Million

	2012	2013	2014
Total Performing Loans	355,369,649	441,045,020	501,617,268
Total Non Performing Loans	6,636,894	7,299,835	9,079,573
Total Loans	362,006,543	448,344,856	510,696,841
NPL (gross)	1,83	1,63	1,78
NPL (Net)	0,38	0,36	0,39

Financial Position



Loans Write-Off and Recovery

In 2014, BRI's loans write-off amounted to Rp5.62 trillion and recovered Rp2.10 trillion of the written-off loans. Loans write-off is exercised after loans restructuring and other measures have been performed in consideration of failing economic conditions that ascertain on the unfeasible loans settlement.

Cash and Current Account with Bank Indonesia

As BRI's business grows through expansion of networks both conventional and ATM, cash position at the end of 2014 grew by 17.20% from Rp19.17 trillion to Rp22.47 trillion. In addition, current account with BI increased by 25.70% from Rp40.72 trillion in 2013 to Rp51.18 trillion in 2014. The balance of current account with BI represented 8.07% of primary reserve and 8.00% of reserve in foreign currency. The ratios of statutory reserves have complied with BI stipulation on statutory reserves (GWM).

Current Account and Placements with Bank Indonesia and Other Banks

Current Account and placements with Bank Indonesia and other banks increased by 58.75% from Rp45.74 trillion at the end of 2013 to Rp72.62 trillion at the end of 2014. The increase was mainly due to the increase of placements with Bank Indonesia amounting to Rp19.56 trillion.

Marketable Securities

To optimize excess funds and to manage liquidity, treasury management placed funds with financial instruments that generate interest income. Fund placements increased by 102.45% to Rp133.70 trillion in 2014 from Rp66.04 trillion in the previous year.

Financial Position

Government Recapitalization Bonds

BRI's Government recapitalization bonds amounted to Rp4.30 trillion in 2014, decreased by 4.61% from its position at the end of 2013 of Rp4.51 trillion. Throughout 2014, BRI did not purchase any government recapitalization bonds and the decrease was due to sales of government recapitalization bonds of Rp199.31 billion. The fair valuation of the recapitalization bonds was based on market price or price quoted by the brokers/security dealers.

Government Recapitalization Bonds by Interest Rate				in Rp Million
Type of Interest Rate	2012	2013	2014	
Fixed Rate	0,00	0,00	0,00	
Variable Rate	4,315,62	4,511,42	4,303,60	
Total	4,315,62	4,511,42	4,303,60	

Investments

In 2014, BRI's investments reached Rp251.57 billion, increase 12.89% from 2013 position of Rp222.85 billion. The growth was contributed by the increase of the value of PT BTMU-BRI Finance from Rp220.91 billion in 2013 to Rp249.63 billion in 2014, coming from the accumulation of PT BTMU-BRI Finance net income.

Details of the Investments as of 31 December 2014 are:

1. PT BTMU-BRI Finance (formerly PT UFJ BRI Finance): Rp249.63 billion
2. PT Kustodian Sentral Efek Indonesia: Rp900 million
3. PT Sarana Bersama Pembiayaan Indonesia: Rp536 million
4. PT Pemeringkat Efek Indonesia: Rp210 million
5. PT BPR Toeloengeredjo Dasa Nusantara: Rp77 million
6. PT BPR Tjoekir Dasa Nusantara: Rp77 million
7. PT BPR Toelangan Dasa Nusantara: Rp66 million
8. PT BPR Cinta Manis Agroloka: Rp35 million
9. PT BPR Bungamayang Agroloka: Rp23 million
10. PT Aplikanusa Lintasarta: Rp20 million

Fixed Assets

In line with BRI's network expansion, fixed assets increased by 31.71% from Rp8.82 trillion to Rp11.58 trillion at the end of 2014.

Financial Position

Other Assets

Other assets increased by 31.85% to Rp16.98 trillion from the previous year that amounted to Rp12.88 trillion. Other assets consisted of derivative receivables, acceptance receivables, deferred tax, and other assets. This growth was coming from the increase of Acceptance Receivables by Rp2.85 trillion and other assets that grew by Rp1.79 trillion.

LIABILITIES

Liabilities Component

in Rp Million

Summary of Balance Sheet	2012	2013	2014	Growth (%)	
				2012-2013	2013-2014
Third Party Fund					
Demand Deposits	79,723,114	79,336,951	90,052,180	-0.48	13.51
Savings	184,717,349	212,996,625	236,394,994	15.31	10.99
Time Deposits	185,725,920	211,947,806	295,874,672	14.12	39.60
Liabilities Due Immediately	4,911,852	5,065,527	7,043,772	3.13	39.05
Deposits from other Banks	2,778,618	3,691,220	8,655,392	32.84	134.49
Securities Sold with Repurchases agreement	0	0	15,456,701		
Borrowings	10,888,755	9,084,913	24,986,862	-16.57	175.04
Subordinated borrowings	2,116,562	2,097,024	77,582	-0.92	-96.30
Other Liabilities	15,592,841	22,635,438	25,675,437	45.17	13.43
Total Liabilities	486,455,011	546,855,504	704,217,592	12.42	28.78

Liabilities grew 28.78% from Rp546.86 trillion to Rp704.22 trillion in 2014. The largest increase coming from third party funds (TPF) that grew by 23.41%. As illustrated in the table above, TPF occupied a major portion in BRI's total liabilities and accounted for 88.37% of the total liabilities in 2014. This showed that BRI was able to generate third party funds despite competition and tight liquidity condition experienced by the banking industry. The achievement was supported by the Bank's entire network, both conventional and electronic, which were accompanied by improving service quality that increase public's trust to BRI.

Third Party Funds

Third party funds generated by BRI in 2014 amounted to Rp622.32 trillion, or increased by 23.41% compared to 2013. The third party funds comprises of demand deposits, savings, and time deposits including Sharia products, such as Wadiah demand deposits, Wadiah savings, Mudharabah savings, and Mudharabah time-deposits.

Savings was stood at Rp236.39 trillion in 2014 or grew by 10.99% from Rp213.00 trillion in 2013. Savings accounted for 39.99% to the total Third Party Funds composition. Demand deposits reached Rp90.05 trillion or increased by 13.51% from 2013. With these results, low-cost funds accounted for 52.46% to the total third party funds.

Financial Position

The growth of savings represented the success of savings promotional programs and strategy in developing savings features, which were effective in attracting new customers to BRI.

Liabilities Due Immediately

Liabilities due immediately represent BRI's liabilities to other parties that are 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 & credit card deposits, tax payment deposits, insurance deposits, deposits for managed funds, deposits for clearing, remittance deposits, and others.

At the end of 2014, BRI's booked Rp7.04 trillion of liabilities due immediately, or increase by 39.05% from 2013 of Rp5.07 trillion. The increase largely came from tuition channeling deposits amounting to Rp1.83 trillion in December 2014, which did not present in the last year's balance.

Deposits from Other Banks and Other Institutions

At the end of 2014, deposits from other banks and other institutions amounted to Rp8.66 trillion, increased from the previous year of Rp3.69 trillion. The deposits from other banks and other institutions consist of demand deposits, savings, time deposits, interbank call money, and depositson call. This account is used for interbank transactions for operational and liquidity management purposes.

Borrowings

Balance of borrowings at the end of 2014 was Rp24.97 trillion, increased by 175.04% compared to 2013 of Rp9.08 trillion. The increase was due to syndicated loan facility received by BRI on 12 September 2014. The Club Deal was amounted to USD370,000,000 or equal to Rp4.54 trillion (deducted by the transaction charges). In addition, other borrowings in foreign currencies also increased by Rp11.11 trillion by the end of 2014, coming from Wells Fargo Bank, N.A.; Standard Chartered Bank; Commerzbank, A.G.; OCBC Bank; Bank of Montreal; ANZ Banking Group, Ltd.; Citibank, N.A.;

CTBC Bank; and Bank of America N.A. The proceeds from borrowings were used to, among others, finance BRI's general activities and meet the Bank's trade finance needs.

Subordinated Loans

The total amount of subordinated loans as of 31 December 2014 was Rp77.58 trillion, decreased by 96.30% from the previous year amounting to Rp2.10 trillion. The decrease of Rp2.02 trillion was due to the matured subordinated bonds II in December 2014, where its position at the end of 2013 was stood at Rp2.00 trillion. In addition, there was a decrease of two-step loans outstanding from Rp98.97 billion at the end of 2013 to Rp77.58 billion at the end of 2014.

Other Liabilities

Other liabilities consist of derivative liabilities, acceptance liabilities, tax payables, marketable securities issued, estimated losses on commitments and contingencies, and other liabilities. As of the end of 2014, liabilities increased by 13.43% from Rp22.63 trillion at the end of 2013 to Rp25.67 trillion. The increase was mainly due to the increase in acceptance liabilities and securities issued of Rp2.85 trillion and Rp2.23 trillion, respectively. The increase of issued securities coming from BRI's issuance of Medium Term Notes (MTN) and Negotiable Certificate of Deposits (NCD) in 2014, with total amount of Rp2.11 trillion at the end of 2014.

Financial Position

EQUITY

Component	2012	2013	2014	Growth (%)	
				2012-2013	2013-2014
Authorized Capital	6,167,291	6,167,291	6,167,291	0.00	0.00
Additional paid-in capital - net	2,773,858	2,773,858	2,773,858	0.00	0.00
Differences arising from translation of foreign currency financial statements	44,912	82,083	56,468	82.76	-31.21
Stock option	0	0	0		
Unrealized gains (loss) on available for sale marketable securities and government recapitalization bonds - net	740,459	(727,644)	(198,888)	-198.27	-72.67
Total retained earnings	55,080,238	70,868,083	88,761,688	28.66	25.25
Total equity attributable to equity holders of parent entity	64,806,758	79,163,671	97,560,417	22.15	23.24
Non-controlling interest	75,021	163,751	177,012	118.27	8.10
Total Equity	64,881,779	79,327,422	97,737,429	22.26	23.21

In 2014, there was 23.21% increase of BRI's total equity from Rp79.33 trillion to Rp97.74 trillion. This mainly due to significant growth of retained earnings by 25.25% from Rp70.87 trillion in 2013 to Rp88.76 trillion in 2014. The growth of retained earnings was contributed by net income of the period that grew by 13.58% to Rp24.25 trillion. Further, growth of retained earnings was also impacted by ratio of dividend payout from the net income of fiscal year 2013 that stood at 30%. Therefore, earnings per share for net income of fiscal year 2012 and 2013 stood at Rp225.23 per share and Rp257.33 per share, respectively.

CAPITAL

As of the end of 2014, 87.81% of BRI's assets were funded by liabilities and 12.19% by equity. In 2014, BRI's total assets grew by 28.07%, total liabilities grew by 28.78%, and total equity grew by 23.21%. The growth of equity was mainly driven by 25.25% growth of retained earnings. Considering that capital structure is crucial in supporting business expansion for the coming years, BRI is determined to always manage strong and sound capital structure, which will enable optimum business advancements.

Financial Position

To calculate Risk Weighted Assets (RWA) for credit risk, BRI has applied Basel II using standardized approach. Based on the calculation, RWA for credit risk, market risk, and operational risk stood at Rp468.18 trillion or 14.51% higher than the previous year. With the level of capital and RWA, the Capital Adequacy Ratio for credit risk, market risk, and operational risk in 2014 stood at 18.31%.

To meet the minimum capital requirement of Tier I capital and CAR, and to ensure that all identified risks have been taken into account, BRI has defined the level of buffer needed to keep BRI resilient to business pressure, whether due to the competition or changes of business landscape.

Policy on Capital Structure

BRI's capital management policy has the objective to maintain sound capital structure to support business growth going forward, preserve the trust of capital market investors, depositors, customers, and the market in general. Therefore, in terms of capital management, BRI also considers multiple factors, such as optimum return to shareholders, balance between profit and gearing ratio, and benefits as well as security enabled by strong capital position.

In accordance with Bank Indonesia regulation No. 14/18/PBI/2012 dated 28 November 2012, the Bank must calculate Capital Adequacy Ratio (CAR). To meet the requirement, BRI has formulated policies to maintain capital structure in order to anticipate all key risks associated with the Bank's business namely market, credit, and operational risks. In 2014, CAR for market, credit, and operational risks stood at 18.31%, or higher than 16.99% in 2013. This increase denoted that BRI was in a better position to cover risks of each of the Bank's earning assets and operational activities.

in Rp Billion

Details	2012	Bank 2013	2014
Core Capital	51,593	65,964	82,109
Supplementary Capital	3,541	3,508	3,598
Investment	-	-	-
Total Capital	55,134	69,472	85,707
Total RWA for credit and market risks	261,145	333,457	384,391
Total RWA for credit and operational risks	323,698	406,563	464,856
Total RWA for credit, market, and operational risks	325,352	408,858	468,182
Capital Adequacy Ratio for credit and market risks	21.11%	20.83%	22.30%
Capital Adequacy Ratio for credit and operational risks	17.03%	17.09%	18.44%
Capital Adequacy Ratio for credit, market, and operational risks	16.95%	16.99%	18.31%

Financial Position

Pursuant to BI Regulation, the Bank's capital consists of:

1. Core Capital

The Bank's capital that consists of paid-up capital, reserves disclosed as donated capital, additional paid-up capital, retained earnings (including retain earnings for specific purposes), impairment on financial instruments available for sale, and differences of financial statements of overseas branch offices. As described in the table above, BRI's Core Capital in 2014 stood at Rp82.11 trillion, or increased by 24.48% from Rp65.96 trillion in the previous year, due to the additional capital from retained earnings.

2. Supplementary Capital (maximum 100% of core capital)

Supplementary capital consists of: allowance for fixed assets revaluation, general provisions for earning assets write-off, subordinated loans, and increase of financial instruments available for sale. BRI's total supplementary capital in 2014 grew by 2.56% to Rp3.60 trillion.

3. Additional Supplementary Capital Allocated to Anticipate Market Risk

In 2014 and 2013, BRI capital structure consisted of core and supplementary capital amounting to Rp85.71 trillion and Rp69.74 trillion, respectively. BRI did not have additional capital allocated to anticipate the market risk.

In compliance with Bank Indonesia regulation No. 14/18/PBI/2012 dated 28 November 2012, supplementary capital is at maximum 100% of core capital. BRI's supplementary capital – Tier 2 capital stood at Rp3.60 trillion or 4.38% of core capital as of December 2014. This showed that BRI has ample room to strengthen its capital, such as by issuing subordinated bonds.

Financial Position

CASH FLOWS

Cash Flows		in Rp Billion		
	Cash Flow	2012	2013	2014
Net cash flow from (used for) operating activities		(1,996)	4,399	84,930
Net cash flow from (used for) investing activities		(5,714)	(9,145)	(49,213)
Net cash flow from (used for) financing activities		(5,951)	(2,579)	24,961

Cash Flow from Operating Activities

Total net cash flow from operating activities in 2014 was Rp84.93 trillion. Contributing to cash inflows were interest income, investment return, fees and commission, and shariah income amounted to Rp75.11 trillion; recovery income of Rp2.11 trillion, other operating income of Rp6.64 trillion, and net non-operating income of Rp2.97 trillion as well as increase of demand deposits, savings, time deposits, and mudharabah time deposits each amounting to Rp10.76 trillion, Rp22.49 trillion, Rp81.87 trillion, and Rp2.06 trillion. Meanwhile, cash outflows were mainly utilized for interest expense, shariah expense, and other financing totalling to Rp23.19 trillion, other operating expense of Rp31.21 trillion, and impact of the increase of loans, receivables, and shariah financing, bank drafts for export, and other assets each of Rp66.40 trillion, Rp1.62 trillion, Rp1.60 trillion, and Rp1.49 trillion, respectively.

Cash Flow from Investing Activities

In 2014, net cash flows used for investing activities amounted to Rp49.21 trillion, especially contributed by the increase of marketable securities purchased under reverse repo agreement, and government recapitalization bonds available for sale and held to maturity amounted to Rp21.60 trillion, and fixed asset acquisition of Rp3.06 trillion.

Cash Flow from Financing Activities

The total net cash flows from financing activities in 2014 amounted to Rp24.96 trillion. Cash inflows coming from borrowings amounted to Rp15.77 trillion, increase of marketable securities sold under repo agreement at Rp15.46 trillion, and proceeds from issued marketable securities amounted to Rp2.11 trillion.

The cash inflows was offset by cash outflows used for dividend payout and subordinated loans payment of Rp6.35 trillion and Rp2.02 trillion, respectively.

Financial Position

FINANCIAL RATIO

Financial Ratio

Details	2012	2013	2014
1. Capital Adequacy Ratio	16.95%	16.99%	18.31%
2. Non-performing earning assets and non-earning assets to total earning assets and non-earning assets	1.19%	1.06%	1.09%
3. Non-performing earning assets to total earning assets	1.46%	1.28%	1.26%
4. Allowance for Impairment Losses of financial assets to earning assets	3.43%	2.90%	2.40%
5. NPL gross	1.78%	1.55%	1.69%
6. NPL net	0.34%	0.31%	0.36%
7. Return on Asset (ROA)	5.15%	5.03%	4.74%
8. Return on Equity (ROE)	38.66%	34.11%	31.22%
9. Net Interest Margin (NIM)	8.42%	8.55%	8.51%
10. Operating Expense to Operating Income (BOPO)	59.93%	60.58%	65.37%
11. Loan to Deposit (LDR)	79.85%	88.54%	81.68%
Compliance			
1. a. Legal Lending Limit (LLL) Violation			
i. Related Parties	0.00%	0.00%	0.00%
ii. Non related parties	0.00%	0.00%	0.00%
b. LLL violation percentage			
i. Related Parties	0.00%	0.00%	0.00%
ii. Non related parties	0.00%	0.00%	0.00%
2. Statutory Reserves			
a. Primary Statutory Reserves - in Rupiah	10.64%	8.02%	8.07%
b. Primary Statutory Reserves – in Foreign Currency	8.17%	8.00%	8.00%
3. Net Open Position (NOP)	3.00%	3.15%	3.86%

Solvency

The Bank's ability to meet all obligations, long-term and short-term, is reflected from Solvency and Asset Quality ratios that consist of Capital Adequacy Ratio, Asset Quality Ratio, and Liquidity Ratio.

*) Financial ratio figures are Bank only data

Financial Position

- Capital Adequacy Ratio

As discussed earlier, BRI's capital adequacy ratio for credit, market, operational risks stood at 18.31% from 16.99% in 2013. This ratio represented BRI's ability to generate optimum profit, which contributed to 24.48% of core capital increase that eventually boosted CAR as of December 2014. The ratio also reflected BRI's ability to cover all risks inherent in business activities.

Non Performing Loans Ratio and Asset Quality Management

- Non Performing Loan Ratio (NPL)

NPL ratio in 2014 increased to 1.69% from previously 1.55% in 2013. The increase of NPL ratio was derived by sluggish economic and decreasing commodity prices, especially coal, throughout 2014 that contributed to the increase of banking industry's NPL ratio. However, BRI's NPL of 1.69% was lower than the industry's NPL that stood at around 2%. This showed that the management's efforts in maintaining and improving loans quality have been generating positive results.

To cover the possibility of losses resulting from default on loans and earning assets, BRI regularly analyses the assets age and establishes provision to cover for non performing loans presented as Allowance for Impairment Losses. By increasing the amount of allowance in 2014, the coverage of NPL ratio could be maintained at above 150%.

Liquidity Ratio

- Loan to Deposit Ratio (LDR)

Throughout 2014, BRI's LDR was maintained at the range of BRI's internal target of 80% - 90%. At the end of 2014, LDR stood at 81.68%, declined from 88.54% at the end of 2013. This decrease of LDR was due to loans growth downturn, in addition to BRI's success in increasing the volume of third party funds (TPF) through the variety of savings and time deposits promotional programs.

Profitability Ratio

- Net Interest Margin (NIM)

BRI successfully booked net interest margin at 8.51%. With the level of NIM, BRI is Indonesia's first-rate bank with the highest level of profitability.

- Return on Asset (ROA)

BRI's Return on Assets in 2014 slightly decreased from 5.03% in 2013 to 4.74%. The decrease impacted by BRI's increased liquidity, contributed among others by increase of securities.

- Return on Equity (ROE)

Return on Equity reflected the level of return to shareholders that was maintained at 31.22% in 2014 - one of the highest in the banking industry.

*) Financial ratio figures are Bank only data

Financial Position

Efficiency Ratio

- Cost Efficiency Ratio (CER) and operating expense to operating income ratio (BOPO)

In 2014, CER stood at 43.10% and BOPO stood at 65.37%, or higher than the preceding year that stood at 42.13% and 60.58%, respectively. The increase was due to the increase of operating expense in 2014 that was higher than in 2013. With the increasing inflation in 2014, give impact to the general and administration expense, which mainly coming from outsourced personnel expense, grew 22.15% and salary adjustment for BRI's employee increased the salary expense by 15.37%. Thus, all in all, drive the increase of operating expense.

*) Financial ratio figures are Bank only data

Financial Position

CAPITAL EXPENDITURE

By the end of 2014, BRI operates more than 10,000 operating units (See also “Company Profile” and “Marketing” chapter) as part of the Bank’s network expansion across Indonesia. To expand its infrastructure, BRI has set out capital expenditure amounted to Rp3.06 trillion (see also discussion under “Fixed Assets”).

	in Rp Million		
Capital Expenditure	2012	2013	2014
Land and Buildings	233,031	402,571	610,772
Furniture and inventories	78,743	116,409	216,512
Vehicles	216,977	694,558	373,015
Computers and software	916,539	734,447	1,032,524
Leasing	-	-	-
Satellite in development	-	-	831,895
Total	1,445,290	1,947,985	3,064,718

Material Commitments for Capital Expenditure

In 2014, BRI made several material commitments. The commitments were made largely in Rupiah, therefore risk of exchange rate fluctuation was minimum. The purpose of those material commitments were:

1. Office building construction project totalling to Rp529.47 billion
2. Four and two-wheel vehicle procurement in the amount of Rp272.73 billion
3. IT and e-banking infrastructure development amounted to Rp67.33 billion

Source of funding for capital expenditure was retained earnings from the operating activities in the previous year as well as reserves provisioned from net income of the earlier fiscal years.

The funding sources of capital expenditures were retained earnings, as well as reserves that have been set aside from net profit of the previous fiscal year.

*) Financial ratio figures are Bank only data

Other Financial Information

2014 Target Achievement (bank only)

Target vs Realization			
Description	2014 Targets	2014 Realization	Status
Loans Growth	To focus on loans with high yields	Micro loans grew (15.99%) higher than growth of total loans (13.88%)	Achieved
Loans Quality	To maintain loans quality	NPL stood at 1.69%, below expectation of 2-2.2%	Achieved
Low-Cost Funds Composition	To maintain low-cost funds as the majority component	Low-cost funds accounted for over 50% of the total funds (53.5%)	Achieved
Operating Income	To increase fee based income	Fee based income grew by 24.89% yoy	Achieved
Operating Expense	To maintain operational efficiency as well as personnel productivity	BOPO ratio (65.37%) and CER (43.10%) was maintained around 60-70% and 42-45%	Achieved

In general, in 2014 BRI delivered satisfying performance, as evidenced by the following key performance indicators:

1. Loans growth was above the banking industry's loans growth, or stood at 13.88% in 2014, while micro loans that generated higher yield grew higher than total loans at 15.99%.
2. BRI was able to maintain loans quality. NPL increased slightly, yet stayed below the average industry NPL of 2.16%. The Bank's NPL in 2014 stood at 1.69% from 1.55% in 2013.
3. In 2014, the composition of low-cost funds was higher than high-cost funds. As of December 2014, CASA accounted for 53.54%.
4. BRI's fee-based income increased by 24.89%, higher than 2013 growth of 23.74%.
5. Operating expense was increase 19.12% and still lower than target, 20% showed that BRI was able to control its operating expense thus BOPO ratio at around 60-70%, while CER stood at around 42-45%.

2015 Targets

Indonesia's economic condition and BRI's business capacity are two main considerations for BRI when defining strategy and growth targets in 2015, which are outlined as follows:

Other Financial Information

1. Loans growth in line with growth of banking industry
2. Loans quality or NPL at 2%-2.5%
3. Maintain LDR at 80%-95%
4. The Bank's operational efficiency is represented by BOPO and CER ratios – each expected to be maintained at around 60%-70% and 42%-45%.
5. Net income growth at around 8%-12%

Commitment and Contingency

In 2014, net commitment increased slightly by 6.50% compared to 2013 position. The increase was mainly due to the increase of loans facility that debtors did not utilize. Meanwhile, net contingency grew by 18.51% from 2013 due to the increase of issued guarantee in standby L/C and bank guarantee. The detailed explanation on commitment and contingency is presented under Note 43 of the Consolidated Audited Financial Statements.

Commitment and Contingencies with Credit Risk As of 31 December 2013 and 2014*

in Rp Million

	2012	2013	2014
Commitment			
Commitment receivables			
Current sport and derivative purchase	896,288	1,180,490	836,582
Total commitment receivables	896,288	1,180,490	836,582
Commitment liabilities			
Interest receivables in settlement			
Unused loan facility granted to debtors	75,649,401	79,707,332	95,360,221
Irrevocable L/C	12,231,900	18,626,470	9,209,539
Spot trading and sale of foreign currency	558,975	937,090	735,099
Others	97,225	72,679	74,780
Total Commitment Liabilities	88,537,501	99,343,571	105,379,639
Commitment- Net	(87,641,213)	(98,163,081)	(104,543,057)
Contingency			
Contingency receivables			
Guarantee			
Interest receivables in settlement	221,217	58,203	35,817
Others	-	-	-
Total contingency receivables	221,217	58,203	35,817
Contingency Liabilities			
Standby LC	6,158,676	6,565,160	7,311,903
Bank Guarantee	6,103,142	9,936,021	11,541,922
Others	-	45,322	-
Total Contingency Liabilities	12,261,818	15,937,503	18,853,825
Contingency - net	(12,040,601)	(15,879,300)	(18,818,008)

*) Bank only

Other Financial Information

Pursuant to Bank Indonesia Letter No. 13/658/DPNP/DpNP dated 23 December 2011, BRI is no longer required to set allowance for impairment losses of administrative account transactions (commitment and contingencies).

Derivative and Hedging Facilities

BRI performs hedging transactions as part of the Bank's risk management activities to protect its portfolio of foreign currency denominated assets. Other than that, BRI does not use or issue derivative instruments for trading purposes.

Impact of Interest Rate Changes on Bank's Performance

Assets and interest-bearing liabilities are exposed to interest rate risk due to potential changes of interest rate, which will affect the Bank's performance in the future. To address, this the Board of Directors and the management are responsible to determine, manage, and control interest rate risk by taking into account the Bank's risk appetite and financial performance targets.

To that end, the Board of Directors and the management perform sensitivity analysis of the effect of the changes of interest rate to the Bank's performance (See also Note 37, Risk Management, in the Consolidated Audited Financial Statements).

With BI Rate maintained at 7.50% until November 2014 following the increase of a total of 175 bps throughout 2013, BRI was prompted to raise its interest rate on deposits and loans during the first semester of 2014. In the middle of November 2014, Bank Indonesia again raised BI Rate by 25 bps from 7.50% to 7.75% to offset the increase of subsidized fuel price. aside from mitigating the expected infation, the BI rate increase was also

aiming to mitigate deficit in the trade balance. Under this condition, BRI did not adjust its deposit and lending rate to maintain loans quality. OJK also sets limit on banks deposit rate based on the banks business scale category. The maximum interest rate that BRI, as a bank under BUKU 4 category, can impose is BI rate + 2%. With reference from BI Rate and deposit rate limitation from OJK, coupled with interest rate management and optimization of asset and liability composition, BRI was able to increase net interest income by 16.63% in 2014 compared to 2013 position.

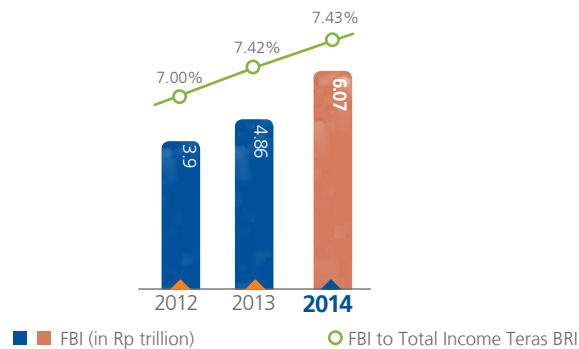
Growing Fee-Based Income

In addition to interest income generated from the Bank's main activities as financial intermediary, BRI also consistently develops its other income sources from the various banking services that the Bank offers, such as trade finance, remittance and administration services. With network expansion both on conventional and electronic channels, BRI seeks to add sources of its non-interest income by optimizing IT-based services with features that would boost e-channel transactions that are efficient, reliable, and accessible at any time and any place. The Bank's consistent efforts have been showing their results, evident from the increase of non-interest income following the development of e-channel network.

Fee-based income to total income (bank only) continued to grow in the past five years. In 2014, fee-based income accounted for 7.37% or Rp6.07 trillion, increased from 7.2% or Rp4.86 trillion in 2013.

Other Financial Information

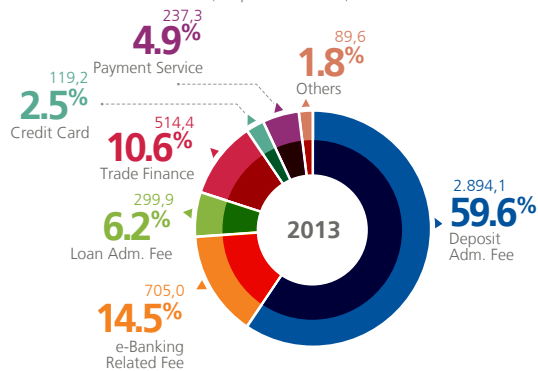
Fee Based Income to Total Income



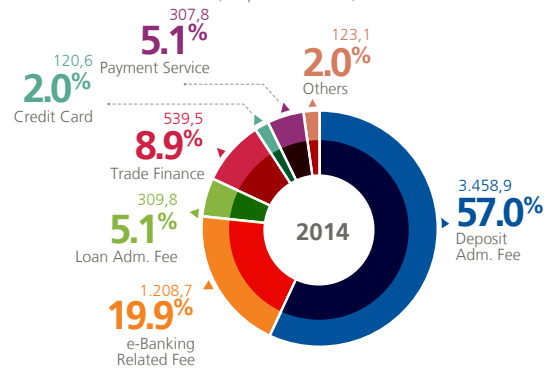
	2012	2013	2014
FBI (in Rp trillion)	3.93	4.86	6.07
FBI to Total Income	7.00%	7.42%	7.43%

With customer base of more than 49 million accounts, fee-based income in 2014 largely came from administration fees, which accounted for 57.0% of the total fee-based income amounting to Rp3.46 trillion. However, fee-based income from e-banking transaction posted the highest growth of 71.5% from Rp705.0 billion in 2013 to Rp1,208.7 billion in 2014. With this growth, e-banking contribution to the total fee-based income grew from 14.5% in 2013 to 19.9% in 2014.

Fee Based Income Composition (in Rp billion and %)



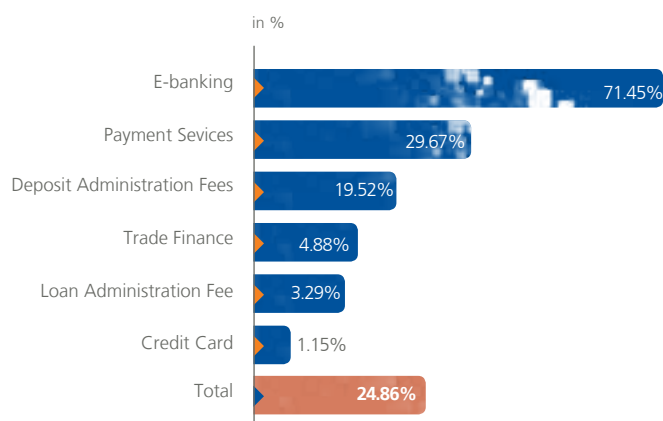
Fee Based Income Composition (in Rp billion and %)



*) Bank only

Other Financial Information

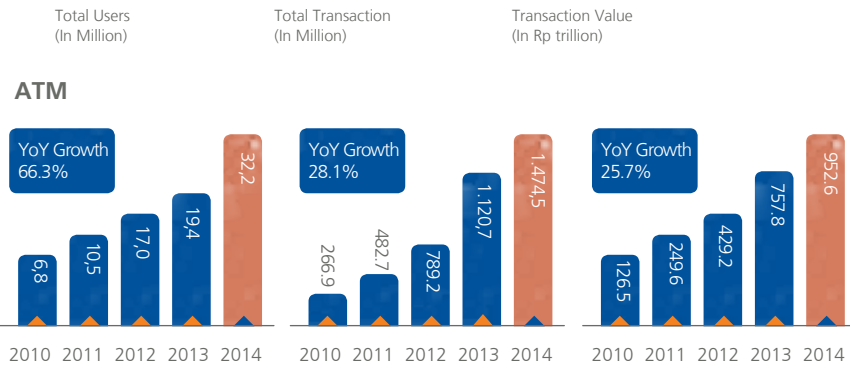
Fee-Based Income - YoY Growth



In the last five years, BRI focus on developing e-channel network and e-banking features considering the vast customer base managed by BRI. Number of users, transaction frequency, and e-banking total transaction volume that includes ATMs, SMS Banking, and Internet Banking by BRI's customers has been growing sharply in the last five years. The growth of activities finally contributed positively to the increase of fee-based income from e-banking transactions.

*) Financial ratio figures are Bank only data

Other Financial Information



E-Banking Related Fees (Rp Billion)

YoY Growth
71,5%



2010 2011 2012 2013 2014



BRI has sizeable potential to grow its fee-based income considering its large customer base (as of December 2014, savings accounts totalled to more than 49 million accounts).

*Bank only

Other Material Information

Material Information and Facts on Investment, Expansion, Divestment, Acquisition, or Debt/Capital Restructuring

There were no material information and facts on acquisition or debt/capital restructuring, divestment, and acquisition. Information on capital expenditure and network expansion is presented in relevant sections (Capital Expenditure and Network Expansion).

Recent Changes on Financial Accounting Standards and its Impacts on Financial Statements

As of 1 January 2014, BRI and subsidiaries have adopted relevant accounting standard in the consolidated financial statements, namely PSAK No. 102 (Revised 2013) on Murabahah, which refined PSAK No. 102 issued in 2008 concerning criteria of murabahah transactions with respect to their recognition, measurement, presentation, and disclosure.

This PSAK allows qualitative disclosure that enables report users to gain overall understanding of the nature and scope of risks arising from financial instruments. Linking qualitative and quantitative disclosure also enables presentation of information in such a way that report users can utilize the report to make sound evaluation on risk exposure of an entity.

Accounting Policies and Financial Information on Extraordinary Events

This disclosure serves as BRI's guideline in recording and disclosing extraordinary events in its audited financial statements, e.g. natural disaster experienced by customers with substantial amount of loans, and others. During the reporting year, there was no accounting policy and financial information on extraordinary events.

Changes in Regulations and the Impacts on the Bank's Performance

1. BI Regulation No. 16/7/PBI/2014 dated 7 April 2014 on the Fourth Amendment to BI Regulation No. 7/1/PBI/2005 on Banks' Foreign Borrowings

This regulation amends BI Circular Letter No. 7/1/PBI/2005 on banks' foreign borrowings. This Circular letter responded to the global economy dynamics that affected foreign capital flows and Rupiah exchange rate, and was issued to maintain the monetary stability and domestic money market so that the domestic economy can be perpetuated. This circular letter contains additional exceptions on short-term foreign borrowings:

1. Current accounts owned by Non-Residents that are used to receive funds to purchase Bank Indonesia Certificate (SBI) and proceeds from SBI re-sales;
2. Banks' obligations to Non-Residents arising from hedge derivative transactions;
3. Current accounts owned by Non-Residents that are used to disburse loans to real sectors and infrastructure projects; and/or
4. Current accounts owned by Non-Residents that are used to receive proceeds from issuance of Rupiah-denominated bonds by foreign institutions to finance real sectors and infrastructure projects

Impact on BRI:

The leeway from Bank Indonesia does not significantly impact BRI's foreign borrowing portfolio, as the volume of current accounts in the portfolio is not significant.

Other Material Information

2. BI Regulation No.16/10/PBI/2014 dated 14 May 2014 on Receipt of Foreign Exchange Export Proceeds and Withdrawal of Foreign Exchange from Offshore Loans

This regulation refines BI Regulation No.14/25/PBI/2012 and is aimed to improve effectiveness of monitoring on foreign exchange revenues from export and withdrawal of foreign exchange offshore loans through Indonesian banks, with the end goal to optimize utilization of foreign exchange from export and foreign loans. This regulation governs the receipt of export closed in foreign currency (DHE) through foreign exchange banks, withdrawal of Foreign Loans in Foreign Currency (DULN) through foreign exchange Bank, and revokes BI Regulation No. 13/22/PBI/2011 on the Reporting of Obligation on the Withdrawal of Foreign Exchange export proceeds and Foreign Exchange Offshore Loans.

3. BI Circular Letter No. 16/9/DSta dated 26 May 2014 on Receipt of Foreign Exchange Export Proceeds

This circular letter is the implementation of BI Regulation No.16/10/PBI/2014 on Receipt of Foreign Exchange Export Proceeds and Withdrawal of Foreign Exchange Offshore Loans. This circular letter regulates the obligations of DHE, information disclosure, statement, netting transaction proof and supporting documents, calculation and sanction mechanism on violations, and waiver procedure for administrative sanctions.

4. BI Circular Letter No. 16/10/DSta dated 26 May 2014 on Withdrawal of Foreign Exchange Offshore Loans

This circular is the implementation of BI Regulation No.16/10/PBI/2014 on Receipt of Foreign Exchange Export Proceeds and Withdrawal of Foreign Exchange Offshore Loans. This Circular Letter regulates the obligations relating to DULN, including:

- Obligation to provide written statement if difference occurs between amount of accumulated DULN withdrawal and amount of commitment;
- Obligation to submit report if the difference between accumulated DULN withdrawal amount with amount of offshore loan commitment exceeds an equivalent of Rp50,000,000, and to report method used to calculate the difference between DHE and the value in Export Declaration form.
- Calculation and mechanism to impose sanction over violations against DULN withdrawal obligations on debtors.

Impacts of the Circulars Letter, namely BI Regulation No. 16/10/PBI/2014 dated 14 May 2014, BI Circular Letter No. 16/9/DSta dated 26 May 2014, and BI Circular Letter No. 16/10/DSta dated 26 May 2014 to BRI:

Refinement of regulations and policies on foreign exchange export proceeds provides opportunity for BRI to increase third party funds from foreign exchange export proceeds and DHE transaction fee for BRI, as BRI is one of the Indonesia's foreign exchange banks.

5. BI Regulation No.16/8/PBI/2014 on Amendment to Bank Indonesia Regulation 11/12/PBI/2009 on Electronic Money

This regulation aligns policies on Electronic Money with policies on fund transfer, enhances technology security and efficiency of Electronic Money organization, and expands coverage of Electronic Money in support of National Financial Inclusion Strategy through Digital Financial Services (LKD).

6. BI Circular Letter Number 16/11/DKSP Electronic Money Organization

This circular letter implements BI Regulation No.16/8/PBI/2014 on Amendment to Bank Indonesia Regulation 11/12/PBI/2009 on Electronic Money. This circular letter stipulates requirements and procedure to obtain license as issuer, licensing process, and requirement to record identify and transactions of electronic money holders.

Other Material Information

7. Financial Services Authority (OJK) Regulation No.19/POJK.03/2014 dated 8 December 2014 on Branchless Banking (Layanan Keuangan Tanpa Kantor Dalam Rangka Keuangan Inklusif atau Laku Pandai)

Effective as of: 18 November 2014

- a. "Laku Pandai" consists of activities to provide banking and/or other financial services outside of branch network; the services are extended in cooperation with third party (agent) and required information technology facilities.
- b. Financial Services Institutions (LIK) that can register as "Laku Pandai" provider are Banks, insurance companies or shariah insurance companies and other financial services institutions registered with OJK.
- c. Banks that can act as providers of Laku Pandai have to meet the following requirements:
 1. Legal entity of Indonesia;
 2. Having risk profile, operational risk, and compliance risk rated between 1, 2, and 3;
 3. Having branch network in Eastern Indonesia and/or East Nusa Tenggara province; and supporting infrastructure to provide electronic transaction services for bank customers: SMS banking, mobile banking, and internet banking or host to host.
- d. Products that OJK can offer as providers of Laku Pandai among others are savings, loans, or financing for micro customers, micro insurance, and/or other financial products with certain characteristics and with approval from OJK.
- e. Agents are parties, individual or legal entity, that comply with OJK requirements and who cooperate with bank as Laku Pandai provider. Agents are extension of banks in providing financial services to the people within agreed corridor.

Impacts to BRI:

The regulation and circular can enhance the coverage of electronic money, as institutions other than banks may also issue electronic money. In response to this, BRI has prepared electronic money product using cellphone

number as basis of virtual account, **Tbank**. With Tbank, customers can transact through BRI ATM and make purchases using ePay BRI. In addition, in 2014, BRI launched BRILink service that facilitates banking transactions through third parties, which are agents selected from among BRI's loyal customers.

8. BI Regulation No. 16/16/PBI/2014 dated 17 September 2014 on Foreign Exchange Transactions against Rupiah between Banks and Domestic Parties

This regulation is issued to encourage the deepening of foreign exchange market and is an improvement of several regulations associated with foreign exchange transactions against Rupiah in order to provide clearer guidelines on transactions and flexibility to market participants. This regulation stipulates:

- Foreign Exchange transactions against Rupiah performed by Banks with customers above certain threshold must have underlying transactions.
 1. Not included as underlying transactions is foreign exchange transactions against rupiah between banks and domestic parties:
 2. Placement of funds in Banks in the form of savings, demand deposit, time deposit, and Negotiable Certificate of Deposit (NCD); and
- Activities of transferring funds by fund transfer companies.
- Foreign exchange transactions against rupiah between banks do not require underlying transactions.
- Banks are prohibited from performing transactions, among others; transactions associated with structured products; lending or financing in foreign currencies and/or in Rupiah for Derivative Transactions; provision of overdrafts to customers for the purpose of foreign exchange transactions against rupiah.

Other Material Information

9. BI Regulation No.16/17/PBI/2014 dated 17 September 2014 on Foreign Exchange Transactions against Rupiah between Banks and Foreign Parties

This regulation is issued to encourage the deepening of foreign exchange market and is an improvement of several regulations associated with foreign exchange transactions against Rupiah in order to provide clearer guidelines and flexibility. The regulation stipulates:

- Foreign Exchange transactions against Rupiah performed by Banks with customers above certain threshold must have underlying transactions.
- Underlying transactions for Foreign Exchange transactions against Rupiah between Banks and Foreign Parties include all activities of goods and service trading both domestic and overseas; and/or investments in the form of foreign direct investment, portfolio investment, loans, capital, and other investments both domestic and overseas.
- Not included as Underlying transactions for Foreign Exchange transactions against Rupiah between Banks and Foreign Parties are the use of Bank Indonesia Certificates for Derivative Transactions and placements in banks (vostro) among others in the form of savings, demand deposit, time deposit, and Negotiable Certificate of Deposit (NCD).

Impacts of the BI Regulations No. 16/16/PBI/2014 and PBI No. 16/17/PBI/201:

Improvements of these regulations are intended to minimize foreign exchange transactions against rupiah that are speculative in nature and to support economic activities in real sectors. The regulations provide leeway and improve BI Regulations No.10/28/2008, No.10/37/PBI/2008, No.11/14/PBI/2009, No.7/14/PBI/2005, No.14/10/PBI/2012, and No.16/9/PBI/2014. For BRI, exceptions on types of underlying transactions for foreign exchange transactions and the possibility of netting transactions for certain transactions may increase volume of purchase and/or sale of foreign currencies through BRI.

10. BI Regulation No. 16/ 19 /PBI/2014 on Amendment to Bank Indonesia Regulation No. 15/17/PBI/2013 on Hedging Swap Transactions to Bank Indonesia.

This regulation improves BI Regulation No. 15/17/PBI/2013 on Hedging Swap Transactions to Bank Indonesia issued to encourage the growth of derivative transactions in domestic foreign exchange market, improve effectiveness of hedging swap transactions to Bank Indonesia, and is expected to give positive impact on efforts to accelerate domestic foreign exchange market deepening.

Impacts on BRI:

The regulation provides certainty for BRI through hedging contract extension scheme and flexibility of tenor extension on swap transactions as well as higher absorption of hedging transactions by Bank Indonesia.

11. BI Circular Letter Number 16/16/DKSP on Protection Procedure for Consumers of Payment System Service

This circular letter implements BI Regulation No. 16/1/PBI/2014 on Consumer Protection of Payment System Service. This Circular Letter stipulates obligations of banks to:

- Implement consumer protection that meets the principles of fairness, reliability, transparency, principles of the protection of data and/or consumers' information, and principles of Consumers' complaints handling and resolution
- Publicly announce Consumers channel for complaints regarding use of Payment System. Publication can take form of brochure, leaflet, SMS or email broadcast, announcement, and/or using other mediums.
- Report Consumers' complaints handling and resolution to Bank Indonesia in accordance with the policies applicable to respective Payment System Service
- Consumers may lodge complaints to the Bank Indonesia insofar as meeting the following requirements:
 - Consumer have lodged complaints to Provider but Provider and Consumer fail to reach an agreement;

Other Material Information

- The dispute is not under or have never received settlement or decision from arbitration institution or courts or has never reached an agreement facilitated by mediation institution; and
- Consumer faces potential financial loss arising from Provider with amount defined by Bank Indonesia.

Impacts on BRI:

BRI will adjust its minimum service standard pursuant to the regulation.

12. BI Circular Letter No. 16/25/DKSP on the Second Amendment to BI Circular Letter No. 11/10/DASP dated 13 April 2009 on the Implementation of Card-Based Payment

The second amendment to Bank Indonesia Circular Letter Number 11/10/DASP dated 13 April 2009 on the Implementation of Card-Based Payment. This Circular Letter stipulates the implementation of 6 digit online Personal Identification Number (PIN) for Credit Cards.

Impacts on BRI:

BRI will comply with the circular and adjust BRI's credit card system in order to adopt the requirement of using PIN in credit card transactions.

13. Decisions of the Board of Commissioners No. 2/KDK.03/2014 and No. 3/KDK.03/2014 both dated 22 January 2014 on Determination on Subdistricts in Karo District and Manado City as Areas that require special treatment in terms of banking loans.

The decisions established Payung, Nawantran, Simpang Empat, and Tiganderket subdistricts in Karo District and Manado City as areas impacted by natural disaster. The decisions are applicable for 3 (three) years since the date that they came into force on 22 January 2014.

Impacts on BRI:

Loans that have been extended to certain areas that are immediately impacted by events of natural disaster will be given special treatment pursuant to BI Regulation No. 8/15/PBI/2006 dated 5 October 2006 on Special Treatment on Bank Loans for Certain Areas in Indonesia Hit by Natural Disaster

14. OJK Regulation No 1/POJK.07/2014 dated 23 January 2014 on Alternative Institution for Dispute Settlements in Financial Services Sector

This regulation stipulates alternative institutions for dispute settlements:

- a. Dispute settlement must be made first by Financial Service Institution; if there is not on the dispute agreement settlement process may resume outside or in court.
- b. Settlements outside of the court are done through Alternative Institution of Dispute Settlements registered and approved by OJK using methods of mediation, adjudication, or arbitration.
- c. Settlements made through Alternative Institution of Dispute Settlements are confidential matters

Impacts on BRI:

Dispute settlement procedure is clearer for BRI and customers. BRI will comply with the procedure.

15. OJK Regulation No.32/POJK.04/2014 dated 8 December 2014 on the Organization of Shareholders' Meeting of Listed Company
 - a. Request for Meeting must be made by 1 (one) person or more shareholders that represent 1/10 (one-tenth) or more of the total shareholders. Request is made in written to the Board of Directors and the Shareholder(s) may not transfer shares ownership at least within 6 (six) months since the GMS.

Other Material Information

- b. Notification of GMS Schedule to OJK is delivered at least 5 (five) working days prior to the announcement of GMS, excluding the date of GMS announcement.
 - c. GMS Announcement is made at least 14 (fourteen) days prior the call for GMS and Call for GMS must be made at least 21 days before the date of GMS.
 - d. Announcement, Call, and publication of GMS minutes of meeting summary must be published on 1 (one) national daily newspaper in Indonesian, Stock Exchange website, and the Company's website both in Indonesian and English.
 - e. Shareholders that may request agenda to be discussed in the Meeting GMS are 1 (one) or more shareholders that represent 1/20 (one-twenty) or more of the entire shares with voting right.
 - f. Shareholders that may attend the meeting are shareholders registered in Shareholding Register at least 1 (one) day prior to call.
 - g. GMS is led by members of the Board of Commissioners appointed collectively by the Board of Commissioners.
 - h. GMS' Minutes of Meeting must be made and signed by Meeting Chair in the form of notarial deed and must be submitted to OJK at least 30 (thirty) days after GMS.
16. OJK Regulation No.33/POJK.04/2014 dated 8 December 2014 on the Board of Directors and Board of Commissioners of Listed or Public Company
- The regulation stipulates the number of members, term of office, procedure of appointment and dismissal, requirements, tasks, responsibilities and authorities, guidelines, and code of conduct for Board of Directors and Board of Commissioners, covering:
- a. The Board of Directors and Board of Commissioners consist of at least 2 (two) persons, 1 (one) of the two is appointed as President Director for the Board of Directors, and the other as President Commissioner for the Board of Commissioners.
 - b. 1 (one) person among members of the Board of Commissioners is Independent Commissioner. If there are more than 2 (two) members of the Board of Commissioners, Independent Commissioner(s) must account for at least 30% (thirty percent) of the total Board of Commissioners members.
 - c. Members of the Board of Directors/Board of Commissioners are appointed and dismissed by GMS for a certain term of office, where 1 (one) term extends for 5 (five) years maximum. Members of Board of Directors and Board of Commissioners may resign and can be dismissed before the end of their term of office.
 - d. The Board of Directors must meet at least 1 (one) time every month. The meeting shall be attended by the majority of the Board of Directors. The Board of Directors also has to hold joint meeting with the Board of Commissioners at least 1 (one) every 4 (four) months.
 - e. The Board of Commissioners must hold meeting at least 1 (one) time every 2 (two) months, attended by the majority of the Board of Commissioners. The Board of Commissioners must hold joint meeting with the Board of Directors at least 1 (one) every 4 (four) months.
 - f. This revokes Bapepam-LK Regulation No. IX.I.6 dated 29 November 2014 on the Board of Directors and Board of Commissioners of Listed or Public Company.
 - g. Listed companies must comply within 1 (one) year since this regulation came into effect.
- Impacts on BRI:
- With OJK Regulations No.32/POJK.04/2014 and No.33/POJK.04/2014, BRI will carry out some adjustments and/or changes to its articles of association, guidelines, and code of conduct of the Board of Directors and Board of Commissioners.
17. OJK Regulation No. 35/POJK.04/2014 dated 8 December 2014 on Corporate Secretary in Listed or Public Company
- a. A public company must have Corporate Secretary function consisting of one personnel or a unit of personnel or held concurrently by a member of the BoD and is not allowed to hold concurrent position in other Public Company
 - b. The Board of Directors appoints and dismisses Corporate Secretary

Other Material Information

- c. In the event that the Corporate Secretary position is vacant, a substitute must be appointed maximum within 60 (sixty) days since the vacancy and during the vacancy, the post can be concurrently held by an acting official or by a member of BOD.

- d. Corporate Secretary is responsible to the BOD. All corporate information issued by Corporate Secretary is official statement from the company.

e. Reporting and Disclosure:

1. Appointment and dismissal of Corporate Secretary must be reported to OJK and announced on corporate website at the latest by 2 (two) working days after appointment or dismissal.
2. Report is to be submitted at least 1 (one) time in 1 (one) year.

Impacts on BRI:

BRI's Corporate Secretary will comply with the stipulations.

OJK REGULATIONS FOR COMMERCIAL BANKS

1. Decisions of Board of Commissioners of OJK No. 2/KDK.03/2014 and No. 3/KDK.03/2014 both dated 22 January 2014 on Determination on Subdistricts in Karo District and Manado City as Areas that require special treatment in terms of bank's loans.

The decisions established Payung, Nawantran, Simpang Empat, and Tiganderket subdistricts in Karo District and Manado City as areas impacted by natural disaster. The decisions are applicable for 3 (three) years since the date that they came into force on 22 January 2014.

Impacts to BRI:

Loans that have been extended to certain areas that are immediately impacted by events of natural disaster will be given special treatment pursuant to BI Regulation No. 8/15/PBI/2006 dated 5 October 2006 on Special Treatment on

Bank Loan for Certain Areas in Indonesia Hit by Natural Disaster

2. OJK Regulation No.17/POJK.03/2014 dated 8 December 2014 on the Implementation of Integrated Risk Management for Financial Conglomeration

Effective as of: 18 November 2014

- a. Financial Conglomeration must adopt comprehensive Integrated Risk Management (MRT) by appointing a Main Entity
- b. Main Entity must establish an MRT Committee and MRT Taskforce (SKMRT) and to appoint Director of MRT.
- c. Board of Commissioners of Main Entity has the duty to direct, approve, and evaluate MRT policies and to evaluate the implementation of MRT by the Board of Directors of Main Entity

3. OJK Regulation No.17/POJK.03/2014 dated 8 December 2014 on the Implementation of Integrated Risk Management for Financial Conglomeration

Effective as of: 18 November 2014

- a. Financial Services Institution (LJK) is an institution that conducts activities in the banking, capital market, insurance, pension fund, financing sectors, and other LJKs defined by OJK.
- b. Financial Conglomeration is LJKs within one group and are under the same ownership and/or control
- c. Main Entity is the Parent LJK of Financial Conglomeration appointed by the controlling shareholders of financial conglomeration
- d. Main Entity must have Integrated Compliance Unit and Integrated Internal Audit Unit that is independent and are responsible to oversee and evaluate implementation of compliance function as well as internal audit in each LJK within Financial Conglomeration.

Other Material Information

Impacts on BRI:

BRI will establish structure of financial conglomeration, appoint Main Entity, and establish/adjust Committees and MRT Unit.

Information and Material Facts Subsequent to the Date of Accountant's Report

There was no material information subsequent to the date of accountant's report

Transactions Carrying Conflict of Interests

During reporting year, there was no transactions carrying conflict of interests as defined in BAPEPAM-LK Regulation No.IX.E.1 on Conflict of Interests

Related Transactions

BRI enters into transactions with related parties due to ownership and/or managerial relations. All transactions with related parties are made based on policies and terms and conditions agreed by the parties. BRI has therefore performed transactions with related parties reasonably.

Presentation for transactions with related parties follows the policy of PSAK No. 7 (Revised 2010) on Disclosure of Related Parties in order to provide a fair financial statement. Material transactions with related parties in 2014 were detailed under Note 43 to this Consolidated Audited Financial Statements

Dividend Policy

The amount of dividend payout policy is established annually in GMS. In 2014, BRI distributed dividend payout 30% from net income of 2013, or amounting to Rp6.35 trillion or Rp257.33 per share. Detailed information on dividend payout is presented under Information for Investors section.

Subsidiary

PT Bank BRISyariah

Company in Brief

Bank BRISyariah was established following the acquisition of a conventional bank PT Bank Jasa Arta by PT Bank Rakyat Indonesia (Persero) Tbk on 19 December 2007. Following the 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 Commercial Bank that Conducts Business Based on Sharia Principles.

BRISyariah business activities were growing strong after the signing of Spin-Off Deed of PT Bank Rakyat Indonesia (Persero) Tbk, Sharia Business Unit and incorporated into PT Bank BRISyariah on 19 December 2008, effective as of 1 January 2009. This corporate action had strategic value and reflected genuine support from the parent entity to operational activities of Bank BRISyariah.

Presently, PT Bank BRISyariah is the third largest sharia bank by assets. PT Bank BRISyariah is thriving in many aspects – assets, financing, and third party funds. Focusing on middle to lower segment, PT Bank BRI Syariah envisions to becoming the leading modern retail bank that offers all-round sharia banking products and services.

Bank BRISyariah Profile



Peringkat Jangka Panjang
BRISyariah:
AA+ (idn)

PT Bank BRISyariah continuously enhances synergy with PT Bank Rakyat Indonesia (Persero) Tbk. Utilizing operational network of PT Bank Rakyat Indonesia (Persero) Tbk, as Sharia Service Unit the bank develops business that focuses on funding and consumer activities based on the sharia principles.

BRISyariah is led by the Board of Directors, consisting of 5 members (including President Director), guided by 5 members of the Board of Commissioners, and aided by Sharia Supervisory Board that comprises 2 Sharia Supervisory Boards.

BRISyariah offers the following banking products:

- Customer Deposits: Faedah BRISyariah iB Saving Account, Impian BRISyariah iB Saving Account, Haji BRISyariah iB Saving Account, BRISyariah iB Time Deposit, and BRISyariah iB Demand Deposit.
- Financing products:
 - a. Micro Financing:
 - Mikro 25 BRISyariah iB
 - Mikro 75 BRISyariah iB
 - 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

- c. SME Partnership.
- d. Commercial Financing.

Throughout 2014, BRISyariah receive the following recognized from third parties, among others:

1. Makassar After Sales Service Award 2014

In Recognition of Outstanding Achievement in Building Excellent After Sales Service - 17 October 2014

2. Infobank Sharia Finance Award 2014

Outstanding – Financial Performance 2013 - Infobank - 30 September 2014

3. Indonesia WOW Brand 2014

Gold Champion of Indonesia WOW Brand 2014 - Category: Saving Account, Islamic Bank - MarkPlus - 11 September 2014

4. Indonesia Original Brand 2014

1st Champion of Indonesia Original Brand - Product Category Sharia Bank - SWA - 21 July 2014

5. Infobank Awards 2014

Bank with Outstanding Financial Performance Year 2013 - Infobank - 18 Juli 2014

6. Solo Best Brand Index-Jogja Best Brand Index 2014

Best Brand in Solo, Sharia Bank Category –
Solopos Daily Newspaper and Jogja Daily Jogja
- 16 April 2014

7. Islamic Finance Award 2014

- 1st Rank The Best Customer Choice - Karim Consulting Indonesia - 24 February 2014
- 3rd Rank The Most Prudent Islamic Full Fledge Bank: Equity IDR > 1 TN (Buku 2) - Karim Consulting Indonesia - 24 February 2014
- 3rd Rank Top Growth Financing Islamic Full Fledge Bank: Equity IDR > 1 TN (Buku 2) - Karim Consulting Indonesia - 24 Februari 2014

8. Top Brand Award 2014

In Recognition of Outstanding Achievement in
Building the Top Brand - 6 February 2014

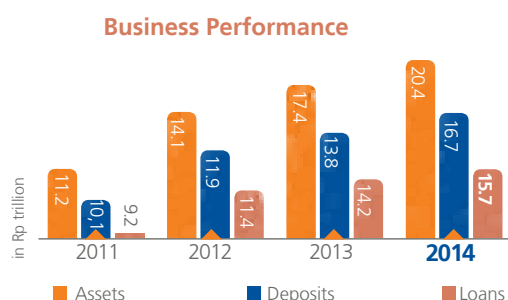
9. Infobank Digital Brand of The Year 2013

Second Place Digital Brand Sharia Mortgage - 30
January 2014

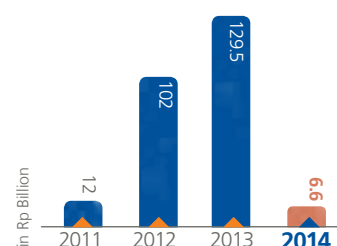
Business Performance

In 2014, PT Bank BRISyariah delivered satisfying performance. The Bank's assets grew by 16.94% from Rp17.40 trillion in 2013 to Rp20.35 trillion in 2014. Third Party Funds (TPF) increased by 21.14% from Rp13.79 trillion in 2013 to Rp16.71 trillion. Financing grew by 10.76% from Rp14.17 trillion in 2013 to Rp15.74 trillion at the end of 2014.

PT Bank BRISyariah posted income after tax of Rp6.6 billion for fiscal year 2014, declined 92.68% from Rp129.56 billion in 2013.



Net Profit



There were several drivers to this performance, in particular service network that was continually developed, launching of new products that meet market's needs, and human capital of PT Bank BRISyariah that continued to grow in terms of quantity and competence.

In addition to the expansion of network to 269 service units by the end of 2014, PT Bank BRISyariah also developed alternative distribution channels by opening Sharia Service Units (KLS) embedded in Bank BRI conventional network. Today, there are 598 KLS present. PT Bank BRISyariah also optimized e-channel with 487 ATM units, 1,017 EDC units, and e-banking service such as mobile BRIS with various features, and BRIS internet banking that was launched in 14 December 2014.

Human capital in PT Bank BRISyariah also grew and until end of 2014 reached 6,877 personnel, representing 8.92% increase from 6,314 at the end of 2013. Employee recruitment at the head office was focused on personnel to support operational activities as well as the formulation of policies, operational procedures, and information technology. Meanwhile, human capital development at branch office level was focused on establishing strong sales organization.

Product and Service Development

As of 31 December 2013, PT Bank BRISyariah is an official foreign exchange bank. Then by decree of Indonesian Minister of Religious Affairs Regulation (PMA) No. 30 of 2013 dated 12 April 2013 regarding the establishment of BPS BPIH (Bank receiving Haj instalment payment). BRISyariah has been established as one of appointed BPS BPIH for 2013-2017.

Subsidiary

With this role, BRISyariah is expected to optimize synergy with BRI as transit bank in managing hajj funds and to further its reach to the public.

Risk Management

Risk management is implemented across all activities of the bank business and operations, in compliance with standards of risk management issued by regulators. Risk management process includes risk identification, measurement, monitoring, and risk control that are carried out coherently as three line of defense, which places risk taking unit as the first line, compliance and risk management units as second line, and internal audit unit as the third line of defense.

The bank's risk rating is generated based on the assessment over 10 types of risks in accordance with regulators' policies. At the last quarter of 2014, risk rating was relatively stable at rating 2 (Low to Moderate), which indicated the bank's ability to maintain its risk management activities robustly in line with the bank's business growth and macro economic challenges that were quite rigorous during 2014.

The bank will consistently enhances its risk management efforts, including developing various risk mitigation measures so that the risk rating going forward can achieve rating 1 (Low).

PT Bank Rakyat Indonesia Agroniaga Tbk

Company in Brief

PT Bank Agroniaga Tbk was established on 27 September 1989 in Jakarta by respected figures in the agribusiness sector that represent the Government, SOEs, and National Private Sector. Majority shareholder at the time of incorporation was Dana Pensiun Perkebunan. In 2003, PT Bank Agroniaga listed its shares on Jakarta Stock Exchange and Surabaya Stock Exchange with ticker code AGRO. In 2006, PT Bank Agroniaga Tbk enhanced its status as foreign exchange bank following permit issued by Bank Indonesia. Henceforth, the bank that initially focused on agribusiness sectors, such as plantation, fishery, husbandry, and refining may also provides banking services as foreign exchange bank.

On 3 March 2011, pursuant to resolutions of BRI EGMS 2010 that mandated acquisition, PT Bank Agroniaga Tbk became a subsidiary of PT Bank BRI (Persero) Tbk following signing of Acquisition Deed between BRI and Dana Pensiun Perkebunan over 88.65% of the total fully issued and paid-in capital of Bank Agro. The Deed of Acquisition No.14 was made before the Notary, Fathiah Helmi, S.H.

Further, to meet Bapepam-LK regulation No.IX.H.1, attachment to Decision of Bapepam-LK Chairman No.Kep-259/BL/2008 dated 30 June 2008, BRI as the new controlling shareholder of Bank Agro is required to transfer Bank Agro's shares to the Public. The minimum share offered to the public must be equal to shares acquired during the implementation of Mandatory Bidding Proposal, i.e. 3.15% of total Bank Agro's shares or 113,326,500 shares and owned by at least 300 (three hundred) parties for maximum 2 (two) years.

To meet the requirement, BRI has offered Bank Agro's shares amounting to 256,875,502 shares (7.10%) of the total Bank Agro's shares. Dana Pensiun Perkebunan purchased a total of 256,375,502 shares and as of 31 March 2012 Bank Agro's shareholders consist of 2,286 parties. Therefore, as per 31 March 2012 BRI has completed the process of Bank Agro Share Transfer.

BRI's ownership on Bank Agro until 2014 amounted to 5,992,248,973 shares or 80.42% of the total shares of Bank Agro.

On 10 October 2012, Bank Agro changed its name into PT Bank Rakyat Indonesia Agroniaga Tbk. (BRI Agro). In July 2013, BRI added Rp390 billion of capital to BRIAGRO.

BRIAGRO Profile

As one of national foreign exchange banks, the vision of PT Bank Rakyat Indonesia Agroniaga Tbk (BRIAGRO) is to focus its banking services in agribusiness financing, such as plantation, fishery, husbandry, and processing of related products. BRIAGRO offers various banking products and services that are tailored to targeted business sectors and customized according with characteristics of each market segment, such as loan to PT Perkebunan Nusantara (I-XIV) and its supporting company groups (partners and contractors) as well as smallholder financing through KKPA and KKP based on recommendation from PT Perkebunan Nusantara.

Until end of 2014, with the opening of 15 branch offices, 16 sub-branch offices, 3 cash offices, 1 payment point, and operation of 42 ATM units, BRIAGRO's operational network consists of a total of 15 (fifteen) Branch Offices, 16 (sixteen) Sub-Branch Offices located in Greater Jakarta area, Surabaya, Medan, Pekanbaru, Bandung, Semarang, Balikpapan, Lampung, Jambi, Rantau Prapat, Makasar, Pontianak, and Palembang; as well as 3 (three) cash offices, 1 (one) payment point, and 42 ATM units owned and operated by the bank.

At the end of 2014, BRIAGRO has the support of 785 employees (2013:438) with various educational backgrounds that are relevant to the bank's core business activities.

BRIAGRO Performance 2014

As of 31 December 2014 BRIAGRO total assets stood at Rp6.39 trillion, or grew by 24.61% compared to the previous year. Loans increased by 26.39% to Rp4.69 trillion, mainly contributed by the successful third party funds raising that posted 26.36% increase to Rp5.20 trillion. BRIAGRO was also able to maintain LDR at 88.49%. Income after tax rose by 18.23% to Rp62 billion and ROA stood at 1.53%.

Products and Services Development

Competition in the banking industry to generate Third Party Funds (TPF) drove BRIAGRO to initiate development and formulation of product marketing strategies for BRIAGRO savings and time deposit products that are suitable for customers. These efforts also reflect synergy between BRIAGRO with Bank BRI, as BRIAGRO customers can do transaction using Bank BRI ATM anywhere in Indonesia.

BRIAGRO products and services development include:

1. "Ayo Bergoyang"

"Ayo Bergoyang" is acquisition and retention program for BRIAGRO savings and time deposit products. The program offers direct prize for each placement of fresh fund in accordance with the amount and period of placement.



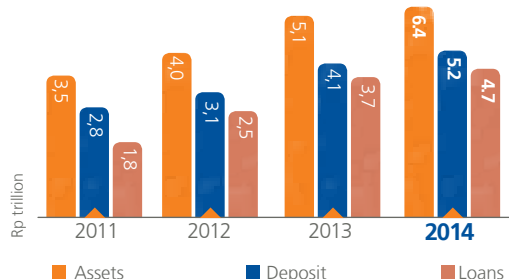
Infobank Award

Subsidiary

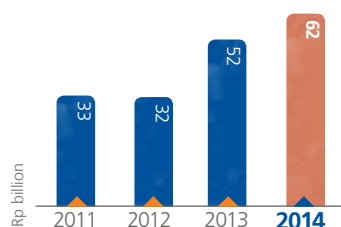
2. Infiniti Savings

BRIAGRO Infiniti savings is savings product for customers that are sensitive to the changes of interest rate. BRIAGRO designs Infiniti savings product specifically so that customers may benefit from optimum return and enjoy the flexibility of savings product.

Business Performance



Net Profit



BRI Remittance Co.Ltd

BRI Remittance Co. Ltd. Profile

BRI Remittance Co. Ltd. (BRC) Hong Kong was established on 7 April 2005 in Hong Kong with paid-in capital in the amount of HKD1,600,000.00. On 16 December 2011, BRI and BJS signed Instrument of Transfer and Bought and Sold Notes agreement, validated by Inland Revenue Department Hong Kong. As of the date, BRI is the Controlling Shareholder of BRC with 100% share ownership.

BRC's core business is Remittance, fund transfer from originator to beneficiary. To support Remittance business in Hong Kong, BRI has applied BRIFAST, a system implemented in BRC and integrated online with over 7,000 of BRI operating units. The integration of BRC with BRI operating units accelerates money transfer from and to Hong Kong that has become BRI's competitiveness advantages.

In 2014, BRC's assets have grown to HKD3,172,814. Revenues and net income amounted to HKD 2,484,504 and HKD461,166, respectively, and represented 15.89% return on equity. In nominal, remittance transaction in 2014 grew 5.03% from Rp122.32 billion to Rp128.47 billion.

Subsidiary

Subsidiary Office Address

1. PT Bank BRISyariah

Jl. Abdul Muis No. 2-4 Jakarta Pusat 10160,
Indonesia

Telepon : +6221-3450226, 3450227

Fax : +6221-3518812, 3441904

Website : www.brisyariah.co.id

2. PT Bank Rakyat Indonesia Agroniaga Tbk.

Plaza GRI, Jl. Haji Rasuna Said, blok X2 No. 1,
Jakarta 12950, Indonesia

Telepon : +6221-5262570

Fax : +6221-5262559, 5262653

Website : www.briagro.co.id

3. BRI Remittance Company Limited

Flat 22 G/F Bay View 33 Moreton Terrace
Causeway Bay, Hong Kong

Telepon : +852-25271318

Fax : +852-28613693

Website : www.briremittance.com



Corporate Governance Report

BRI is committed to implement corporate governance best practices in accordance with the national and international standard

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The Objectives of Corporate Governance Implementation

“Quality improvement of good corporate governance implementation as the foundation of the Bank’s performance improvement and long term business development to provide optimum advantages to stakeholders”

Good Corporate Governance (GCG) for BRI extends beyond complying with laws and regulations; GCG practices represent the Bank’s continuous endeavours to innovate and enhance the implementation of GCG principles. It is also a manifestation of BRI’s active participation as a proponent of sound banking system in Indonesia based on GCG principles implementation. Since 2000, BRI has been strengthening its commitment to apply GCG principles in all aspects of business and banking operations.

Consistent implementation of GCG principles can be the tool to achieve numerous goals, including:

1. Enhancing the achievements of the Bank’s Vision and Mission
2. Boosting the Bank’s achievements through significant performance improvement
3. Maximizing the Bank’s values
4. Reinforcing confidence and trust of shareholders and stakeholders
5. Ensuring the Bank’s sustainable soundness and advancements
6. Bolstering an efficient and effective resources management
7. Optimizing risk-return elements to be consistent with business strategy

8. Promoting decision-making processes based on GCG principles across the Bank’s organization
9. Driving the culture of good corporate governance and good corporate citizen implementation

BRI believes that through consistent and continuous implementation of GCG principles, the Bank’s value and competitiveness in national and international platform shall improve. This will assure long-term business sustainability to reach the Bank’s goals and provide optimum yield to stakeholders.

In an effort to improve and achieve the best corporate governance implementation, BRI refers to the following laws and regulations:

1. Republic of Indonesia Law No 7 of 1992 on Banking, as amended by Law No. 10 of 1998
2. Republic of Indonesia Law No. 40 of 2007 on Limited Liability Companies;
3. Republic of Indonesia Law No. 19 of 2003 on State-Owned Enterprises;
4. 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);
5. Regulation of State-Owned Enterprises Minister No. PER-01/MBU/2011 dated 1 August 2011 on Implementation of Good Corporate Governance in State-Owned Enterprises (BUMN), as amended by Regulation of State-Owned Enterprises Minister No. PER-09/MBU/2012 dated 6 July 2012;
6. Bank Indonesia Regulation No. 8/4/PB1/2006 dated 30 January 2006 on Implementation of Good Corporate Governance for Commercial Banks, as amended by Bank Indonesia Regulation No. 8/14/PB1/2006 dated 5 October 2006;
7. Bank Indonesia Circular Letter No 15/15/DPNP dated 29 April 2013 on Implementation of Good Corporate Governance for Commercial Banks;

Furthermore, BRI also observes latest developments and applicable best practices, such as:

1. Principles of Corporate Governance from Organization for Economic Co-Operation and Development (OECD)
2. ASEAN Corporate Governance Scorecard
3. Indonesia GCG General Guidelines from National Governance Policy Committee (KNKG)
4. Indonesian Banking GCG Guidelines from National Governance Policy Committee (KNKG)

Internally, BRI has formulated and enforced operational policies applied across all operating units as guidelines for daily operational activities.

Commitment of GCG Best Practices

The Bank's commitment to GCG implementation is reflected in BRI's vision and mission. BRI's vision to become a leading Commercial Bank that always prioritizes customer satisfaction is detailed in BRI's mission to provide excellent services to customers through a vast network and supported by professional human capital, by implementing GCG practices.

It is the commitment of BRI that the governance implementation needs to be initiated top-down and exemplified by the Board of Directors and Board of Commissioners. The implementation of GCG principles across BRI's business activities need to be incorporated in vision-mission, core values, and policy strategy.

As the realization of the commitment of the top management and all employees in improving the quality of GCG best practices implementation, BRI has carried out a series of activities, including:

- Advancement of Internal Audit policy, as well as Internal Audit Procedures including Resident Auditors of Branch Offices, Resident Auditors of BRI Units and TSI Audit procedures
- Revitalization of Corporate Culture
- Signing of the Commitment of Corporate Culture Implementation by the Board of Directors
- Externalization of BRI Corporate Governance implementation to BRI's stakeholders

Vision

To become a Leading Commercial Bank that always prioritizes Customer Satisfaction

Missions

- **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**

Note:

In accordance with BRI's Board of Directors Decree No. 81/DIR/REN/02/2013 dated 13 February 2013

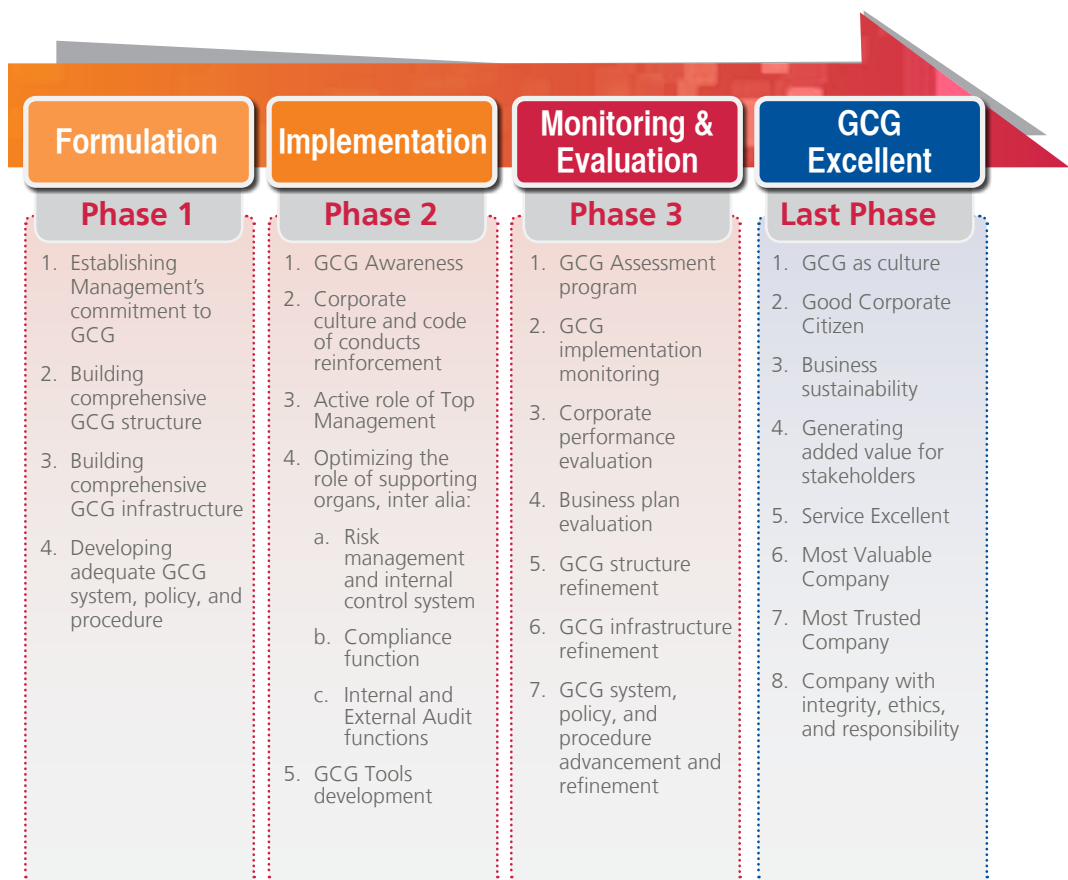
Roadmap of GCG Implementation

GOVERNANCE MECHANISM

BRI Corporate Governance Policy is established by virtue of Joint Decree of the Board of Commissioners and Board of Directors concerning GCG Policy. Since its initial conception in 2001, the policy has been refined 3 (three) times, the recent policy is in 2010, and is the general guidelines of GCG implementation across BRI's organization. In 2013, GCG policy was updated and enhanced through Joint Decree of the Board of Commissioners and Board of Directors No 05-KOM/BRI/12/2013 - Nokep S.64-DIR/DKP/12/2013 dated 16 December 2013. BRI GCG policy covers 4 (four) governance aspects consisting of commitment, structure, process, and governance outcome.

To improve the implementation quality, BRI implement its GCG in 3 (three) phases which are formulation, implementation, and continuous monitoring and evaluation to move toward the end goal of GCG excellence.

These phases completed by four fundamental components of quality GCG implementation, in which all are set into GCG roadmap, and are consistently applied in all operational aspects of BRI.



Roadmap of GCG Implementation

BRI has formed the following 4 (four) Corporate governance components:

Governance Commitment	Governance Structure	Governance Process	Governance Outcome
- Vision and mission - Corporate Values - Board of Commissioners Guideline - Board of Directors Guideline - Code of Conduct - Collective Bargaining Agreement - Natural resources and environment conservation	Main Organs a. GMS b. Board of Commissioners c. Board of Directors Supporting Organs a. Committees b. Board of Commissioners' Secretary c. Corporate Secretary d. Risk Management Unit e. Compliance Unit f. Internal Audit Unit Policy and Procedures a. Planning policy b. Business policies c. Oversight policies d. Transparency and Disclosure policies	- GMS Implementation - Implementation of Functions, Duties and Responsibilities of the Board of Commissioners and Board of Directors - Implementation of Bank's Business Activity - Human Resources (HR) Management - Social and Environmental Responsibility - IT Governance - Management of Subsidiaries - Bank's policies dissemination - Documentation process	- Business Sustainability - Customers Protection - Social and Environmental Responsibility - Benefits of the Bank to public and national economic

BRI has ensured the comprehensiveness of BRI GCG Manual, which consists of GCG Policy, Code of Conduct, Manual for Board of Commissioners, Board of Directors, and Committees; and procedures as well as other supporting policies such as Whistleblowing System, Risk Management, Compliance policies, and others. The guidelines documents are consistently evaluated and updated.

Guidelines, policies, and procedures of corporate governance

As part of the Bank's consistent efforts to improve the roadmap for GCG application quality enhancement, BRI formulates, evaluates and updates the various internal policies and rules to ensure their compatibility with recent GCG best practices. BRI has published several internal governance guidelines, policies and procedures which enhances GCG implementation related to business, products and services in BRI. The development of GCG implementation covering formulation, evaluation and advancement of the regulations including but not limited to the following program, are as illustrated in below table:

Roadmap of GCG Implementation

2002-2005	2006-2009	2010-2012	2013	2014
- GCG Policy Revision - Code of Conduct - Board Manual of the Board of Commissioners and Board of Directors - Corporate Secretary Guidelines - Transparency and Disclosure Guidelines - Audit Committee Charter - Risk Management General Policy - Audit Internal Audit Policy Guidelines Revision - Employment Regulations - Discipline Regulation Policy - Information System and Technology General Policy Revision - Information System and Technology Security Policy - Logistic General Policy Revision	- GCG Policy Revision - Board Manual of the Board of Commissioners and Board of Directors Revision - Corporate Secretary Guidelines Revision - Transparency and Disclosure Guidelines Revision - Audit Committee Charter Revision - Risk Management Supervisory Committee Guidelines - Nomination & Remuneration Committee Guidelines - Bank Secrecy Disclosure Rules - Internal Audit Charter - Discipline Regulations Policy Revision - Whistleblowing System Rules - HR Architecture - Discipline Regulations Policy Revision - Information System and Technology Security Policy Revision - Service Quality Monitoring System Revision	- GCG Policy Revision - Code of Conduct Revision - Board Manual of the Board of Commissioners and Board of Directors Revision - Revision of Board Manual and Charter of the Board of Commissioners and its Committees - Compliance Charter - Compliance Culture Implementation Policy - Conflicts of Interests Guidelines - Anti Fraud Strategy Policy - Information System and Technology General Policy Revision - Fixed Assets and Logistics General Policy Revision - Service Quality Monitoring System Revision - Service Level Agreement (SLA) Standards	- Whistleblowing System Rules Revision - GCG Policy Revision - Code of Conduct Revision - Gratification Policy - Education Budget Formulation and Utilization Guidelines - Know Your Employee Principles Policy - Risk-based Bank Rating Assessment Guidelines Revision - Community Development Program Implementation - Revision Rewards of Sanctions on Service Quality Improvement - Revision of Accounting and company's Financial Statements Presentation policy	- Review of Conflicts of Interests Rules - Advancement of Internal Audit Policy and Procedures - Know Your Employee Program Implementation - Operational Guidelines Book of AML and CTF Application in Operating Units - Risk-based Bank Rating Assessment Guidelines - Customers and Walk In Customer (WIC) Grouping with risk based approach - Internal Capital Adequacy Assessment Process (ICAAP) - Key Risk Indicator (KRI) of BRI

Roadmap of GCG Implementation

Corporate Governance Management Information System

BRI has also established management information system to improve GCG implementation quality and effectiveness, among others are:

Monitoring System	Media Information	Knowledge Management	Others
Starweb System (service quality)	Knowledge Management System (Brilian)	Back Office Automation (BOA)	Remedy Requester console system
OPRA System (risk management)	Business Information System (BIS)	e-Diklat Portal	BRI Units (MIR) Report
Compliance Dashboard	BRI search engine	Digital Library Pusklat	E-Register PR BRI
Guava Application	Marcomm insight	HR Portal	Loan Approval System (LAS)
PKBL monitoring application	Public Folder BRI	Learning media: E-learning, Video conference, Diklat-tube, blog and forum	BRISTARS

Good Corporate Governance Implementation

QUALITY ENHANCEMENT PROGRAMS

BRI recognizes that governance quality improvement needs to be carried out in a structured and gradual manner, while results may not be instantaneous. Therefore, BRI periodically holds various programs with respect to GCG involving internal and external parties, or the stakeholders.

The following are activities carried out in 2014 with the purpose to enhance GCG quality and effectiveness:

Corporate Culture Revitalization Activities 2014		BRI Corporate Governance Dissemination	
Corporate Culture Revitalization Kick Off	Corporate Culture Implementation Commitment Corporate culture commitment inauguration by the Board of Directors constitutes as part of BRI Corporate Culture Revitalization.		BRI Corporate Governance Dissemination to Stakeholders "Knowledge Management to Create Added Values for Companies in GCG Implementation"  
BRI Core Values Brainstorming 1. Brainstorming with 40 Change Agents in Head Office and Regional Offices which has been recently appointed to discuss Corporate Culture 2. Feedback from 500 respondents of representatives of staffs, employees, and outsourcing regarding the definition of Work Culture values.	 Change Agent (TOT) Training and Socialization 2014  To re-ensure that every operating units has the Change Agent according to the established criteria and implemented the Corporate Culture Revitalization dissemination program  Innovation Day 2014 Innovation ideas for employees, as part of Work Culture dissemination program.	Corporate Culture Enhancement Regular annual activity of operating unit through Performance Improvement Forum and Focus Group Discussion (FGD) by conducting external and internal customers satisfaction survey    	

Good Corporate Governance Implementation

Corporate Culture Revitalization Activities 2014

Other Activities in 2014

Annual Disclosure

Annual statement on Conflict of Interest from all BRI's employees

Risk Management Unit Development

Development for 19 Regional Offices

- Focusing on Risk Management function
- Operational Risk Management Tools
- Risk Profile development



Service Quality Performance Monitoring

Regular activity on service quality implementation monitoring in operating units. In addition, Coaching and Roll Play was also conducted to improve the service quality performance.

Corporate Governance Perception Index (CGPI)

Held from July to November 2014, with the theme of "Good Corporate Governance (GCG) in Knowledge Perspective"

Observation of IICG with BRI's management



AML-CTF Program Monitoring

Annual monitoring implementation of AML-CTF program in all BRI's operating units (sampling)



BRI Corporate Governance Dissemination

Performance Improvement Incentive System Reward for Micro Unit

Annual program, providing reward for high-performing BRI units



SQ Vaganza

Service standard competition involving all Security Officers, Customer Services and BRI tellers across Indonesia



Other Monitoring:

- Network performance evaluation
- Risk Management
- Others



Good Corporate Governance Implementation

Corporate Culture Revitalization Activities 2014		BRI Corporate Governance Dissemination	
	Orientation for New Employees a. GCG b. BRI Code of Conduct c. Corporate Culture d. AML-CTF Program e. Risk Management f. Internal Control System g. Operations h. Loans i. Others	Micro Business Policy Dissemination 1. Micro loan restructuring 2. Micro policies 3. Micro reports 4. Rewards for 'Mantri' Loan Policy Dissemination 5. Supervisor and loan administration officer briefing 6. Briefing session on loan administration 7. Associate auditor briefing	
			Other dissemination 1. Compliance Culture 2. IT Security awareness 3. Risk Management 4. Formation ratio standardization 5. Operational unit display standardization 6. BRI products and activities refreshment 7. Others
			

Quality Enhancement Plan for 2015

As part of effort to improve GCG quality implementation, BRI has prepared programs for implementation in 2015, as follows:

1. Enhancement of GCG implementation transparency through website and annual report based on international best practices.
2. Continually refine and update BRI GCG Manual policies
3. Design and develop management information system to support business and control processes
4. Continually promote and disseminate GCG practices

Assessment of GCG Implementation

To improve GCG implementation quality in the future, BRI periodically conducts GCG implementation assessment. The program enables the Bank to examine the progress of GCG principles implementation, impact on BRI's operations and business activities, and future improvements. The assessment also shows continuous growth of GCG implementation quality in BRI.

BRI self-assessment in 2014 applied Bank Indonesia criteria and research program conducted by external party, with details as follows.

1. Self Assessment GCG

BRI conducts periodic GCG self-assessment in compliance with Bank Indonesia with self assessment results of latest qualification (December 2014) of "Very Good". The following is summarized of the self assessment process:

Banks	Percentage	Individual Composite Score	Consolidated Composite Score
BRI	96.68%	1.12	1.08
BRI Agro	2.53%	1.74	0.04
BRI Syariah	0.79%	2.13	0.02
Total Consolidated Composite Score			1.14

- Consolidated GCG assessment includes results of GCG assessment on subsidiaries considered to have significant impacts, which are:
 - PT BRI Syariah
 - PT BRI Agro Tbk.
- Calculation of significant impact of GCG assessment on Subsidiaries to BRI GCG consolidated assessment based on calculation of Subsidiaries' total assets and consolidated total assets.
- Score of BRI GCG Self-Assessment in Semester II 2014 was 1.12 with "Very Good" Category.
- Score of PT Bank BRI Syariah GCG Self-Assessment in Semester II 2014 was 1.74 with "Very Good" Category.
- Score of PT BRI Agro, Tbk. GCG Self-Assessment in Semester II 2014 was 2.13 with "Good" Category.

Therefore, BRI GCG consolidated composite score for Semester II 2014 was 1.14 with **"Very Good"** category.

Assessment of GCG Implementation

2. Corporate Governance Perception Index (CGPI)

- a. From June to November 2014, the Bank conducted GCG research and rating assessment program under CGPI 2014, themed "Good Corporate Governance on the perspective of learning organization," with the following phases:

Phase	Description
Self Assessment	Completion of questionnaires regarding GCG implementation in relation to the management's efforts to manage risks to reach the company's targets while implementing an ethical and sustainable business activities
Document Assessment	Submission of documents relating to GCG implementation to meet assessment requirements, in relation to management's efforts to manage risks to reach the company's targets while implementing an ethical and sustainable business activities
Paper Assessment	Explanation on the process and GCG implementation programs in relation to management's efforts to manage risks to reach the company's targets while implementing an ethical and sustainable business activities to meet assessment's requirements
Observations	The final phase of the assessment and a critical phase of CGPI research and rating, where CGPI assessment team visits the company for direct observation and to confirm GCG implementation programs in relation to management's efforts to manage risks to reach the company's targets while implementing an ethical and sustainable business activities

GCG assessment aspects in the perspective of learning organization are as follows:

1. Commitment	5. Independency	9. Vision, Misison, Value & Philosophy
2. Transparency	6. Fairness	10. Ethics
3. Accountability	7. Leadership	11. Culture
4. Responsibility	8. Strategy	12. Knowledge Management

BRI's CGPI 2012 assessment result categorized BRI as "Indonesian Most Trusted Company."

Assessment of GCG Implementation

- b. Based on investor and analyst assessment survey conducted by SWA Research that involved 301 respondents (investors, analysts, and investment managers), generating a total of 1,988 responses, BRI was rated as "Trusted Company." The assessment was based on the following GCG principles:

Aspect and Weight	Issuer's Code : BBRI
Transparency (0.27)	75.36
Accountability (0.23)	77.23
Responsibility (0.22)	75.40
Independency (0.14)	76.00
Fairness (0.14)	76.21
Total score	76.03
Rating	Trusted Company

Plan of GCG Implementation

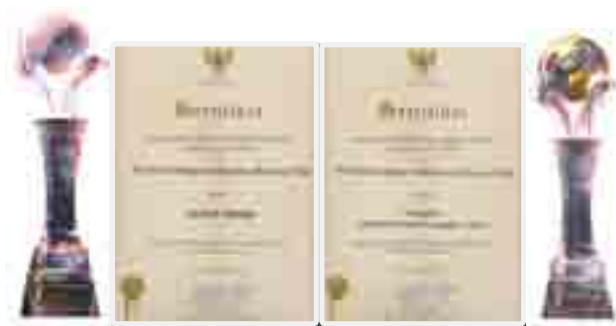
Observing the results of periodical GCG implementation assessment in the previous year, and as part to improve GCG practices, BRI has prepared a number of programs to enhance GCG implementation, commencing in 2015, among others:

1. Continually refine and update BRI GCG manuals
2. Enhancement of GCG implementation transparency through website and annual report based on industry international best practices
3. Design and develop management information system to support business and control processes
4. Continually promote and disseminate GCG principles practices

GCG Awards

Throughout 2014, BRI has carried out numerous efforts to bolster the quality of GCG implementation across all operations aspects in the Bank. In recognition of the Bank's GCG implementation endeavors, the Bank received a number of GCG implementation awards in 2014, among others:

1st Position in Annual Report Award (ARA) of Listed Financial SOEs Category, at the same time as 1st Champion of Annual Report Award (ARA) 2013



Judging Panels of BI, OJK, IDX, General Directorate of Tax, SOE Ministry, National Governance Policy Committee (KNKG), Indonesian Accountants Association (IAI), as Champion of Annual Report Award 2013 and 1st Rank of Listed Financial SOE category, dated 16 October 2014

The 153rd Most Valuable Banking Brand in 2014 from Brand Finance PLC dated 10 February 2014

Indonesia Most Admired Companies 2014 from Warta Ekonomi



Asia's Best Companies 2014, Best Managed Companies category (Ranking 5)
Best Corporate Governance (Ranking 6),
Best Investor Relations (Ranking 4)
dated 05 June 2014 from Finance Asia

GCG Awards

The Best Performance of Commercial Banks from Indonesia Property & Bank Award 2014 	The Best Listed Company Finance and Insurance dari MNC Business Award 2014 	Green CEO Award 2014 for Sofyan Basir Best Green CEO 2014 	Category of The Best Companies 2014 from Kehati and SWA dated 11 December 2014 

Best Financial Sector from IICD (Indonesia Institute Corporate Directorship) "Corporate Governance Conference and Award" dated 30 october 2014 	Indonesia Banking Awards 2014, category of: · Finance value creation ranking 1 · Finance Eficiency profit ranking 1 · GCG ranking 2 · risk managemenet ranking 2 · Human capital ranking 2 · Marketing ranking 2 · IT ranking 2 · CSR ranking 1 · Corporate communication ranking 1 from Economic Review dated 18 November 2014 	Economic Challengers Awards 2014, Category of Financial Institutions Industry from Metro TV dated 24 November 2014 

GCG Awards

PKBL SOE Awards dated 25 September 2014

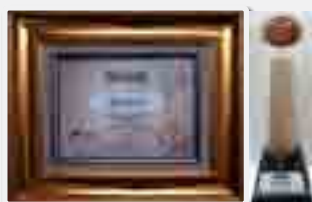


1. Small Enterprises: Gold
2. Public Education: Gold
3. Public Health: Gold
4. General Facilities Development: Silver
5. Nature and Environmental Conservation: Gold
6. Social Contribution and Social Welfare Disaster Management: Gold

Indonesia Banking Awards 2014, category of BANK OF THE YEAR 2014 from Economic Review dated 18 November 2014



Bank with Excellent Performance from Infobank period 2009 – 2013, dated 30 October 2014



CGPI (Corporate Governance Perception Index) BRI received Indonesia Most Trusted Companies Award from SWA Magazine dated 17 December 2014



Corporate Governance Policies and Guidelines

GCG Corporate Charter

BRI has endorsed Joint Decree of GCG Policy in 2013 signed by the Board of Commissioners and Board of Directors as the manifestation of BRI's commitment in GCG implementation towards good corporate citizen. The guidelines was formulated by evaluating the previous conformity with BRI's business development and GCG best practices. The GCG Policy or Charter covers 4 (four) governance aspects, which are commitment, structure, process and governance results.

Good Corporate Governance Commitment

The Bank's commitment to consistently and continually implement GCG is reflected in:

a. Vision and Missions

The Bank has outlined its vision that illustrates future goals and mission statement that details measures to realize the vision.

b. Core Values

The Bank's core values include Corporate Culture translated into Corporate Behaviours that serve as the foundation of thinking, behaviour, and conduct.

c. Board of Commissioners and Board of Directors' Manuals

Board of Commissioners and Board of Directors' manuals provide detailed explanation on structure, duties and responsibilities, task distribution, work ethics, meetings, organizations, and work relationship of the Board of Commissioners and Board of Directors. The manuals are reference for the Boards in implementing their day-to-day duties, to further the Bank's vision and mission.

d. Code of Conducts

The Bank's Code of Conduct describes business ethics and business conducts expected of the Bank's staff in implementing good management practices.

The Bank's Code of Conduct serves as standards for decent, ethical, and trustworthy behaviours carried out by the Bank's staff in their daily activities, including during interaction with stakeholders.

The Bank's Code of Conduct applies for all employees throughout all levels of the organization. Continuous and sustainable implementation of Code of Conduct in attitude, practice, commitment, and formal rules supporting the Corporate Culture implementation.

e. Collective Labour Agreement (CLA)

Collective Labour Agreement (CLA) sets out working terms and conditions agreed based on joint deliberation and agreement between the Bank and the Bank's workers' unions. Both parties use CLA as guideline in conducting work relationship and as the key source of reference in an event of dispute.

The agreement is an enactment of Labour Law that outlines a harmonious industrial relationship between the Bank and all employees.

f. Natural Resources and Environmental Conservation

BRI is committed to natural resources and environmental conservation as well sustainable economic development in the pursuit of living quality improvements and creating an environment that benefits not only for the Bank, but also local communities, and public at large.

In implementing its social and environmental responsibilities, BRI develops social and environmental responsibilities programs and strategies that are integrated with BRI's business strategy, which takes into account preservation of natural resources and the environment.

BRI's social and environmental responsibilities implementation is periodically published for the stakeholders.

Corporate Governance Policies and Guidelines

Governance Structure

The Bank's governance structure consists of main and supporting organization organs as well as policies concerning corporate governance:

a. Main Organs, consist of:

1. General Meeting of Shareholders (GMS)

GMS is the highest organ of a company. GMS is also a decision-making forum where strategic deliberations are made in relation to the Bank's business interests, by taking into account articles of association as well as laws and regulations.

GMS consists of:

- a. Annual GMS to ratify a number of agenda items, such as company's business plan, appointment and dismissal of Board of Directors and Board of Commissioners' members, external auditor appointment, corporate actions with significant impacts including utilization of net income, and approval of Annual Report including financial statements as well as oversight report from the Board of

Commissioners. Annual GMS is required to be held 6 (six) months from the end date of financial year at the latest;

- b. Other GMS can be held at any time when deemed necessary for the best interest of the Bank.

Implementation of GMS refers to the Bank's articles of association and prevailing laws and regulations.

2. Board of Commissioners

Board of Commissioners are collectively responsible; therefore, individual members of the Board of Commissioners may not decide and act on behalf of the Board of Commissioners. Nevertheless, members of the Board of Commissioners may represent the Board upon approval from the Board of Commissioners.

The Board of Commissioners consists of Commissioners and Independent Commissioners. Independent Commissioners shall account for at least 50% (fifty percent) of the total Board of Commissioners' members.

Board of Commissioners shall ensure GCG implementation in all of the Bank's businesses, at all levels of the organization.

Board of Commissioners is not involved in decision-making process concerning the Bank's operations, unless regarding:

- a. Fund provision for related parties; and
- b. Other matters stipulated by the Bank's Articles of Association or prevailing laws and regulations.

Board of Commissioners' involvement or approval does not undermine the Board of Directors' responsibility for the Bank's management.

Board of Commissioners' duties and responsibilities execution refers to the Bank's Articles of Association and prevailing laws and regulations. Detailed explanation of BRI Board of Commissioners' duties and responsibilities is presented in the Board of Commissioners' Manual.

Corporate Governance Policies and Guidelines

3. Board of Directors

The Board of Directors holds collegial responsibility. Each member of the Board of Directors carries out their respective duties and takes decisions according to distribution of duties and authorities. However, the duties execution of each members of the Board of Directors remains a shared responsibility.

President Director must be independent from the Controlling Shareholders.

Board of Directors shall implement GCG principles in all activities of the Bank, across all levels of the organization.

Board of Directors' duties and responsibilities execution refers to the Bank's Articles of Association and prevailing laws and regulations. Detailed explanation of BRI Board of Directors' duties and responsibilities is presented in the Board of Directors' Manual.

Board of Commissioners and Board of Directors Relationship

The relationship of Board of Commissioners and Board of Directors is a check and balances relationship. Essentially, both organs bear the duty to maintain the Bank's long-term business sustainability, pursuing the Bank's advancement and robustness.

The Board of Commissioners and Board of Directors are aligned in terms of vision, mission, core values, and the Bank's strategies. Board of Commissioners and Board of Directors approved the Bank's long term plan, annual work and budget plan, and other matters concerning the enactment of prevailing laws and GCG.

b. Supporting Organs, consist of:

1. Committees

a. Committees under the Board of Commissioners, among others:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee; and
- iii. Risk Management Supervisory Committee.

Detailed explanations on committees under the Board of Commissioners are prescribed in the Board of Commissioners' Manual, Risk Management Supervisory Committee Manual, Nomination and Remuneration Committee Manual, and Audit Committee Charter.

b. Committees under the Board of Directors, among others:

- i. Risk Management Committee (RMC);
- ii. Credit Policy Committee;
- iii. Credit Committee;
- iv. Asset and Liability Committee (ALCO);
- v. IT Steering Committee (ITSC);
- vi. Human Resources Policy Committee; and
- vii. Other committees that may be established

Detailed explanations of committees under the Board of Directors are available in Decree issued for respective committees.

2. Board of Commissioners' Secretary

Board of Commissioners' Secretary is an organ under the Board of Commissioners appointed by the Board. The Secretary is responsible to assist the execution of duties and responsibilities of the Board. Detailed explanations of the duties and responsibilities of Board of Commissioners' Secretary is outlined in the Bank's Board of Commissioners' Secretary Guidelines.

Corporate Governance Policies and Guidelines

3. Corporate Secretary

The Bank appoints Corporate Secretary to support the Board of Commissioners and the Board of Directors in carrying out the duties and responsibilities concerning GCG and to manage the communications to stakeholders. Detailed explanations of the duties and responsibilities of Corporate Secretary are stated in Corporate Secretary Guidelines.

4. Risk Management Unit

Risk Management implementation covers:

- Active supervisory from the Board of Commissioners and the Board of Directors
- Adequacy of Policies, procedures, and limit
- Risk Management processes and Risk Management information system
- Internal Control System

Detailed explanations on the Bank's Risk Management Unit's duties and responsibilities are stated in Risk Management General Policy (KUMR) and Risk Management Implementation Guidelines (P3MR).

5. Compliance Unit

Compliance Unit is an independent unit responsible for Compliance Function in BRI. Detailed explanations on the responsibilities of Compliance Director and his staffs are stated in Compliance Charter.

6. Internal Audit Unit

Internal Audit Unit is structurally under the direct supervision of President Director. The unit is directly responsible to the President Director and communicates to the Audit Committee. Internal Audit provides assurance as well as independent and objective consultancy in order to increase the added value and enhance the Bank's operations through systematic approach. The Unit evaluates adequacy and effectiveness of risk management, internal control, and the Bank's governance processes. Detailed explanations on the duties and responsibilities of Internal Audit are stated in Audit Charter.

7. External Audit

An examination of the Bank is also conducted by External Auditors, namely from Bank Indonesia, Indonesian Government Audit Board, other auditors according to regulations, and Public Accountant Firm. For the purpose of the Bank's financial statements audit, the Bank must appoint Public Accountant and Public Accountant Firm that are registered with Bank Indonesia.

c. Policies, consist of:

1. Bank's Policy Planning

Bank's plans consist of:

- 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.
- Bank's Business Plan (RBB) – contains 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

Corporate Governance Policies and Guidelines

- c. 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.

2. Business Policies

BRI's internal regulations and policies, including Standard Operating Procedure (SE/SK/BPO/Juklak) has to be line with predetermined GCG policy. GCG principles shall be reflected in all Bank's internal policies and regulations, both related to the Bank's business or Bank's internal management. New products and/or activities need to be evaluated against prevailing policies. Policies regarding new products and/or activities are stipulated in separate set of policies

3. Oversight Policy

- a. The Bank's oversight policy is implemented through 3 (three) lines of defense concept:

1. First Line of Defense

Oversight performed by Business/ Operational Units that are responsible to maintain output and business process quality in line with existing policies and procedures.

2. Second Line of Defense

Implemented by risk management and compliance units, as stipulated by Bank Indonesia.

3. Third Line of Defense

Performed by Internal Audit by evaluating first and second lines of defense, and provide objective report to President Director and Board of Commissioners.

- b. BRI's Oversight Policies consist of:

1. Internal control policies

Internal control policies is developed by taking into account the following scopes :

- i. Controlled environment.
- ii. Business risks review and management
- iii. Control activities conducted at all levels of the Bank's structure
- iv. Information and communication system
- v. Monitoring, evaluation, and follow-up of internal control activities.

2. Internal oversight policies

Internal oversight policies include, among others, Internal Audit Policy, Anti-Fraud Strategy, Legal, and Compliance.

Corporate Governance Policies and Guidelines

3. External oversight policies

External oversight is implemented by external auditors and banking supervisory body, according to existing regulations.

4. Transparency and disclosure policies

The Bank's internal policies relating to transparency and disclosure are stated in:

- a. Transparency and disclosure guidelines;
- b. Bank's Confidentiality Policy; and
- c. Policies on reporting, both internal and external, including reports to banking regulatory and authority bodies, stipulated separately according to type of report.

Policy owner units periodically evaluate and update the Bank's internal policies according to the Bank's needs and developments.

Governance Process

1. Governance process is a mechanism carried out by the company organs and staff members in the implementation of duties and responsibilities to achieve governance outcome that are in accordance with GCG principles. The governance process consists of:

a. General Meeting of Shareholders

GMS/Other GMS is held at the time and under the procedure stipulated by laws and regulations. GMS resolutions are published to stakeholders according to prevailing regulations.

b. Board of Commissioners and Board of Directors' Functions, Duties, and Responsibilities Implementation

The Board of Commissioners and Board of 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.

c. Bank's Business Activity Implementation

Bank's business activities are carried out in line with the vision, mission, values, and Bank's strategies whilst adhering to prudential banking and GCG principles.

d. Human Resource (HR) Management

The Bank's HR management is conducted within the corridor of HR architecture founded upon GCG principles to support the realization of Bank's vision and mission.

e. Social and Environmental Responsibility

The Bank's social and responsibility implementation uphold GCG principles and are integrated with the Bank's strategy.

Corporate Governance Policies and Guidelines

f. IT Governance

The Bank's information technology utilization and management are carried out with the support of effective, efficient, and optimum IT governance in order to provide strategic added value for the Bank and in support of the Bank's risk management.

g. Subsidiary Management

The Bank's subsidiaries are established in line with business development aspirations and to provide added value as well as support to the Bank's core business. All subsidiaries are expected to grow and to independently manage their businesses. All transactions made between the Bank and subsidiaries are based on sound business principles.

h. Bank's policies dissemination

All policies of the Bank relating to business operations need to be informed/disseminated to all staff members and other stakeholders. Policies also need to be administered and comprehensively recorded as reference of duties implementation.

i. Process Documentation

Documentation serves as record of activities and basis to evaluate activities' effectiveness. All governance processes are documented and organized in orderly manner; document retention is carried out according to prevailing regulations.

2. The Bank needs to implement GCG principles consistently in all business activities, at all levels of the organization.

Policies relating to GCG principles implementation stipulated in CLA are the basis and/or guidelines for all organs and employees of the Bank as well as units, in applying policies, systems, procedures, and other business activities of the Bank.

Bank's Policies and Operating Procedures

BRI has various policies and operating procedures that reflect the Bank's commitment to sound corporate governance. Until end of 2014, as the results of formulation, evaluation and advancement of regulations, BRI has maintained 15 policies/charters of operating unit activities, which are:

1. Goods and services procurement guidelines
2. Bank's risk based rating assessment guidelines
3. Customers and Walk in Customer (WIC) grouping with Risk Based Approach
4. Internal Capital Adequacy Assessment Process (ICAAP)
5. Key Risk Indicator (KRI) of PT Bank Rakyat Indonesia (Persero) Tbk
6. Information Management and Service Policy
7. Credit Investigators
8. Company Work and Budget Plant
9. Risk Management Forum
10. AML and CTF Operations Procedures
11. BRI Employees Service Standards
12. BRI Service Culture
13. International Business General Policy
14. Corporate Culture Revitalization
15. Familial Relations Policy

Corporate Governance Policies and Guidelines

Information on Policies and Other Important Programs

In executing its operational activities in line with the above policies, BRI conducts a number of programs in order to comply with regulatory requirements and to ensure the implementation of GCG best practices. The programs are:

a. Publication of Transparency of Financial Statements

BRI consistently complies with regulations from relevant authorities to meet transparency principle by developing and publishing mandatory reports as detailed in the following table.

No	Types of Report	Publication	
		Media	Date
1.	BRI Annual Report year 2013	BRI Website, OJK, Indonesian Stock Exchange, YLKI, Rating Agency, Banking Associations, IBI, Economics and Finance Research Institutions, Economics and Finance Magazines	13 March 2014 28 May 2014
		Bank Indonesia	5 June 2014
2.	Financial Statements Publications:	BI, OJK, Indonesian	
	– 2013 (as of 31 December 2013)	Stock Exchange, BRI Website,	23 January 2014
	– Quarter I of 2014 (as 31 March 2014)	Newspapers, Indonesia Stock	27 April 2014
	– Quarter II of 2014 (as of 30 June 2014)	Exchange Website	29 July 2014
	– Quarter III of 2014 (as of 30 September 2014)		31 October 2014
3.	GCG Implementation Report 2013	SWA Magazine Edition 27	18 December 2014 - 7 January 2014

Corporate Governance Policies and Guidelines

b. Share Option

BRI has established internal policy on share option based on Bapepam-LK Regulation Number: Kep-44/PM/1998 dated 14 August 1998. The policy aims to provide incentive for internal management in the form of opportunity to gain direct benefit from the Bank's shares performance.

Management Stock Option Plan (MSOP) is carried out in 3 (three) phases within 3 years:

1. Phase I MSOP was conducted during Initial Public Offering (IPO) at Rp962.5 and exercising period of 5 years (10 November 2003 - 9 November 2008)
2. Phase II MSOP was conducted two years after IPO at Rp1,750 and exercising period of 5 years (10 November 2004 – 9 November 2009)
3. Phase III MSOP was conducted three years after IPO at a price that follows Stock Exchange regulation and exercising period of 5 years (10 November 2005 - 9 November 2010).

Shares owned by members of Board of Directors (excluding President Director) were made available during the directors' tenure as executives, and detailed as follows:

BRI Share Option Process Disclosure									
Name	Employee Stock Allocation-ESA			Management Stock Option Plan-MSOP					
	Bonus Stock	Discounted Stock	Additional Stock Quota	Allocated Shares			Executed Shares		
				MSOP 1 Stock	MSOP 2 Stock	MSOP 3 Stock	MSOP 1 Stock	MSOP 2 Stock	MSOP 3 Stock
Board of Directors									
Sofyan Basir	-	-	-	-	-	3,115,500	-	-	3,115,500
Sarwono Sudarto	41,000	54,500	50,000	376,000	320,500	140,000	376,000	320,500	140,000
Sulaiman Arif Arianto	38,000	51,000	50,000	345,000	320,500	140,000	345,000	320,500	140,000
Lenny Sugihat	38,000	51,000	50,000	345,000	320,500	137,000	345,000	320,500	137,000
Asmawi Syam	41,000	54,500	125,000	376,000	320,500	140,000	376,000	320,500	140,000
Suprajarto	28,000	37,500	50,000	229,000	215,000	137,000	229,000	215,000	137,000
A. Toni Soetirto	-	-	-	-	-	-	-	-	-
Djarot Kusumayakti	28,000	37,500	50,000	229,000	215,000	137,000	229,000	215,000	137,000
Achmad Baiquni	-	-	-	-	-	-	-	-	-
Randi Anto	28,000	37,500	50,000	299,000	215,000	134,000	229,000	215,000	134,000
Gatot Mardiwastito	-	-	-	-	-	-	-	-	-
	4,177,000	4,244,500	6,780,000	25,367,000	27,124,500	13,305,000			

Not : All Board of Commissioners does not carry out any options.

After the completion of MSOP and ESOP programs above, BRI has not carried out similar programs.

Corporate Governance Policies and Guidelines

c. Salary Ratio Disclosure

The following are the ratio of the highest and lowest salary per month of BRI management and employees:

Ratio	2013	2014
Highest and Lowest Employees' Salary	25.66	33.21
Highest and Lowest Director's Salary	1.11	1.11
Highest and Lowest Commissioners' Honorarium	1.11	1.11
Highest Director's Salary and Highest Employee's Salary	2.40	3.06

d. Funding for Related Parties and Large Exposures in 2014

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 conflicts of interest may arise. Funding for related parties are provided with the approval of BRI's Board of Commissioners. In addition, for the provision of funds with a minimum amount of Rp1 (one) trillion and / or by considerations of BRI Credit Committee or Board of Directors, the decision of the provision of these funds should be consulted to the Board of Commissioners. The policy in relation to said amount applies a single borrower, a group, the plasma-core partnership and state-owned enterprises or the government borrower.

Funding Position for Related Parties and Large Exposures

No	Funding	Total	
		Debtors	Nominal/Total Outstanding (Rp million)
1	Related Parties	11	1,706,777
2	Main Debtors:		
	a. Individu	25	81,478,842
	b. Group	21	96,709,990

e. Information Technology Governance

Responding to the following regulations:

- Bank Indonesia Regulation No 9/15/PBI/2007 dated 30 November 2007 on Risk Management Implementation on the Utilization of Information Technology in Commercial Banks
- Bank Indonesia Circular Letter No 9/30/DPNP dated 12 December 2007 on Risk Management Implementation on the Utilization of Information Technology in Commercial Banks
- SOE Minister Regulation No PER-02/MBU/2013 dated 18 February 2013 on Guidelines for Developing Information Technology Management for SOEs.

Corporate Governance Policies and Guidelines

BRI has formulated programs and policies on information technology management in accordance with the regulations. The policies and programs include IT development strategy, software and hardware utilization policy, Bank's information security policy and customer confidentiality, HR developments in IT field. Further, IT Governance implementation also has been formulated through the Decree No. S.384-DIR/TSI/07/2014 concerning Information Technology Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk and Information Technology Strategic Plan / IT Master Plan Tahun 2014 – 2018.

f. IT Architecture Framework

BRI recognizes IT governance as one of GCG's main pillars, therefore the Bank requires effective, efficient, and optimum IT governance that is applicable within BRI and refers to international IT governance practices.

BRI IT architecture has been formulated and is an integral part of IT Strategic Plan (ITSP) 2008-2013. Implementation and development of BRI IT refers to Bank Indonesia regulations concerning IT Risk Management implementation (MR-IT) for Commercial Banks. BRI IT architecture consists of 4 (four) elements

1. Enterprise Architecture: Executive Summary
2. Assessment Phase: Business & IT Context
3. Design Phase: Enterprise Architecture Definition
4. Transition Plan Phase: Application, Information, and Infrastructure

IT Architecture Framework Implementation

- a. Private cloud data center : BRI data center(s) and disaster recovery specifically constructed to have inter-connection within BRI private network with transparent access for internal users.
- b. Horizontal partitioning : hardwares resources segregation to facilitate expansion and minimize single point of failure effect, by taking into account resources effectiveness and efficiency principles.
- c. Open source : the application of open source technology on the operating system, database, office application and email to obtain IT independence.
- d. Inhouse development : application development to fulfill BRI business and operations requirements by BRI employees.

Corporate Governance Policies and Guidelines

g. IT Policy and Procedure

Policies and procedures designed to support the Bank's governance process such as:

Policy	Documentation
1. Determination of IT roles	1. RKAP, RBB, RJP BRI that address BRI IT 2. Job Descriptions for employees in BRI Information System and Technology Division
2. IT Planning	1. IT Strategic Plan (ITSP) 2008-2013 2. BRI Information Technology Architecture
3. IT Process Framework and Organization	1. Information System and Technology Steering Committee 2. Organizational Structure of BRI Information System and Technology Division 3. General Policy on Information System 4. BRI's General Policy on Information System Technology Security 5. Management's Duties and Responsibilities in Information Security 6. Information System and Technology Service Level Agreement
4. IT Investments Management	1. Horizontal Alignment of procurement management procedure for IT Investments 2. Policy and procedure on Closed Circuit Television (CCTV) and embedded camera
5. IT Resources Management	1. Standard Key Management 2. Policy on Information Technology Equipment Standardization 3. Regulation on Returning of IT Assets and Change in Access Rights following change of Employee's status 4. Regulation on Network Access Control 5. Regulation on Supporting Facility Capacity Review
6. IT Risk Management	1. Policy on Risk Management implementation associated with IT application 2. Business Continuity Management (BCM) 3. Standard Operating Procedure for Information System and Technology Disaster Recovery management 4. Policy on Security Compliance Check 5. User Account Management Procedure 6. Policy on Password Management 7. Policy on Backup and Restore 8. IT Security Awareness 9. Firewall Configuration Standard 10. Antivirus and Security Patch Management Procedure 11. Information Security Incident Management Procedure

Corporate Governance Policies and Guidelines

Policy	Documentation
7. Project Management	1. Policy on Information Technology Equipment Review 2. IT Development Life Cycle Procedure
8. Identify Automated Solution	1. Policy on Information Security Policy Evaluation 2. Policy on Information Handling 3. Policy on Security Hardening 4. Policy on Information Technology Asset Maintenance

IT Policy and Procedure in 2014

- a. Decree No. S.384-DIR/TSI/07/2014 concerning Information Technology Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk. Revoked the Decree No. S.200-DIR/TSI/08/2011 Concerning Information System and Technology General Policy of PT Bank Rakyat Indonesia (Persero) Tbk.
- b. Decree No. S.99-DIR/TSI/08/2014 concerning e-Office Application of PT Bank Rakyat Indonesia (Persero) Tbk.
- c. Decree No. B.215-TSI/04/2014 concerning List of Brand Standardization of Information Technology Tools.
- d. Decree No. 137-DIR/TSI/02/3014 concerning Information System Technology Security Regulations. Revoked the Official Memo of IST Division No. B.184-TSI/07/2010 dated 2 July 2010 regarding the request of re-imposition of Security Procedures of KUPSI TSI-BRI.

h. IT Certifications (ISO) Received by BRI

BRI's Operations Centre is operating with quality management system as required by ISO 9001:2008 for Provision of Payment System by RTGS, Clearing and Remittance. Certification is issued by Lloyd's Register Quality Assurance.

BRI's Contact Center is also operating with quality management system standard, which in line with ISO 9001:2008, as verified by Verification New Zealand Limited

i. BRI IT Future Development Planning

- a. Utilization of open system to achieve IT independence
- b. Development of integrated solution of institutions/companies that required specific banking services
- c. Implementation of BRI satellite project BRI (BRI-sat)
- d. Implementation of BRI optics fibre network
- e. Adoption of IT latest banking technology

Corporate Governance Policies and Guidelines

- f. Implementation of paperless technology
- g. Completion of tools for IT operations monitoring
- h. Enhancement datawarehouse, especially for big data
- i. Synergy of BRI IT with Subsidiaries and other SOEs

j. Policies on Transactions with Related Parties and Conflicts of Interest

Transactions with Related Parties

As one of the leading SOE banks, with largest operational network across the country, transactions with related parties, with other SOEs or transactions categorized as related transactions according to regulations, are inevitable for BRI. Anticipating the possibility, BRI applies policy on transactions with related parties that are equal with policy on transactions with other third parties. Both policies introduce similar conditions, that the determination of selling price, purchase price, lease expenses, and other transaction items required negotiation process to meet optimum quality, cost, and delivery (QCD) principles for the benefits of transacting parties.

BRI also disseminates Integrity Pact Statement to all partners/suppliers as basis of cooperation that upholds the highest standards of ethics and business principles.

Invitation and open encouragement (through print media) are extended to all parties related to BRI; together, BRI invites cooperation founded on GCG principles.

List of transactions with related parties is presented under note 43 in the Bank's Audited Consolidated Financial Statements dated 31 December 2014.

Transactions with Conflicts of Interest

BRI's Policy on Conflicts of Interest is a sub-policy of BRI's Code of Conduct and outlined in Joint Decree of Board of Commissioners and Board of Directors Number 02-KOM/BRI/05/2012 and S.104-DIR/DKP/05/2012 dated 24 May 2012 on BRI's General Guidelines on Conflict of Interest Handling. The policy defines forms, causes, core principles, phases of handling, key success factors in the handling, and reporting to ensure transparency and disclosure of conflicts of interest.

Corporate Governance Policies and Guidelines

The general policy serves as the primary regulation and reference in developing sub-policies on other activities such as handling of conflicts of interest on goods and services procurement, loans provision, and so forth.

Anticipating conflict of interest that may arise in a transaction, BRI stresses that internal and external parties that may be involved in such transactions may not be involved in decision-making process relating to the transactions. Therefore, no parties will be under the influence of another parties; decision-making on transactions shall be free from any pressure and shall result in objective decisions. To that end, all members of the Board of Directors may not own shares in companies affiliated to BRI or shares in subsidiaries.

During 2014, there were no transactions with parties that directly or indirectly have relationship with the Bank's core business, as defined by Bapepam-LK regulation No. IX.E.1 on "Conflicts of Interest".

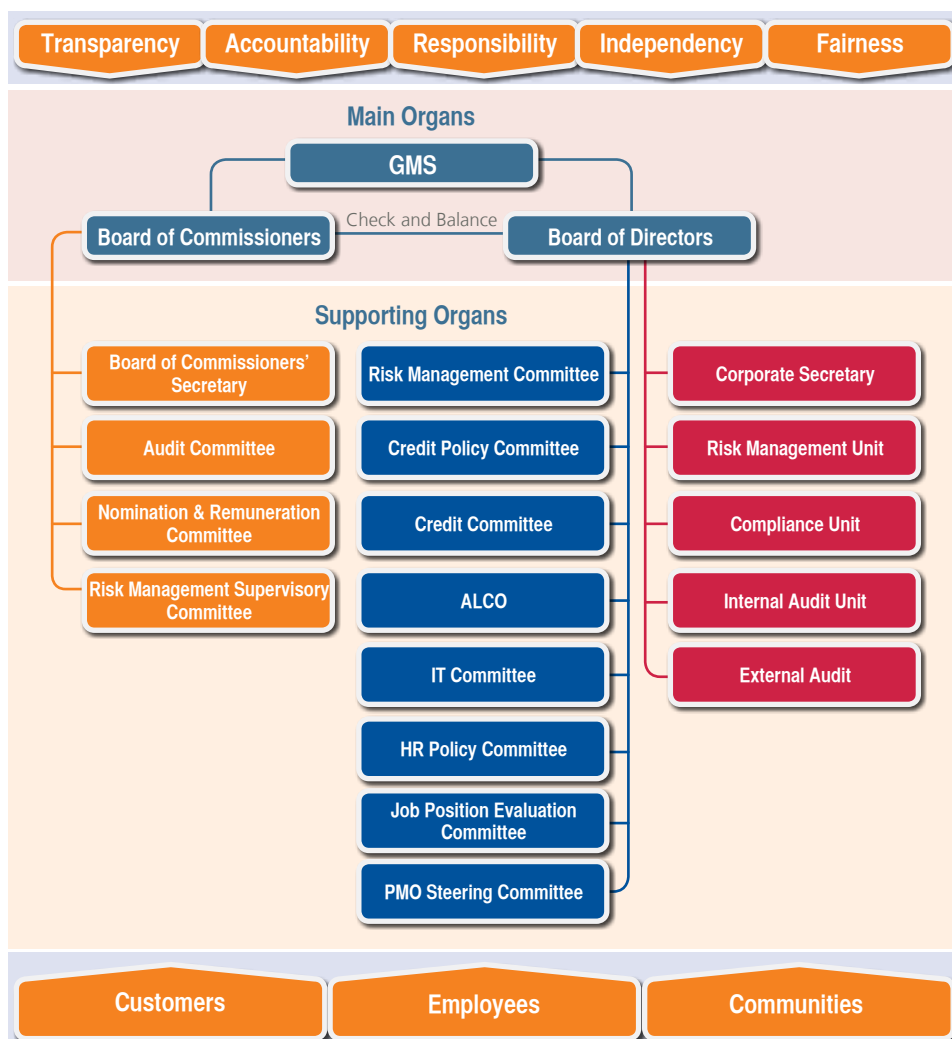
Name and Position with Conflicts of Interest	Name and Position of Decision-Maker	Type of Transaction	Transaction Nominal (in Rp million)	Description (not complying with existing systems and procedures)
Nil				

Corporate Governance Structures and Mechanisms

BRI continuously refines the corporate governance structure and implementation in order to ensure check and balances as well as clear and firm accountability from the company's organs.

To assure that all main organs in the governance structure can function at optimum level, BRI has met the requirements for the total and composition of the Board of Commissioners and has formed the Committees under the Board of Commissioners and Board of Directors in accordance with prevailing regulations. Clear separation between the company's organs reflects strong check and balances as well as proper internal control system.

The following are BRI corporate governance structure:



Corporate Governance Structures and Mechanisms

GENERAL MEETING OF SHAREHOLDERS

General Meeting of Shareholders (GMS) is the highest company organ. GMS is an instrumental decision-making forum for matters related with shareholders' investments, which will affect the Bank's operational outline. Pursuant to the Bank's Articles of Association and prevailing laws and regulations, GMS has exclusive authority not transferable to the Board of Commissioners and Board of Directors.

Through GMS, shareholders may exercise their rights to voice opinions and cast votes during important decision-making process that will determine the Bank's progress and future.

Through GMS, shareholders exercise equal rights to voice opinions and cast votes during important decision-making process that will determine the Bank's progress and future. GMS is also a forum to evaluate the performance of the Board of Commissioners and Board of Directors in terms of all operations aspects of the Bank, including economic, social, and environmental achievements.

As stipulated by the Limited Liability Company Laws and Bank's Articles of Association, GMS consists of:

Annual GMS

Annual GMS is held at the latest 6 (six) months after the end of financial year. During the meeting, the Board of Directors present the following:

1. Annual Report
2. Recommendation of net income utilization provided that the Bank records positive income.
3. Recommendation on public accountant to audit the Bank's financial statements for the current year, based on suggestion from the Board of Commissioners, or to transfer the authority of Public Accountant Firm appointment to the Board of Commissioners.
4. Other matters that require GMS' approval in the interest of the Bank without diminishing to provisions in the Articles of Association.

As a State-Owned Enterprise, BRI is subject to Article 23 Law No. 19 of 2003 on State-Owned Enterprises and therefore 5 (five) months after the end of financial year BRI's Board of Directors must submit annual report to GMS for ratification.

Other GMS

Other GMS may be held as deemed necessary in the best interest of the Bank. Pursuant to Article 24 of the Bank's Articles of Association, the Board of Directors may organize Annual GMS and Other GMS preceded by Meeting Announcement and Invitation.

REFERENCES

General Meeting of Shareholders refers to applicable laws and the Bank's Articles of Association. The laws are, among others:

1. Laws No 19 Year 2003 concerning State-Owned Enterprises.
2. Laws No 40 Year 2007 concerning Limited Liability Company.
3. Financial Services Authority Regulation (POJK) No. 32/POJK.04/2014 concerning GMS Implementation and Plan of Listed Companies.
4. Indonesia Stock Exchange Regulation No. I-E concerning Obligation of Information Dissemination.

GMS PROCESS

In general, phases of GMS implementation as stipulated in POJK No.32/POJK.04/2014 dated 8 December 2014 are as follows:

1. GMS invites through Indonesian nationwide newspaper, Stock Exchange website and the Company's website, issued or published at least 21 (twentyone) days before the date of GMS, excluding the date of invitation and the date of meeting.

Corporate Governance Structures and Mechanisms

2. 14 (fourteen) days prior to the invitation, the Bank shall submit notifications of GMS through 1 (one) Indonesian nationwide newspaper, stock exchange website and company's website.
3. As a public company, and in order to ensure coherence of information on GMS plan or implementation, pursuant to POJK No.32, the Bank must first provide the Meeting agenda to OJK at the latest 5 (five) working days before the announcement.
4. Following GMS implementation, the Bank shall submit the results of GMS to OJK and Stock Exchange at the latest 2 (two) working days after the meeting, and announce the GMS resolutions to the public through at least 1 (one) Indonesian-language newspapers, one of which is published nation-wide.
5. All issued shares have 1 (one) voting right unless stated otherwise by the Articles of Association.

In 2014, BRI held 2 (two) GMS, namely Annual GMS and Extraordinary GMS, among the resolutions was the distribution of 30% dividend payout from net profit of 2013

In 2014, BRI held 2 (two) GMS, which are:

1. **Annual GMS (AGMS)**, held on 26 March 2014 at BRI Building I, 21 Floor and attended by **20.998.257.354** shares or more or less at **85.119%** from the Bank's total issued shares. GMS quorum as stipulated in the Bank's Articles of Association and declared valid and able to produce binding resolutions. The phases of BRI's Annual GMS implementation in 2014 are as follows:

Announcement	Invitation	Execution	Results
Announced on 24 February 2014	Announced on 11 March 2014	Held on 26 March 2014	Announced on 27 March 2014
In Kompas and Bisnis Indonesia daily newspapers	In Kompas and Bisnis Indonesia daily newspapers	time : 09.30 AM venue at BRI Building 1, 21th Floor	In Kompas and Bisnis Indonesia daily newspapers

*GMS implementation phases is based on regulation of Bapepam-LK IX.J.1 dated 14 May 2008

2. **Extraordinary GMS (EGMS)**, held on 10 July 2014 at BRI Building I, 21 Floor and attended by **20.773.262.058** shares or more or less at **84.207%** from the Bank's total issued shares. GMS quorum as stipulated in the Bank's Articles of Association and GMS is declared valid and able to produce binding resolutions. The phases of BRI's Extraordinary GMS implementation in 2014 are as follows:

Corporate Governance Structures and Mechanisms

Announcement	Invitation	Execution	Results
Announced on	Announced on	Held on	Announced on
10 June 2014	25 June 2014	10 July 2014	11 July 2014
In Kompas and Bisnis Indonesia daily newspapers	In Kompas and Bisnis Indonesia daily newspapers	time : 09.30 AM venue at BRI Building 1, 21 Floor	In Kompas and Bisnis Indonesia daily newspapers

*EGMS implementation phases is based on regulation of Bapepam-LK IX.J.1 dated 14 May 2008

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

- The Bank's shareholders are not personally responsible on the agreement on behalf of the Bank and are not responsible on the Bank's loss over its shares ownership, except in the case of:
 - The requirement of the Bank as legal entity are not yet or not established;
 - The concerned shareholders directly or indirectly with bad intentions are taking advantage of the Bank for personal gains;
 - The concerned shareholders are involved in the Bank's litigations; or
 - The concerned shareholders directly or indirectly are illegally utilizing the Bank's assets, which led to insufficient assets of the Bank for the settlement of the Bank's payable obligations.

(Clause 3 paragraph 1 and 2 of Limited Liability Company Laws)

- The shareholders listed in the shareholders' register have the rights to take the evidence of its share ownership, which provided the rights to Shareholders to:
 - Attend and cast votes at the GMS
 - Receive dividend payout and balance of assets from liquidation results
 - Exercise other rights based on Limited Liability Company Laws

(Clause 51 UUPT jo. Clause 6 paragraph 1 and Clause 10 of BRI Articles of Association)

- The Serie A Dwiwarna shareholders has specific rights, as follows:
 - To nominate members of the Board of Directors of members of the Board of Commissioners of the Bank
 - To approve the appointment and dismissal of members of the Board of Directors and or members of the Board of Commissioners
 - To approve the amendments of articles of association including capital amendments

Corporate Governance Structures and Mechanisms

d. To approve merger, dissolution, takeover, and separation of the Bank, request proposal for the Bank's bankruptcy and liquidation.

e. To request certain reports and elaborations to the Board of Directors and the Board of Commissioners by taking into account the prevailing laws.

(Clause 53 Limited Liability Company Laws jo. Clause 5 of BRI's Articles of Association)

4. Every shareholders has the rights to file petition towards the Bank to the District Court for any loss due to the Bank's unfairness and without fair reasons due to the resolutions of GMS, Board of Directors, and/or Board of Commissioners (Clause 61 paragraph 1 Limited Liability Company Laws).

5. Every shareholders has the rights to request the Bank to purchase its shares with fair price, if he/she does not approve the Bank's actions that causing loss to the shareholders or the Bank, such as:

- a. Amendment of articles of association;
- b. Transfer or guarantee of the Bank's assets in which has the value of overmore than 50% (fifty percent) of the Bank's net assets; or
- c. Merger, dissolution, takeover, or separation.

6. Shareholders have the rights to attain information related to the Bank from the Board of Directors and or the Board of Commissioners at the GMS, provided that it's in the corridor of the meeting agenda, and in line with the Bank's interests. (Clause 75 paragraphs 1 and 2 Limited Liability Company Laws)

7. Shareholders as individually or collectively that represent 1/10 or more of total shares with voting rights can file the written request and reasons to implement GMS to the Board of Directors and the Board of Commissioners, with the following requirements:

- a. Good intentions
- b. Considering the Bank's interests
- c. Required GMS resolutions
- d. Attachment of related materials that requires GMS resolutions
- e. Compliance to prevailing laws and the Bank's articles of association

(Clause 79 paragraph 2, 3 and 4 Limited Liability Company Laws Jo. Clause 3 paragraph 1, 2 and 3 POJK No.32 Year 2014 jo Clause 24 paragraph 6 of BRI's Articles of Association)

8. Shareholders that requested GMS implementation shall keep his/her shares within minimum 6 (six) months of the GMS (Clause 6 POJK No.32 Year 2014).

9. Shareholders, individually or representing 1/20 or over the total issued shares with voting rights can propose the GMS agenda in writing to the Board of Directors at least 7 (seven) days prior to GMS invitation (Clause 12 POJK No.32 Year 2014)

10. Shareholders also may take binding resolutions outside of GMS, with the requirements that all shareholders with voting rights has approved by signing the petitions (Clause 91 Limited Liability Company Law).

Corporate Governance Structures and Mechanisms

Quorum, Resolution and Implementation of GMS Resolutions

The Annual GMS held on 26 March 2014 has presented resolutions, and has been realized, as illustrated in the following table:

Summary of Annual GMS Resolutions	Voting Results	GMS Implementation
Agenda 1		
1. Approved the 2013 Annual Report and Ratification of Financial Statements Fiscal Year 2013	• A total of 15,158,500 Shareholders or 0.07% of total attended shares has stated Disagreed ;	Has been approved during GMS held on 26 March 2014 .
2. Ratified the Annual Report and Financial Statements of Partnership and Community Development Program Fiscal Year 2013.	• A total of 37,444,900 or 0.18% of total attended shares has stated Abstain ;	
3. Granted full acquittal and discharge (<i>acquitt et de charge</i>) to the Board of Directors and Board of Commissioners on the management and supervisory conducted for fiscal year ended 31 December 2013, in which all actions bear no criminal elements and have been reflected in the Bank's 2013 Annual Report.	• A total of 20,945,853,954 or 99.75% of total attended shares has stated Agreed	
Agenda 2		
1. Allocated the Bank's net profit for fiscal year 2013 as follows:	• A total of 48,176,466 or 0.23% of total attended shares has stated Disagreed ;	Has been realized on 14 May 2014 , which are:
a. Dividend payout of 30% or Rp6,348,045,132,576	• A total of 30,940,100 or 0.15% of total attended shares has stated Abstain ;	
b. Reserve funds for investments at 21% or Rp4,443,631,592,803	• A total of 20,919,140,788 or 99.62% of total attended shares has stated Agreed	
c. Allocated retained earnings at 49% or Rp10,368,473,716,542		a. Increased reserved components in capital structure.
2. Granted authority and power to the Board of Directors to stipulate schedule and procedure of dividend payout fiscal year 2013 according to prevailing laws.		b. Increased retained earnings components in capital structure.
		c. Dividend has been distributed on 14 May 2014.

Corporate Governance Structures and Mechanisms

Summary of Annual GMS Resolutions	Voting Results	GMS Implementation
Agenda 3 Granted authority and power to the Board of Commissioners following the approval of Shareholders Serie A Dwiwarna to determined the amount of tantiem to members of the Board of Directors and Board of Commissioners for fiscal year 2013, including stipulation of the amount of salary, honorarium, allowances and facilities for members of the Board of Directors and Board of Commissioners for 2014.	- A total of 577,534,943 or 2.75% of total attended shares stated Disagreed; - A total of 306,825,527 or 1.46% of total attended shares stated Abstain; - A total of 20.113.896.884 or 95.79% of total attended shares stated Agreed	Letter of the Board of Commissioners No. R.15-Kom/04/2014 date 11 April 2014 concerning the Remuneration of the Board of Directors and Board of Commissioners Year 2014.
Agenda 4 Grant the authority to the Board of Commissioners to appoint Public Accountant Office to audit the Company's Financial Report and the Financial Report of the Partnership and Community Development Program (Program Kemitraan dan Bina Lingkungan) for the financial year of 2014, as well as to determine the honorarium and other terms applicable to the appointed Public Accountant Office and also to appoint the substitution of the Public Accountant Office as well as the honorarium and other terms applicable to the Substitution of the Public Accountant Office in the case that the appointed Public Accountant Office for any reasons whatsoever fails to complete the Company's financial report and the Financial Report on the Partnership and Community Development Program, for the financial year of 2014.	- A total of 283,481,866 or 1.35% of total attended shares has stated Disagreed; - A total of 46,530,900 or 0.22% of total attended shares has stated Abstain; - A total of 20,668,244,588 or 98.43% of total attended shares has stated Agreed	Letter of the Board of Commissioners No. B. 39-KOM/05/2014 dated 02 May 2014 concerning the Granting of Appointment of General Audit of Financial Statements & Financial Statements of Partnership and Community Development Program fiscal year 2014

Corporate Governance Structures and Mechanisms

Summary of Annual GMS Resolutions	Voting Results	GMS Implementation
Agenda 5 Approved the amendments of the Bank's articles of association 1. Amendment of Clause 5 Paragraph 4 point c article 5: Previously: "Seri A Dwiwarna shareholder have the right to request a report and explanation concerning certain matters to the Board of Directors and the Board of Commissioners with due observance of the prevailing laws and regulations, especially the laws and regulations which prevail in the field of Capital Market;" Became: "Seri A Dwiwarna shareholder have the right to request a report and explanation concerning certain matters to the Board of Directors and/or the Board of Commissioners with due observance of the prevailing laws and regulations, especially the laws and regulations which prevail in the field of Capital Market." 2. Amendment of Clause 15 paragraph 2 point b by adding 1 (on3) point between point b.10 and b.11, with the following contents: b.10 To provide report on supervisory duties that has been implemented during past fiscal year to the General Meeting of Shareholders. b.11 To provide elaboration on all matters requested or inquired by the shareholders of serie A Dwiwarna, by taking into account the regulations especially Capital Market's prevailing laws. b.12 To implement other obligations in the supervisory and advisory duties, in which are not against the regulations and legislations, articles of association, and/or the resolutions of General Meeting of Shareholders.	• A total of 283,481,866 or 1.35% of total attended shares has stated Disagreed; • A total of 46,530,900 or 0.22% of total attended shares has stated Abstain; • A total of 20,668,244,588 or 98.43% of total attended shares has stated Agreed	Deed of Notary Fathiah Helmi S.H No. 8 Year 2014 which has been registered at Minister of Justice and Human Rights of the Republic of Indonesia according to a Decree No. AHU-04154.40.21.2014 dated 11 July 2014

Corporate Governance Structures and Mechanisms

The Extraordinary GMS held on **10 July 2014** has presented resolutions, and has been realized as illustrated in below table.

Summary of Extraordinary GMS Resolutions	Voting Results	GMS Realizations
Agenda of the Bank's Changes in the Management's Composition		
1. Approved the resignation of Aviliani as Independent Commissioner effective as of 21 May 2014 with the acquittal and discharge of responsibility that will be granted at the GMS fiscal year 2014 which will held in 2015;	- A total of 4,656,032,243 or 22.414% of total attended shares has stated Disagreed; - A total of 1,144,202,892 or 5.508% of total attended shares has stated Abstain;	1. Deed of Notary Fathiah Helmi S.H. No.10 Year 2014
2. Transfer of position: a. Mustafa Abubakar previously served as Vice President Commissioner to become Vice President Commissioner/ Independent Commissioner. b. Hermanto Siregar previously served as Commissioner to become Independent Commissioner.	A total of 14,973,026,923 or 72.079% of total attended shares has stated Agreed	2. Results of Fit & Proper Test from OJK, which are: a. Letter of OJK No: SR-190/D.03/2014 dated 11 November 2014 b. Letter of OJK No: SR-191/D.03/2014 dated 11 November 2014
3. Appointed Dwijanti Tjahjaningsih as Commissioner which will be effective upon the approval of Fit & Proper from OJK.		3. Awaiting results of Fit and Proper from OJK.

Corporate Governance Structures and Mechanisms

BOARD OF COMMISSIONERS

REFERENCES

Laws No. 40 of 2007 concerning Limited Liabilities Company requires all companies incorporated under the jurisdiction of Indonesian law to have the Board of Commissioners assigned to supervise the management policies, the management process, either on the Company or the Company's line of businesses, as well as providing advices to the Board of Directors. Further, the Regulation of Financial Services Authority No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Listed Companies. The Board of Commissioners is the Organ with the duties to conduct supervisory in general and/or specific according to the articles of association, and provide advisory to the Board of Directors.

In addition, Article 28 paragraph (3) of Laws No. 19 Year 2003 regarding State-Owned Enterprises, stated that members of the Commissioners' serving period is 5 (five) years and may be reappointed for one (1) office term.

The members of BRI Board of Commissioners shall not hold any multiple positions as 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 other positions, in accordance with the prevailing laws and legislations.

BOARD OF COMMISSIONERS' BOARD CHARTER

BRI has the Board of Commissioners' Board Charter, also known as the Board of Commissioners Work Manual (BOC Work Manual), as the guidelines of the Board in their daily duties. The BOC Work Manual was structured as a reference for the Board of Commissioners in their duties and as a basis for the implementation of Good Corporate Governance. The Manual describes the duties, authorities, responsibilities, working hours, work ethics, meetings, organizational structure, and performance of duties related to the GMS.

Moreover, in carrying out its duties and functions, the Board of Commissioners has always been guided by the Articles of Association, and the Joint Decree between the Board of Commissioners and Board of Directors.

DUTIES & RESPONSIBILITIES, AUTHORITY, AND OBLIGATIONS OF THE BOARD OF COMMISSIONERS

Duties and Responsibilities

Duties

1. Supervision of the Board of Directors' management conduct and its policies, including management of the Company's Subsidiaries, Pension Fund and Financial Institution Pension Fund.
2. Provide advice to the Board of Directors, including supervision on the implementation of the corporate plan that include the Company's Long Term Business Plans, Bank Business Plans, Company's Work and Budget Plans, Partnership and Community Development Program's Budget and Work Plan, and other work plans of the Board of Directors.

Additionally, the Board of Commissioners has also been assigned specific duties, as regulated by Bank Indonesia:

- i. Supervision of the GCG effectiveness implementation throughout all levels of the Company;
- ii. Supervision of risk management implementation; and
- iii. Monitoring 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.

Corporate Governance Structures and Mechanisms

Responsibilities

Each member of the Board of Commissioners is fully liable should one is guilty or negligent in performing his/her duties for the Company, unless the relevant member of the Board of Commissioners can prove that he/ she:

- a. Has performed supervision with good faith and prudence, in compliance with the Company's objectives;
- b. Does not have any personal interest, directly or indirectly, for any of the Board of Directors' management conduct that has caused loss; and
- c. Has provided advices to the Board of Directors to prevent or continuation of the said loss.

Authority

1. Inspecting the Bank's books, correspondences and other documents, and verifying the Bank's cash and other securities, as well as the Bank's assets;
2. Access to the Company's premises, buildings and offices;
3. Requesting for clarification from the Board of Directors and/ or other management staff on all issues related to the Bank's management;
4. Requesting 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' meetings;
5. Overseeing every action and decision that have and will be executed by the Board of Directors;
6. Temporarily discharging any member of the Board of Directors, as stipulated in the Articles of Association;

7. Establishing the Audit Committee, and any other committees if necessary, with consideration of the Company's capacity;
8. Hiring external expert for a certain period of time and on the company's expense, if necessary;
9. Managing the Company in certain conditions, for certain periods of time in accordance with the Company's Articles of Association;
10. Conducting other supervisory authorities as long as it does not conflict with the prevailing laws, legislations, the Articles of Association, and/or GMS decisions.
11. Attending the Board of Directors meetings to provide insights on the discussed topics;
12. Appointing and discharging the Board of Commissioners' Secretary, upon recommendation from Serie A Dwiwarna shareholders.

For effective implementation of supervisory duties, the Board of Commissioners has authorities that shall be regarded by the Board of Directors

Corporate Governance Structures and Mechanisms

Obligations

1. Providing advises to the Board of Directors in managing the Company;
2. Providing opinions and approvals on the Company's business plans which comprise of 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 prepared by the Board of Directors;
3. Following the progress of the Company's activities, providing opinions and solutions to the GMS on important issues related to the Company's management;
4. Reporting to the GMS if there is a decline in the Company's performance;
5. Proposing the appointment of a Registered Public Accountant to the GMS, to audit the Bank's reports;
6. Reviewing and analysing periodic reports and Annual Reports prepared by the Board of Directors, and signing the Annual Reports;
7. Providing clarification, opinion and proposal to the GMS on the subject of Annual Reports, if requested;
8. Producing minutes of the Board of Commissioners meetings and filing the copies;
9. Reporting to the Bank on their and/or their families share ownership in the Company or in any other companies;
10. Providing reports to the GMS on its supervisory activities that was implemented during the past fiscal year; and
11. Undertaking other obligations to execute its supervisory duties while adhering to the prevailing laws, regulations, Articles of Association, and/or resolutions of GMS.

BOARD OF COMMISSIONERS COMPOSITION

Pursuant to the resolution of Extraordinary GMS on 10 July 2014, there are 8 (eight) members of BRI's Board of Commissioners as of 31 December 2014. The number and composition has met the regulations, which are not exceeding the total of 11 (eleven) members of BRI's Board of Directors . BRI's Independent Commissioners are in total consist of 5 (five) members or 62.5% of total members of the Board of Commissioners. The following table illustrated the total members of the Board of Commisisoners prior to and after the Extraordinary GMS:

Corporate Governance Structures and Mechanisms

Composition of BRI's Board of Commissioners as of 1 January 2014 to 10 July 2014

No.	Name	Position	Age (Year)	Date of Appointments
1.	Bunasor Sanim	President Commissioner/ Independent Commissioner	69	I : 30 May 2006 II : 28 April 2011
2.	Mustafa Abubakar *)	Vice President Commissioner/ Commissioner	65	28 March 2012
3.	Adhyaksa Dault	Independent Commissioner	51	20 May 2010
4.	Aviliani	Independent Commissioner	53	I : May 2005 II : 20 May 2010
5.	Ahmad Fuad	Independent Commissioner	60	28 March 2012
6.	Heru Lelono	Commissioner	59	20 May 2010
7.	Hermanto Siregar	Commissioner	51	28 April 2011
8.	Vincentius Sonny Loho	Commissioner	57	28 March 2012

Composition of BRI's Board of Commissioners as of 10 July 2014 to 31 December 2014

No.	Name	Position	Age (Year)	Date of Appointments
1.	Bunasor Sanim	President Commissioner/ Independent Commissioner	69	I : 30 May 2006 II : 28 April 2011
2.	Mustafa Abubakar *)	Vice President Commissioner/ Commissioner	65	28 March 2012
3.	Adhyaksa Dault	Independent Commissioner	51	20 May 2010
4.	Hermanto Siregar	Commissioner	51	28 April 2011
5.	Ahmad Fuad	Independent Commissioner	60	28 March 2012
6.	Heru Lelono	Commissioner	59	20 May 2010
7.	Vincentius Sonny Loho	Commissioner	51	28 March 2012
8.	Dwijanti Thajaningsih **)	Commissioner	48	10 July 2014

*) effective as of 19 November 2014 serves as Vice President Commissioner/
Independent Commissioner following the approval of Financial Services Authority
(FSA) based on the Fit and Proper Test.

) as of **10 July 2014 appointed by Extraordinary GMS as BRI's Commissioner and in
the process of approval from the Financial Services Authority on the Fit and Proper Test.

All members of the Board of Commissioners possess integrity, competency, and excellent financial reputations. Members of the 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 about GCG implementation in Commercial Banks.

All members of BRI's Board of Commissioners are Indonesian Citizen and reside in Indonesia, and have gained the approval from Bank Indonesia on their fit and proper tests.

Corporate Governance Structures and Mechanisms

Diversity Composition of the Board of Commissioners

The composition of the Board of Commissioners as described on the profile of each member of the Board, demonstrates the diversity of backgrounds and experiences. They are notably experienced scholars/ academics, bureaucrats and decision/policy makers in banking or corporates business. There are a female representative member in the Board.

BRI's Independent Commissioners are fully committed to encourage conducive environment with respect to fairness and equality including the minority Shareholders' and other Stakeholders' interest

BOARD OF COMMISSIONERS INDEPENDENCY

Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006, in lieu of PBI No. 8/14/PBI/2006 concerning the implementation of Good Corporate Governance for Commercial Banks, stipulates that the banks must have Independent Commissioners of at least 50% of the Board of Commissioners' members. As the case with Article 28 of Laws No. 19 Year 2003 regarding SOEs, which stated that the composition of the Board of Commissioners shall be established to enable effective, precise, quick, and independent decision-making.

To ensure the Board of Commissioners' Independency, the shareholders through the Extraordinary GMS have appointed 5 (five) Independent Commissioners out of the total 8 (eight) members of the Board of Commissioners.

Independent Commissioners are members of the Board of Commissioners that are devoid of any financial, management, share ownership and/or family 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 appointment of Independent Commissioners will encourage an impartial working environment that values fairness and equality above all other interests including the interests of minority shareholders and other stakeholders.

BRI's independent commissioners must not have any conflicts of interests and act independently, which means that they do not have any conflicts of interests that might impair their ability to carry out duties independently and critically, both in their relationship with other Commissioners as well as with the Board of Directors.

Several members of BRI's Independent Commissioner hold the important posts in government institutions outside SOEs/Local Government-Owned Enterprises, however all members of the Board of Commissioners have fulfilled the main criteria, as follows:

1. 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.
2. The Board of Commissioners' members do not hold any concurrent position as executives or members of other Boards of Commissioners or Boards of Directors of more than 1 (one) non-financial institution, State-owned Enterprises, local government-owned enterprises, private enterprises, and other positions stipulated in the Company's Articles of Association, and the prevailing regulations.
3. Have passed the Fit and Proper Test, in accordance with Bank Indonesia's regulation on Fit and Proper Test.
4. Nominated by the Shareholders and appointed in the General Meeting of Shareholders.
5. Within 5 (five) years prior to his/ her appointment:
 - a. Has never been declared as bankrupt.

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- b. Has never been a member of the Board of Commissioners or a member of the Board of Directors that are guilty for causing the bankruptcy of a Company.
- c. 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.

BOARD OF COMMISSIONERS CONCURRENT POSITIONS

The regulation of Bank Indonesia states that the members of the Board of Commissioners are only allowed for concurrent position as members of the Board of Directors, or the Executive Officer at 1 (one) non-financial corporate institutions, or to carry out the monitoring function at one (1) non-bank subsidiaries controlled by BRI.

The concurrent position is applicable if the non-independent members of the Board of Commissioners conduct their functional duties of the Bank's shareholders that is a legal entity in its group of companies; and or members of the Board of Commissioners hold the positions at non-profit organizations or institutions, as long as he/she does not neglect the duties and responsibilities as a member of the Board of Commissioners.

In compliance with the regulation, currently some members of BRI's Board of Commissioners have concurrent positions on several non-profit organizations, as follows:

No	Name	Position	Concurrent Positions
1.	Bunasor Sanim	President Commissioner/ Independent Commissioner	1. Permanent lecturer of the Undergraduate and Graduate Program of Bogor Agricultural University. 2. Actively involved in several organizations, including: Member of the Indonesian Association of Muslim Intellectuals (ICMI) Experts Council, Advisory Board Member of the Executive Committee of the Association of Indonesian Agricultural Economics (PERHEPI), Advisory Board Member of the International Center for Analysis of Finance and Economic (InterCAFE), Advisory member of the Indonesian Sharia Bank Association (Asbisindo), 1st Chairman of Indonesian Fertilizer Council (DPI) and 1st Chairman of Indonesian Society of Organic Agriculture (MAPORINA).

Corporate Governance Structures and Mechanisms

No	Name	Position	Concurrent Positions
2.	Mustafa Abubakar	Vice 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), and Advisory Board Member of Leuser International Foundation (YLI)
3.	Adhyaksa Dault	Independent Commissioner	1. Chairman of Indonesian Youth National Committee (KNPI) 2. Chairman of Kwartir National Scout
4	Ahmad Fuad	Independent Commissioner	Nil
5.	Hermanto Siregar	Independent Commissioner	1. Deputy Rector of Resources and Development, Bogor Agriculture Institute 2. Professor of Economics, Bogor Agriculture Institute 3. Committee Member of National Economics of Republic of Indonesia 4. Chairman of the Indonesian Agricultural Economics Association (PERHEPI), and 5. Board Member of Indonesian Economists Association Center (ISEI)
6.	Heru Lelono	Commissioner	Expert Staff of the President of the Republic of Indonesia (2004-present)
7.	Vincentius Sonny Loho	Commissioner	1. Inspector General of the Ministry of Finance 2. Committee Secretary of the Government Accounting Standards

PROGRAMS AND IMPLEMENTATION

The Board of Commissioners' Program is established by considering the duties, authorities, and obligations of the Board of Commissioners as stipulated in the laws and legislation, which is to supervise the management policies and the general management of the Company and its subsidiaries.

In implementing its programs, the Board of Commissioners is assisted by Audit Committee, Risk Management Supervisory Committee, and Nomination and Remuneration Committee. The Board of Commissioners' program is the consolidation results of the programs of the three Committees under the Board of Commissioners.

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The Board of Commissioners uses the program as a guide in performing their duties. The implementation of effective duties are expected through resources within the Board of Commissioners, which are all members of the Board, and three committees from the external parties of the Board, as well as the Board of Commissioners' Secretariat.

BRI's Board of Commissioners formulates and implements effective and efficient programs supported by the Board's Members, Committees, and Secretariat

Board of Commissioners Duties Implementation

Implementation of the program throughout 2014 resulted in several approvals, opinions, feedback, and recommendations of the Board of Commissioners to the Board of Directors as follows:

1. Approval on Bank Business Plan Year 2015-2017 and Company Work and Budget Plan of PT BRI (Persero) Tbk Year 2015.
2. Approval on the Revision of Bank Business Plan 2014-2016 and Company Work and Budget Plan of PT BRI (Persero) Tbk Year 2014.
3. Bank Business Plan Realization Monitoring Report of PT BRI (Persero) Tbk Semester II Year 2013.
4. Bank Business Plan Realization Monitoring Report of PT BRI (Persero) Tbk Semester I Year 2014.
5. Supervisory Results of BRI DPLK Financial Statements Fiscal Year 2013.
6. Approval on Amendment of Organization of PT BRI (Persero) Tbk.
7. Evaluation of the Director of Compliance Report of PT BRI (Persero) Tbk.
8. Evaluation of Risk Profile Report of PT BRI (Persero) Tbk.
9. Self Assessment of GCG Implementation of PT BRI (Persero) Tbk Semester II Year 2013.
10. Self Assessment of GCG Implementation of PT BRI (Persero) Tbk Semester I Year 2014.
11. Consultation of the Board of Directors' Loans to the Board of Commissioners.
12. Approval on Principles Permission of the Appointment of Public Accountant Firm of BRI DPLK year 2014
13. Approval of Joint Decree on the Guidelines of Gratifications Control and Conflicts of Interests of PT BRI (Persero) Tbk.
14. Approval of Loans Provision to Related Parties.
15. Approval of Capital Injection to PT Bank BRI Agroniaga Tbk.
16. Approval of Working Capital Injection for PT Bank BRI Syariah.
17. Approval of transfer of ownership on the purchase of fixed assets.
18. Recommendations and suggestions related to the results of the Board of Commissioners visit to several PT BRI (Persero) Tbk operational units, delivered at meetings with the Board of Directors.
19. Feedback on the Report of PT BRI (Persero) Tbk Internal Audit Key Results, Quarter IV-2013, Quarter I-2014, II-2014, and III-2014.
20. Feedback on PT BRI (Persero) Tbk Annual Internal Audit Plan Year 2014.

MEETINGS, ATTENDANCE AND RESOLUTIONS

Meeting Ethics

Pursuant to the procedures stipulated in the Articles of Association, the meeting of the Board of Commissioners is held at least once in every 3 (three) months, and may invite the Board of Directors if required. In practice, the Board of Commissioners meetings are held at least once a week and once a month joint meetings with the Board of Directors. The Board of Commissioners meeting is legal and authorized to make any binding decisions if more than half of its members are present or

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represented in the meeting. All decisions of the meetings are made in consensus. If the consensus is not reached, the decision would be based on affirmative votes by more than half of valid voters. All decisions of the meeting are binding to all member of the Board of Commissioners.

As stipulated in the BOC Work Manual, the meeting material must be submitted to the Board of Commissioners no later than three (3) working days before the meeting takes place, so that the Board of Commissioners have the opportunity to review the information and/or to request additional information prior to the meeting.

Meeting Frequency and Attendance

During 2014, the Board of Commissioners conducted **57** (fifty seven) meetings with the attendance recapitulations as shown belows:

No.	Name	Position	Total Joint Meeting	Joint Meeting Attendance	% Joint Meeting Attendance	Total BOC Meeting	BOC Meeting Attendance	% BOC Meeting Attendance	Total Meeting	Total Attendance	% Total Attendance
a	b	c	d	e	f = e/d	g	h	i = h/g	J=d+g	k=e+h	l = k/j
1.	Bunaser Sanim	President Commissioner/ Independent Commisioner	34	28	82%	23	20	87%	57	48	84%
2.	Mustafa Abubakar	Vice President Commissioner Independent Commisioner	34	27	76%	23	22	96%	57	49	86%
3.	Adhyaksa Dault	Independent Commisioner	34	21	62%	23	14	61%	57	35	61%
4.	Ahmad Fuad	Independent Commisioner	34	29	85%	23	21	91%	57	50	88%
5.	Hermanto Siregar	Independent Commisioner	34	24	71%	23	18	78%	57	42	74%
6.	Heru Lelono	Commisioner	34	20	59%	23	15	65%	57	35	61%
7.	Vincentius Sonny Loho	Commisioner	34	24	71%	23	19	83%	57	43	75%

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Board of Commissioners Meeting Agenda 2014

The Board of Commissioners meeting agenda during 2014, are as follows:

No.	Date	Material
1	7 January	1. Audit Development Report 2013 by Auditor Ernst & Young. 2. Finalization of Annual Report Draft 2013 and Board of Commissioners Report to Bank Indonesia.
2	16 January	General Audit Findings Report of BRI Financial Statements fiscal year 2013 (Financial statements publication plan on 22 January 2014)
3	16 January	Board of Directors Presentation on performance evaluation and supervisory of BRI Subsidiaries (PT BRI Agroniaga Tbk and PT BRISyariah).
4	21 January	Corporate Actions
5	28 January	Report of feedback letter related to the recommendations of the Board of Commissioners to the Board of Directors.
6	07 February	Development of risk based audit, banking accounting standards, as well as challenges and obstacles of implementation in BRI
7	11 February	Board of Commissioners Supporting Organs and Remuneration prior to Annual GMS 2014
8	11 February	1. BRI Risk Profile for Quarter IV-2013 2. Bank Sound Level Semester II-2013 3. Compliance Functions Semester II-2013 4. Anti Fraud Strategy Semester II-2013
9	25 February	Annual GMS Plan Fiscal Year 2013
10	25 February	PKBL Implementation Report 2013.
11	4 March	Audit Findings Report Quarter IV of 2013 and updates on significant findings
12	11 March	Performance evaluation of Work and Budget Plant on January & February 2014.
13	18 March	Annual GMS Preparation 2014
14	18 March	Discussion on the Board of Commissioners visit plan year 2014.
15	11 April	Risk Management for Banks
16	11 April	Discussion on Remuneration of the Board of Directors and Commissioners
17	15 April	Discussion on Remuneration of the Board of Directors and Commissioners
18	22 April	Change of Organization of BRI Treasury Division.
19	29 April	Discussion on Allowances, Facilities of the Board of Directors & Commissioners

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No.	Date	Material
20	6 May	1. Review of TK Bank Semester II/2013; 2. Review of risk profile quarter I/2014; 3. Review of bank compliance functions implementation Quarter I/2014; 4. Review of anti fraud strategy implementation Quarter I/2014.
21	13 May	Presentation of Public Accountant Firm (KAP) Procurement Team related to procurement process of KAP to audit BRI Financial Statements of 2014.
22	20 May	Presentation of BRI Subsidiaries performance quarter I/2014 (PT BRI Agroniaga and PT BRI Syariah)
23	3 June	Discussion on Audit Findings Report Quarter I/ 2014 and updates on significant findings.
24	9 June	1. Clarification of Extraordinary GMS agenda year 2014 2. Allowances and Facilities of the Board of Directors & Commissioners.
25	10 June	Discussion on SOEs Regulations Implementation, Allowances and Facilities of the Board of Directors & Commissioners
26	24 June	Appointment of Chairman for Extraordinary General Meeting of Shareholders of 2014 (10 July 2014)
27	24 June	Revision of BRI Bank Business Plan 2014-2016.
28	01 July	Presentation of HR Management performance and Follow Up Plan 2014, related to: 1. Man Power Planning; 2. Retaining and Maintaining; 3. Work satisfactory survey (results and implications on HR policy)
29	01 July	Amendment of BRI's Organization
30	08 July	1. Discussion on changes in the investment budget reallocation authority and investment costs reserve budget utilization. 2. Proposal of transfer plan of part of land owned by BRI for general interests of MRT project Provincial Government DKI Jakarta.
31	8 July	Risk Monitoring System of BRI Satellite
32	15 July	Discussion of BRI Pension Funds financial performance as of December 2013 and March 2014.
33	22 July	Discussion of BRI Financial Statements Semester I of 2014
34	22 July	1. Procurement Progress BRISat 2. Risk Monitoring System related to BRISat Planning, Procurement, and Operations
35	12 August	Discussion on changes of composition and charter of the Board of Commissioners' committee.

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No.	Date	Material
36	19 August	1. Review of TK Bank Semester I/2014; 2. Review of risk profile Semester I/2014; 3. Review of bank compliance functions implementation Semester I/2014; 4. Review of anti fraud strategy implementation Semester I/2014.
37	21 August	Discussion on Corporate Actions
38	26 August	Discussion on management letter report 2013
39	9 September	Discussion on management letter 2013
40	9 September	Discussion on procurement values with direct appointment methods
41	16 September	Indonesia Macro Economic Outlook 2015
42	23 September	Discussion on Allowances, Facilities of the Board of Directors & Commissioners
43	23 September	NPL Handling Progress
44	30 September	Discussion on audit findings report quarter II/ 2014 and updates on significant findings
45	07 October	Discussion on BRI Pension Funds performance results 2013 and achievements of Work and Budget Plan 2014.
46	14 October	Observation phase of CGPI 2013 program, with the theme of GCG in the prospective of learning organization
47	16 October	Discussion on Follow Up of SOEs Ministry Letters
48	22 October	Discussion on Pra-Publication of Financial Statements Quarter III of 2014
49	28 October	Discussion on BOD structures
50	28 October	Credit Risk Management in Restructuring
51	4 November	1. BRI Risk Profile for Quarter III-2014 2. Restructuring of middle and corporate debtors 3. Risk Management implementation in effort to develop integrated supervisory functions
52	18 November	Presentation of BRI Bank Business Plan 2015-2017 and Work and Budget Plan 2015.
53	02 December	Discussion on audit findings report quarter III of 2014 and updates on significant findings
54	09 December	Presentation on TL of new POJK regulations implementation, which are: 1. POJK No. 18/POJK.03/2014, dated 18 November 2014 concerning Integrated governance implementation for financial conglomerates. 2. POJK No. 17/POJK.03/2014, dated 18 November 2014 regarding integrated risk management implementation of financial conglomerates.

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No.	Date	Material
55	23 December	Presentation of HR Management performance and follow up plan, as well as Trainings in 2014, with focused discussion on planning, acquiring and developing aspects, which are: 1. Development of employees formation recruitment, and employees promotion, mutation, and rotation policies of BRI Selindo. 2. Training curriculars and programs at all position levels.
56	23 December	Presentation of Board of Commissioners RKA year 2014 and 2015.
57	29 December	Discussion on Acting President Director of BRI

BOARD OF COMMISSIONERS TRAINING PROGRAMS

Training programs are divided into 2 (two) categories, the Company Introduction Program and Competency Training Program.

Company Introduction Program

The company introduction program is provided to the members of the Board of Commissioners during the first appointment. This program consists of presentations, meetings, company visits and review of documents or other programs. The Corporate Secretary is responsible for conducting this program.

The introduction program includes:

- a. The implementation of the Company's GCG principles;
- b. A description of the Company in relations to the purpose, nature, and scope of activity, financial performance and operations, strategy, long-term and short-term business plans, competitive positions, risks and other strategic issues;
- c. Information related to delegated authorities, internal and external audits, internal control systems and policies, including the Audit Committee;
- d. Description of duties and responsibilities of the Board of Commissioners, as well as things that are prohibited.

Competency Training Program

BRI provides training programs to support efforts in enhancing the Board of Commissioners' knowledge on current affairs as well as the development of the banking industry and other knowledge related to the Board of Commissioners' supervisory duties. Some of the general training programs include.

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No	Date	Name	Trainings	City
1	27 - 28 February	Heru Lelono & Adhyaksa Dault	Sound Strategy for Loan and Capital Planning in 2014	Bali
2	5 - 8 May	Ahmad Fuad	Small Medium Enterprise Banking Masterclass - Euromoney	Johannesburgh, South Afrika
3	5 - 6 June	Mustafa Abubakar & Ahmad Fuad	Masterclass "Enterprise Risk Governance" - CRMS	Jakarta
4	4 - 13 July	Mustafa Abubakar, Vincentius Sonny Loho & Hermanto Siregar	International Conference & Benchmarking Visit - YPAI	London
5	1 - 3 September	Ahmad Fuad	Effective Risk Management Oversight for Board Members & Executives - Euromoney	London
6	11 September	Bunaser Sanim & Mustafa Abubakar	Implementation of OJK Regulation No. 1/POJK.07/2013 concerning Consumers Protection of Financial Services Sector Especially Related to Banking - FKDKP	Jakarta
7	29 September - 02 October	Bunaser Sanim & Vincentius Sonny Loho	Financial Course "Implementing Basel III & Dodd Frank"	New York, USA
8	12-14 November	Mustafa Abubakar	20th ASEAN Banking Conference & 44th ASEAN Banking Council Meeting/ PERBANAS	Philippines
9	27-28 November	Bunaser Sanim, Mustafa Abubakar, Ahmad Fuad, & Hermanto Siregar	Bank Risk Management for Executive Seminar	Hongkong

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BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

Board of Commissioners Key Performance Indicators

BRI established its Key Performance Indicators through a set of targets stated in the Board of Commissioners' Work and Budget Plan. The Key Performance Indicators used as a reference for the Board of Commissioners' performance include:

1. Off Site Supervision, encompassing the timely review of Internal Audit Findings, Financial Statements, GCG Self-Assessment, Risk Profile Report, and Compliance Report.
2. On-Site Supervision, encompassing the number of meetings, field visits, and the number and timely review conducted by committees under the Board of Commissioners.
3. The Company's Performance, which encompasses Profitability (Net Profit and ROA), Liquidity, (Third Party Funds and LDR) and Loans Portfolio (Loans Expansion and NPL).

Board of Commissioners Assessment

The Board of Commissioners conducts self-assessment of its achievement based on the Key Performance Indicators stated in Work and Budget Plan periodically. However, the overall assessment of the performance of the Board of Commissioners and Board of Directors is conducted in the shareholders' forum, during the General Meeting of Shareholders.

BOARD OF COMMISSIONERS' REMUNERATIONS

Policies and Procedures to establish the Board of Commissioners' Remunerations

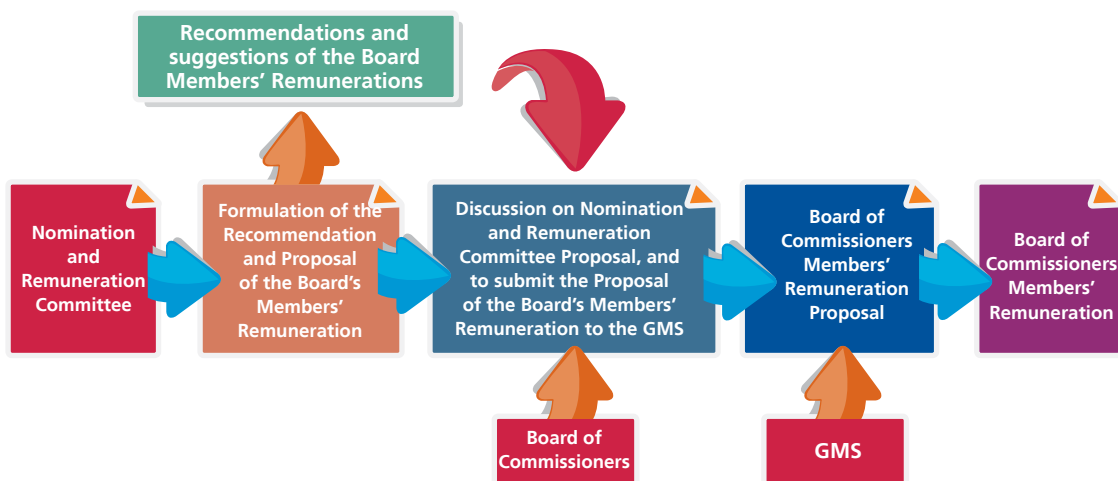
BRI sets the remuneration for the Board of Commissioners with reference to the regulations of the Minister of State Owned Enterprises No.: PER-07/MBU/2010, updated with the PER-04/MBU/2013 regarding the Income Guidelines for Directors, Commissioners, and the Supervisory Board of SOE's. As per regulation, the amount of the Board of Commissioners' income is determined in the General Meeting of Shareholders (GMS). The BRI's Board of Commissioners' income components consist of: honorarium, allowances, facilities and Tantiem/Performance Incentive.

The amount of Salaries, Honorariums and Tantiems for the Board of Commissioners and Board of Directors are stipulated in the GMS.

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The Board of Commissioners submits suggestions regarding the decision on the Board of Commissioners and Board of Directors' Salaries, Honorariums and Tantiems based on the recommendations from the Nomination and Remuneration committee, while taking into account the Company's performance, business size and results of the survey on the Banking industry's remunerations.

Below is a brief description of the procedures for the establishment of the BRI's Commissioners' Remunerations:



The 2014 GMS resolutions has granted authority for the Board of Commissioners to stipulate the amount of 2014 Salaries, Honorariums, and 2013 Tantiems for the Board of Directors and the Members of the Board of Commissioners, with prior approval of the Dwiwarna Serie A Shareholders. With this authority, the Board of Commissioners has determined Salaries, Honorarium and Tantiem, approved by Dwiwarna Series A Shareholders, dated 10 April 2014.

Facilities and other benefits for members of the Board of Commissioners and Board of Directors are determined by the Board of Commissioners that has been authorized by the General Meeting of Shareholders, as regulated by the Company's Articles of Association. Facilities and other benefits for members of the Board of Commissioners and Board of Directors has been reviewed based on the recommendation of Nomination and Remuneration Committee in accordance with the prevailing laws and regulations, and was stated in the Decree of the Board of Commissioners.

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Board of Commissioners' Remunerations Structure 2014

As stipulated in the GMS 2014 resolutions, the following are the Board of Commissioners remunerations structure:

REMUNERATIONS PACKAGE/POLICY AND OTHER FACILITIES FOR THE BOARD OF COMMISSIONERS

Remunerations & Other Facilities	Amount Received in 1 Year (2014)	
	Board of Commissioners	
	Members	Rp Million
REMUNERATION		81,967
- Salary *)	8	7,780
- Bonus	-	-
- Routine Allowances **)	8	1,654
- Tantiem *)	8	72,533
OTHER FACILITIES		2,713
- Housing	-	-
- Transportation *)	8	618
- Bonus	8	2,095
Total Remunerations per-member in 1 Year	Board of Commissioners	
	Total	Rp Million
Above Rp 2 billion	8	83,894
Above Rp 1 billion to Rp 2 billion	-	-
Above Rp 500 million to Rp 1 billion	-	-
Rp 500 million below	-	-

*) Includes Member of the Board of Commissioners that have been resigned effective as of 21 May 2014

**) Includes THR, Leaves, health and handphone allowances

There are no long-term or post-employment benefits to the Board of Commissioners.

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SHARES OWNERSHIP

As of 31 December 2014, each member of the Board of Commissioners owns less than 5% (five per hundred) of the paid-in capital in BRI, other banks, non-bank financial institutions and other companies in the country or overseas. The list of the Board of Commissioners' share ownerships is as follows:

No.	Name	Position	Share Ownership
1.	Bunaser Sani	President Commissioner/Independent Commissioner	Nil
2.	Mustafa Abubakar	Vice President Commissioner / Independent Commissioner	Nil
3.	Adhyaksa Dault	Independent Commissioner	Nil
4.	Ahmad Fuad	Independent Commissioner	Nil
5.	Hermanto Siregar	Independent Commissioner	Nil
6.	Heru Lelono	Commissioner	Nil
7.	Vincentius Sonny Loho	Commissioner	Nil
8.	Dwijanti Tjahjaningsih	Commissioner	Nil

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BOARD OF DIRECTORS

REFERENCES

The following are several external regulations used as a reference for the Board of Directors:

1. Republic of Indonesia Laws No. 7 year 1992 concerning Banking, amended with Law of Republic of Indonesia No. 10 year 1998.
2. Republic of Indonesia Laws No. 8 year 1995 regarding Capital Market.
3. Republic of Indonesia Laws No. 19 year 2003 regarding State Owned Enterprises.
4. Republic of Indonesia Laws No. 40 year 2007 regarding Limited Liability Companies.
5. Government Regulation No. 45 year 2005 regarding the Establishment, Management, Supervision, and Dissolution of State Owned Enterprises.
6. Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Listed Companies.

In addition, the Board of Directors' duties and responsibilities is also regulated in the policies of the Ministry of SOE, Bank Indonesia, the Financial Services Authority and other relevant authorities.

Requirements of the Bank's Directors Appointment

The following are several basic rules regarding the requirements to be a member of the Bank's Board of Directors:

1. Bank Indonesia Regulations
 - a. PBI No. 13/27/PBI/2011 regarding Commercial Bank article 27, that members of the Board of Directors shall comply with the requirements of integrity, competence, and Financial Reputation.
 - b. PBI No. 12/23/PBI/2010 regarding Fit and Proper Test, which stipulates that candidates for the Board of Directors shall pass the fit and proper test and obtain approval from Bank Indonesia prior to performing their duties and functions.
 - c. PBI No. 9/8/PBI/2007 article 8 regarding the Employment of Foreign Workers and Knowledge Transfer Programme in Banking Sector, stipulates that member of the Board of Directors with foreign nationality shall meet the following requirements:
 - i. Pass the Fit & Proper Test; and
 - ii. Has adequate knowledge on Indonesia, especially on economy, culture and the Indonesian language.

The entire Board of Directors of BRI is of Indonesian nationalities, thus the regulation is not applicable.

2. Laws on Limited Liabilities Company and the Regulation of the Financial Services Authority (FSA)

The requirements to be a Director of Limited Liabilities Company are regulated in article 93 of the FSA Regulation (formerly Bapepam-LK) No. IX.1.6, attachment of Bapepam-LK Chairman Decree No. Kep-45/ PM/2004 regarding the Board of Directors and Commissioners of Issuers and Listed Companies, which includes:

- a. Possess good character and ethics.
- b. Has never been declared as bankrupt or caused bankruptcy to a company while he/she is appointed as member of the Board of Directors or Commissioners within 5 years prior to his/her appointment as the Bank's Director.
- c. Has never been convicted of financial crime within 5 years prior to his/her appointment.

In the selection and appointment process of the Board of Directors, BRI has fulfilled all of the above requirements.

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BOARD OF DIRECTORS' CHARTER

BRI has a Board Charter or the Directors' Board Manual as a guideline for the Board of Directors in carrying out duties and functions in the bank management and in maintaining a relationship with the Board of Commissioners. The Board Charter was created by referring to the above regulations, containing guidelines for the Board of Directors and clearly details phases of activities that are structurally, systematically, as well as easy to understand for consistent implementation by the Board of Directors in conducting their duties to achieve the Bank's vision and mission.

The Board of Directors' Charter or BRI Board Manual, cover the following guidelines:

1. General rules on the positions of members of the Board of Directors.
2. Duties and authority of the Board of Directors.
3. Rights and obligations of the Board of Directors.
4. Division of duties and authority of members of the Board of Directors.
5. Implementation of the bank's management duties by the Board of Directors.
6. Decision making principles by the Board of Directors.
7. Board of Directors Meeting
8. Corporate Secretary
9. Relations with subsidiaries.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

In compliance with the Articles of Association, the Board of Directors' duty is to manage the Company, the Company's assets, and represent the Company inside and outside of court. In carrying out its duty, the Board of Directors must conduct in the interest of the Company and in accordance with the Company's aims and objectives, based on good faith and full responsibility and also in accordance with the prevailing regulations, the Company's Articles of Association, and the General Meeting of Shareholders resolutions.

The members of the Board of Directors, including the President Director, are in equal composition. The President Director's duty is to coordinate the Board's activities. Any action taken by the members of the Board other than Board meeting decision is regarded as personal responsibility until the Board Meeting approves such action.

BRI's Board of Directors' Duties and Responsibilities is described as follows:

General

1. Being responsible for all actions related to the management of the Bank in accordance with the purposes, objectives and business activities; furthermore, to perform any actions related to the management and of ownership that binds the Bank

with other parties, by complying with the Articles of Association, prevailing laws and regulations, as well as General Meeting of Shareholders resolutions;

2. Being responsible in ensuring that the Bank's management is in accordance with the Bank's objectives; to manage the Company accordingly by performing the duties and responsibilities as stipulated in the Articles of Association and General Meeting of Shareholders resolutions, based on the prevailing laws and regulations.

Specific

1. Determining the duties and responsibilities related to the Board of Commissioners and Shareholders
 - a. Ensuring the implementation of the GMS resolutions;
 - b. Preparing the corporate plan (RJPP), Bank's business plan (RBB), and annual Company's budget and plan (RKAP) and other work plans including any changes to obtain approval from the Board of Commissioners;
 - c. To hold GMS based on the written request of one or more Shareholders who have valid voting rights and who represent at the very least 1/10 (one tenth) of the number of shares issued;

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d. Create and administer shareholders' list and special list containing the ownership of shares by members of the Boards of Commissioners and the Board of Directors and their families, in the Bank and in other companies; e. Consulting the granting of loans above a certain amount to the Board of Commissioners with reference to prevailing regulations; f. Submitting an annual report following the review by the Board of Commissioners within 5 (five) months, at the latest, after the fiscal year ended, to the GMS for approval.	3. Duties and responsibilities related to Risk Management and Control: 4. Maintaining the following processes of Risk Management: a. Ensuring that the Bank has the proper and systematic procedures in identifying, measuring, and controlling risks; b. Ensuring that proper system and processes have been executed in monitoring and reporting the main risks identified by the Bank; c. Monitoring and evaluating the existence of good management procedures in assessing the adequacy of the risk management and the internal control system, financial reporting and compliance; d. Ensuring the adequacy of an effective control system to maintain: i. Information reliability and integrity ii. Compliance with the prevailing policies, plans, procedures, rules and regulations. iii. Maintenance of the Bank's assets. iv. The economical and efficient use of resources;	v. The achievement of the determined operational objectives and targets. 5. Executing annual evaluations to make public statements concerning the Bank's internal control, to ensure that all significant aspects of internal control have been considered for the evaluation year up to the annual report's approval date. 6. Creating organizational structure, duties and responsibilities for the company's management and employees, including the appointment of the management.
- Below is a short description of the tasks of each members of the Board of Directors:
- President Director**
- Main responsibilities:**
- 1. Directing the Company's strategy formulation and work plans, including Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/ RBB), Company's Budget and Work Plan (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
 - 2. Directing the Company's target developments and achievements.
 - 3. Providing a progress report and explanation of the Company's management

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4. Directing the internal and external follow-ups of auditing results.
5. Coaching the Board of Directors' members in order to streamline the achievement of the Company's targets.

Below is a summary of each member's duties, categorized by BRI's operations:

Director of Micro, Small and Medium Enterprises Business

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Micro, Small and Medium Businesses.
3. Providing progress reports and explanation of the Company's management
4. Directing follow-ups of internal and external audit results related to the Micro, Small and Medium Businesses.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.

6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the Company's targets.

Director of Credit Risk Management

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Credit Risk Management
3. Providing progress reports and explanation of the Company's management
4. Directing follow-ups of internal and external audit results related to Credit Risk Management.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Operations

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Operations.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Operations.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

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Director of HR Management

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Human Resource Management.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Human Resource Management.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Consumer Business

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB),

Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.

2. Directing the Company's target developments and achievements in Consumer Business.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Consumer Business.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Commercial Business

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Commercial Business.

3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Commercial Business.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Finance

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Finance Department.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Finance.

Corporate Governance Structures and Mechanisms

5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Compliance

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Compliance.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Compliance
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Institutional and SOEs Business

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in the Institutional and SOE Business.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Institutional and SOE Business
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Director of Networks and Services

Main Responsibilities:

1. Directing the Company's strategy and plan, which includes the Long Term Plan (Corporate Plan), medium term Plan (Bank Business Plan/RBB), Company Work Plan and Budget (RKAP) and their amendments as guidelines in achieving the Company's performance targets.
2. Directing the Company's target developments and achievements in Networks and Services.
3. Providing progress reports and explanation of the Company's management.
4. Directing follow-ups of internal and external audit results related to Networks and Services.
5. Carrying out the functions of the Substitute Director to ensure that the Directors' duties are performed well.
6. Coordinate and cooperate with fellow members of the Board to streamline the achievement of the company's targets.

Corporate Governance Structures and Mechanisms

MECHANISM OF SUBSTITUTE DIRECTORS

Other than determining the general and specific duties of each Director, BRI has also set up a mechanism of substitute director with the following regulations:

1. The appointed Substitute Director has a corresponding field of work with the substituted Director position.
2. The Substitute for President Director must be substituted by 2 (two) Directors, except for the Director of Credit Risk Management and Director of Compliance.
3. There are Directors designated as Substitute Director for more than one field.
4. Substitute Director is effective if the substituted Director is absent or unable to attend for any reason, for at least 1 (one) day.
5. The appointment of Director as Substitute Director is done and recorded in the Handover Report in compliance with the prevailing regulations.
6. The Handover Report is prepared by the relevant Director's Secretary, signed by all related Directors and acknowledged by the President Director.

7. Should the appointed Substitute Director is absent or unable to attend for any reason, and there are tasks/ activities that require urgent decision, then the decision can be made by other Substitute Director and acknowledged by the appointed Director, and the Handover Report between the two Substitute Directors is not necessary.
8. The Substitute Director has the same authority and responsibility with the substituted Director, and can be considered ex-officio.
9. The Substitute Director's authority and responsibility for the Credit Committee are regulated according to the applicable regulations in the field of credit.
10. Substitute Director is fully responsible for all decisions made during his time as a Substitute Director.

Mechanism and Policy of the Board of Directors' Successors

To prepare for leadership succession in the future, BRI implements a policy reflected in the Talent Management System program that in line with the SOEs Minister Regulation no. PER-01/MBU/2012 regarding the Guidelines for the Appointment and discharge of SOEs' Board of Directors' members and amended with SOEs Minister Regulation no. PER-01/MBU/2012. In this

program, potential employees in the Talent Pool will have the opportunity to attend training programs or activities related to the field of management, business strategy, strategic planning, risk analysis and business potential, analysis of operational and financial performance as well as a variety of other programs.

Furthermore, when the bank requires replacement of leadership, BRI will submit an internal candidate from the Talent Pool, which is facilitated by the Board of Commissioners by taking into account the recommendation of the Nomination and Remuneration Committee. The results of the internal candidates' selection will then be submitted to the Ministry of SOEs to undergo fit and proper test.

BOARD OF DIRECTORS' COMPOSITION

There are 11 (eleven) members of the BRI's Board of Directors with the majority of having more than five (5) years experience in the bank operations as bank executives. All of the Board members reside in Indonesia and have gained the approval from Bank Indonesia based on the results of their fit and proper tests.

The appointment and serving period of the member of Board Commissioners are shown as follows:

Corporate Governance Structures and Mechanisms

No	Name	Position	Age	Appointment Date	Position Period	Experience	Concurrent Position
1.	Sofyan Basir	President Director	56	17 May 2005	9 years	President Director Bank Bukopin	-
2.	Sarwono Sudarto	Director of Operations	62	30 May 2006	8 years	Division Head of Treasury BRI, Division Head of Business Strategic & Development Planning BRI, Division Head of Internal Audit BRI, Division Head of Retail Business BRI	-
3.	Sulaiman Arif Arianto	Director of Commercial Business	56	30 May 2006	8 years	Director of MSME BRI, Division Head of Middle Loans BRI, Division Head of Agribusiness BRI, Regional Manager of BRI Denpasar, Regional Manager of BRI Jakarta	-
4.	Lenny Sugihat	Director of Credit Risk Management	58	30 May 2006	8 years	Division Head of Business Strategic & Development Planning BRI, Division Head of Agribusiness BRI, Division Head of Restructuring & Non Performing Loans Settlement BRI	-
5.	A. Toni Soetirto	Director of Consumer Business	56	30 May 2006	8 years	Director of Commercial Business Bank Bukopin, Director of Risk Management and Compliance Bank Bukopin	-
6.	Suprajarto	Director of Network & Services	58	5 September 2007	7 years	Regional Manager of BRI Jakarta, Division Head of Corporate Secretary BRI	-
7.	Asmawi Syam	Director of Institutional & SOE Business	59	5 September 2007	7 years	Division Head of General Business BRI, Division Head of Consumer Banking BRI, Regional Manager of BRI Bandung, Regional Manager of BRI Denpasar	-
8.	Achmad Baiquni	Director of Finance	58	20 May 2010	4 years	Director of Small Medium Enterprises and Sharia Business BNI, Director of Corporate BNI, Director of Consumer BNI	-
9.	Djarot Kusumayakti	Director of Micro, Small and Medium Enterprises Business	57	20 May 2010	4 years	President Commissioner PT BTMU BRI Finance, Division Head of Credit Risk Analysis BRI	-
10.	Randi Anto	Director of Compliance	53	28 April 2011	3 years	Division Head of HR Management BRI, Regional Manager of BRI Palembang, Division Head of Credit Administration BRI, Division Head of Compliance & Risk Management BRI	-
11.	Gatot Mardiyasisto	Director of HR Management	62	28 September 2011	3 years	Assistant Deputy of Banking Business of SOEs Ministry, Commissioner BTN, Finance Director of PT Kliring Berjangka Indonesia	-

Corporate Governance Structures and Mechanisms

Diversity of the Board of Directors

BRI's Board of Directors has a diverse composition, from education background, working experience, age and genders. (BRI's Board of Directors' Profiles can be viewed in the Chapter of Company Information).

In general, the diversity background holds an important role to achieve Bank's target performance, especially for prominent companies engaged in banking service with variety of products and services.

Todate, there has been no policy that specifically regulates the diversity or certain criteria of the Board of Directors' composition. However, principally the appointed Board of Directors shall passed fit and proper test, and competent in his/her fields, thus enable them to posses diverse backgrounds. Meanwhile, in terms of age and gender in the composition of the Board of Directors are not yet regulated, which generally due to "highly regulated" requirements on the appointment of Directors in banking industry, the candidates shall hold vast experiences in finance and banking, and shall take the process of fit and proper test from the regulators. To this end, the composition of members of the Board of Directors may be diversified or may not be diversified.

BOARD OF DIRECTORS' INDEPENDENCY

Members of BRI's Board of Directors do not hold any concurrent positions as Commissioners, Directors or Executives in other Banks/ Institutions and do not have familial ties, up to the second degree, with fellow members of the Board and/ or with members of the Board of Commissioners. With this status, BRI's Board of Directors strives to act independently, and do not have any conflicts of interests that might disrupt their duties independently and in a critical manner, both in their relationship with other members of the Board or with the Board of Commissioners.

The Board of Directors' members do not hold any concurrent positions as President Directors or other Directors in State-Owned Enterprises, private enterprises, or any other positions related to BRI's management, including structural and functional positions in the central government institutions, local governments, and other positions, in accordance with BRI's articles of associations and prevailing regulations.

Within the period of 5 (five) years prior to the appointments, members of the BRI's Board of Directors:

- Has never been declared as bankrupt.
- Has never been a member of the Board of Directors, member of the Board of Commissioners, or member of Supervisory Board that is 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.

BOARD OF DIRECTORS' MEETING AND RESOLUTION

The Board of Directors regularly holds internal meetings to discuss matters requiring the Board's consideration and to discuss other strategic plans.

Board of Directors' Meeting Ethics

Pursuant to Article 13 of the Articles of Association, BRI has stipulated the Board of Directors' meeting ethics, as follows:

1. The Board of Directors' meeting can be held anytime when deemed necessary as requested by one or more member(s) of the Board of Directors, or by written request from one or more member(s) of the Board of Commissioners by indicating the matters to be discussed.
2. The invitation for the Board of Directors' meeting must be done by the authorized representative member of the Board of Directors.
3. a. The invitation for the Board of Directors' meeting must be done in written form and to be submitted or directly handed over to each member of the Board of Directors with sufficient proof of receipt, by documented

Corporate Governance Structures and Mechanisms

postal or courier service, telex, facsimile, or e-mail no later than 3 (three) days before the meeting takes place, not counting the day of invitation and the day of meeting or in a shorter period in a case of urgent circumstances.

- b. The said meeting invitation is not necessary for meetings that have been scheduled by previous Board of Directors' resolution or when all members of the Board of Directors were present in the meeting.
4. The invitation for the Board of Directors' meeting must state the meeting's name, date, time, and place. The Board of Directors' meetings can be held where the Company resides or where the Company's business activities take place.
5. All Board of Directors' meetings are chaired by the President Director, and in the case of the President Director's absence or unavailability, which does not need to be confirmed to a third party, the Board of Directors' meetings will be chaired by the Vice President Director. In the case of the Vice President Director's absence or unavailability for any reason, which does not need to be confirmed to a third party, the Board of Directors' meetings will be chaired by a member of the Board of Directors present and appointed at the meeting.
6. Only other members of the Board of Directors with a Letter of Authority may represent a member of the Board of Directors in the Board of Directors' meeting. A member of the Board of Directors can only represent one other member of the Board of Directors.
7. Meeting of the Board of Directors is valid and entitled to produce binding resolutions if attended and represented by more than half of the total members of the Board of Directors.
8. Decisions in meetings of the Board of Directors shall only be taken by consultation and consensus. If a consensus cannot be achieved, the decision should be taken by voting, with more than half affirmative votes from the total valid votes cast at the meeting.
9. If the affirmative votes are equal to those not in favours, the meeting's chairman will decide.

Board of Directors Meeting Frequency and Attendance

The attendance Directors in the Board of Directors' Meeting

No	Board of Directors	Position	Total Meetings	Total Attendance	Attendance (%)
1	Sofyan Basir	President Director	40	30	75%
2	Sarwono Sudarto	Director of Operations	40	35	88%
3	Sulaiman Arif Arianto	Director of Commercial Business	40	30	75%
4	Lenny Sugihat	Director of Credit Risk Management	40	35	88%

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No	Board of Directors	Position	Total Meetings	Total Attendance	Attendance (%)
5	A.Toni Soetirto	Director of Consumer Business	40	32	80%
6	Suprajarto	Director of Network and Services	40	36	90%
7	Asmawi Syam	Director of Institutional and SOE Business	40	33	83%
8	Achmad Baiquni	Director of Finance	40	33	83%
9	Djarot Kusumayakti	Director of MSME Business	40	36	90%
10	Randi Anto	Director of Compliance	40	33	83%
11	Gatot Mardiwasiso	Director of HR Management	40	38	95%

Board of Directors Meetings

No	Date	Agendas
1	9 January	Discussion on presentation materials of BRI President Director to the President of Republic of Indonesia
2	16 January	1. Corporate Actions 2. BRI Reorganization
3	23 January	1. ALCO Meeting 2. Retail Banking Forum
4	30 January	1. Discussion on BRI Performance year 2013 2. Discussion on Work and Budget Plan 2014
5	4 February	Business Development Strategy
6	13 February	BRI GMS 2014
7	20 February	1. ALCO Meeting 2. Retail Banking Forum
8	20 March	1. ALCO Meeting 2. Retail Banking Forum
9	1 April	BRI Satellite
10	3 April	Discussion on BRI Fixed Assets
11	10 April	1. KPPU 2. Discussion on BRI Loans Performance
12	17 April	1. BRI Liquidity Development 2. BRI Satellite
13	24 April	1. ALCO Meeting 2. Retail Banking Forum
14	7 May	1. BRI Business Development 2. BRI Reorganization
15	22 May	1. Revision on Work and Budget Plan 2014 2. BRI Employees Career 3. Duty Officer Positions
16	22 May	1. ALCO Meeting 2. Retail Banking Forum

Corporate Governance Structures and Mechanisms

No	Date	Agendas
17	5 June	1. Revision on Budget Plan 2014 2. BRI Employees Career
18	12 June	1. Revision on Work and Budget Plan 2014 2. Revision on Bank Business Plan 2014-2016 3. Amendment of BRI's Organization 4. Employee Get Member
19	19 June	Corporate Uniforms
20	19 June	1. ALCO Meeting 2. Retail Banking Forum
21	26 June	1. BRI Business Development 2. LDR (Loan Deposit Ratio) of BRI and Banking 3. Approval of Loans Authority Delegations
22	3 July	1. Agenda of Extraordinary GMS 2014 2. BRI's Subsidiaries Performance 3. BRI Pensions 4. Brilink 5. Trickle Down Business
23	17 July	1. ALCO Meeting 2. Retail Banking Forum
24	21 August	1. ALCO Meeting 2. Retail Banking Forum
25	28 August	E-KARIP Taspen of BRI
26	4 September	1. BRI Network Development 2. BRISyariah's Performance
27	11 September	1. CSR BRI 2. E-Channel BRI 3. Trickle Down Business
28	23 September	1. ALCO Meeting 2. Retail Banking Forum
29	25 September	1. Employees Development Program of BRI 2. Scholarship Education Program Strata 2 3. Branchless Banking Implementation
30	2 October	1. BRI Satellite 2. Overseas Education and Trainings 3. Gathering of Brunei Darussalam Trading Delegation
31	16 October	1. ALCO Meeting 2. Retail Banking Forum
32	30 October	1. Launching of Brilink Agents 2. Middle Loans 3. BRI's 119th Anniversary
33	6 November	BRI Bank Business Plan 2015-2017
34	13 November	1. BRI Performance 2. Communities Financial Market 3. Audiences of Cabinet Ministry 4. Loans Concept

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No	Date	Agendas
35	20 November	1. ALCO Meeting 2. Retail Banking Forum
36	28 November	Discussion on Circular Letter of SOEs Ministry
37	8 December	ALCO Meeting
38	15 December	ALCO Meeting
39	22 December	ALCO Meeting
40	29 December	ALCO Meeting

BOARD OF DIRECTORS TRAINING PROGRAM

As for the members of Board of Commissioners, BRI provided two types of training for the Board of Directors; the Company Introduction Program and Competency Training Program.

Company Introduction Program

The company introduction program is provided to the members of the Board of Directors during the first appointment. This program consists of presentations, meetings, company visits and review of documents or other programs. The Corporate Secretary Division is responsible for conducting this program.

The program generally aims to provide brief insight to the new members of the BRI's Board of Directors for immediate contribution to BRI.

Information or knowledge base in the introduction program include: information or internal knowledge of the Company, External Information of the Company, and the introduction to documents related to the implementation of good corporate governance.

Competency Training Program

BRI provides training programs to support efforts in enhancing the Board of Directors' knowledge on current affairs as well as the development of the banking industry, economic, social development and their impacts on the Bank's business development, along with other information related to Board of Directors' duties.

BRI takes into account several parameters in carrying out its Training Program, which includes:

- The Training Program is held to improve the Board of Directors' work function and effectiveness;
- The costs of Training Program are included in the Board of Directors' Work Plan and Budget;
- Every Board members participating in the Training Program including and not limited to seminars, trainings and workshops, are expected to share the information and knowledge to other Board Members that did not participate in the Program;
- The materials of the Training Program must be well-documented by the Corporate Secretary and shall be available anytime it is needed.

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Board of Directors Trainings 2014

No	Date	Participants	Trainings	City
1	07-10 February	Achmad Baiquni & Randi Anto	International Workshop of Banking Management Performance Assessment	Leicester, United Kingdom
2	15 - 16 September	Asmawi Syam, Suprajarto & Djarot Kusumayakti	Executive International Conference "Key Risk Management Challenges in 2014 - BARa	Moscow, Rusia
3	11 September	Randi Anto	Implementation of OJK Regulation No. 1/POJK.07/2013 concerning Consumers Protection of Financial Services Sectors Especially Related to Banking - FKDKP	Jakarta
4	21 - 28 September	Randi Anto & A. Toni Soetirto	Enterprise Risk Management Benchmarking in Europe - CRMS	Holland, Belgium, France, Swiss
5	28-30 Desember	A. Toni Soetirto, Randi Anto, & Sofyan Basir	World Hajj & Umrah Convention 2014/ Hajj People	London

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Key Performance Indicators (KPI) of the Board of Directors

1. The availability of the Bank's Long Term Plan (Corporate Plan)
2. The availability of the Bank's Medium term plan (Bank Business Plan)
3. The availability of the Bank's Work and Budget Plan
4. The Company's Performance is achieved in line with the Bank's soundness, which encompasses risk profile, Good Corporate Governance (GCG), Profitability and Capitalization
5. The availability of the Bank's management reports and documents
6. The availability of explanations regarding the Bank's management practices
7. Follow-ups on audit findings
8. The execution of the Substitute Directors' duties
9. The achievement of the Bank's targets.

Corporate Governance Structures and Mechanisms

Mechanism/Process of the Board of Directors' Assessment

The Assessment of performance achievement of the Board of Directors is a collegial work results from all members of the Board, reflected annually as a unity in the implementation of the Bank's Work and Budget Plan. The Assessment is conducted towards the Bank's soundness, which encompasses, risk profile, GCG, profitability and capitalization.

Assessor

The Board of Directors' assessors are the Board of Commissioners, the GMS, and Bank Indonesia.

BOARD OF DIRECTORS' REMUNERATION

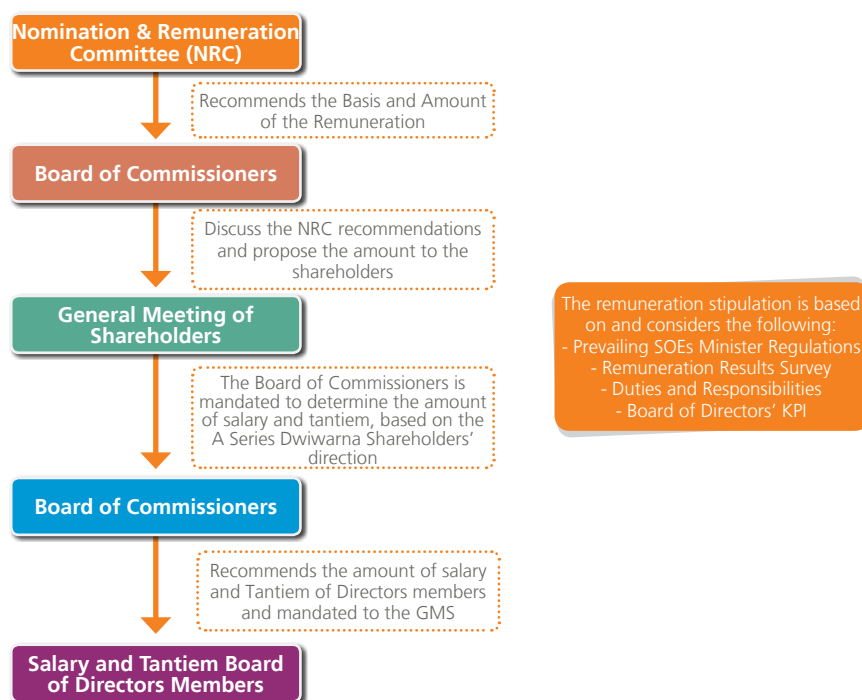
Board of Directors' Remuneration Procedures

The Procedures of BRI's Board of Directors Remunerations Stipulation are carried out through the following steps:

1. The Nomination and remuneration committee evaluates the remunerations policies applied for the Board of Directors.
2. The Nomination and remuneration committee provides recommendations regarding the remunerations policies for the Board of Directors to the Board of Commissioners and provides recommendations (if available) on the provision of options, such as stock options to the Board of Directors.
3. The Board of Commissioners submits recommendations for remunerations including honorarium and tantiem for the GMS to approve.
4. As for facilities related to remuneration that include vehicles, health insurance, phone credit, club membership and post-tenure allowance for members of the Board of Directors are proposed by the Nomination and Remuneration committee to obtain the Board of Commissioners' approval by previously consulting with the Serie A Dwiwarna Shareholders.

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Board of Directors Remuneration Procedures



Board of Directors' Remuneration Structure

The remuneration structure for the Board of Directors refer to rules stipulated in the Ministry of SOEs Regulation No. PER-04/MBU/2014 concerning the Income Guidelines for Directors, Commissioners, and the Supervisory Board of SOEs.

Based on the regulation, the principles to establish the Board of Directors' income are set by the General Meeting of Shareholders. The following are components in the Board of Directors income:

1. The Directors' salary proportion is 90% of the President Director's.
2. Board of Directors' Allowances
 - a. Members of the Board of Directors have the rights to 1 (one) time salary for Religious Holiday's allowance.
 - b. Members of the Board of Directors are given communications allowance at cost.

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c. Members of the Board of Directors receive post-tenure allowance at the end of their tenures. The allowance is given in the form of memberships in an insurance program or pension saving. The Company pays for the Premium or annual dues within the maximum amount of 25% of the Board of Directors members' annual salary.

d. Members of the Board of Directors are provided with monthly official housing compensation including monthly utility costs at the amount of 40% of monthly salary, or stipulated at maximum of Rp27,500,000 (twenty seven million five hundred thousand rupiah).

3. Facilities for Board of Directors

a. The Company provides 1 (one) official vehicle, including maintenance and operational costs for each member of the Board. The decisions on types of vehicle and standards are stipulated by the GMS/Minister.

b. The Company provides health facilities for each member of the Board, in accordance with the company regulations.

c. The Company provides legal aid facility for each member of the Board in any case of legal situations that is related to his/her position, the Company's objectives or business activities.

d. The Company allocates operational costs for members of the Board to cover professional membership fees, club membership/ corporate member, and representation costs (such as corporate credit cards), with detailed based on the Company's prevailing regulations.

4. Tantiem/Performance Incentives

The following are process of tantiems/ performance incentives for the Board of Directors as stipulated in the Ministry Regulations:

a. Tantiems are given to the members of the Board of Directors if the realization of health level reaches not less than 70, or the target of health levels as stated in the Work and Budget Plan are achieved eventhough less than 70.

b. Tantiem/ Performance Incentives consitutes as relevant fiscal year costs, and therefore shall be allocated specifically in the Work and Budget Plant.

c. The allocation of Tantiem/ Performance Incentives shall relates to KPI targets according to relevant Work and Budget Plan, based on the principles of the higher are the targets, the Tantiem/Performance Incentives will also be higher.

d. The provision of Tantiem shall not exceeds the Allocated Tantiem/Performance Incentives set forth in the Work and Budget Plan.

e. The tantiem composition is stipulated as follows:

- i. President Director 100%
- ii. Members of the Board 90% from the President Director

f. Withholding tax on the Tantiem is charged and borned by each member of the Board of Directors, and Board of Commissioners.

Corporate Governance Structures and Mechanisms

Board of Directors Remuneration Structure (Types and Amount) according to GMS

Remuneration & Other Facilities	Amount Received in 1 Year (2014)	
	Board of Directors	
	Member	Rp Million
REMUNERATION		226,798
- Salary	11	22,800
- Bonus	-	-
- Routine Allowances *)	11	6,631
- Tantiem	11	197,367
OTHER FACILITIES		9,618
- Housing	8	2,940
- Transportation	11	978
- Compensation	11	5,700
Remuneration per-person in 1 Year	Total Member	Rp Million
Above Rp 2 billion	11	234,938
Above Rp 1 billion to Rp 2 billion	-	-
Above Rp 500 million to Rp 1 billion	-	-
Below Rp 500 million	-	-

*) Include THR, Leaves, health and handphone

Corporate Governance Structures and Mechanisms

BOARD OF DIRECTORS SHARE OWNERSHIP

As of 31 December 2014, share ownerships of each member of the Board of Directors did not reach 5% (five per cent) of BRI's paid-in capital, other Banks, Non-Bank Financial Institutions and other Companies in Indonesia and overseas. The following are details of the Board of Directors share ownership:

Board of Directors' share ownership that reach 5% (five percent) or more from paid-in capital in Indonesia and overseas

No	Name	BRI
1.	Sofyan Basir	Nil
2.	Sarwono Sudarto	Less than 5%
3.	Randi Anto	Less than 5%
4.	Sulaiman Arif Arianto	Less than 5%
5.	Achmad Baiquni	Nil
6.	A. Toni Soetirto	Nil
7.	Lenny Sugihat	Less than 5%
8.	Djarot Kusumayakti	Nil
9.	Asmawi Syam	Nil
10	Suprajarto	Nil
11	Gatot Mardiwasisto	Nil

Board of Commissioners and Board of Directors' Relationship

PROFESSIONAL RELATIONSHIP

As two separate organs, both the Board of Commissioners and Board of Directors have different set of duties and responsibilities in daily duties. The Board of Commissioners' main duties are to supervise and provide recommendations, while the Board of Directors' are to carry out the General Meeting of Shareholders' resolutions, the Board of Commissioners' instructions and manage the Company's operations. Nevertheless, both parties shall continuously maintain coordination and cooperation to reach the company's targets and maintain the company's long term sustainability.

As such, the Board of Commissioners and the Board of Directors have a check and balances work relationship, in relation to the performance of duties and responsibilities of the company's management, based on transparency and mutual respect. The Board of Commissioners and Board of Directors conduct regular meetings to synchronize vision and make important decisions regarding the sustainability of the company's business and operations.

BRI prohibit any form of relationship between members of the Board of Commissioners and Board of Directors to ensure independency and maintain quality of check and balance mechanism

Supervisory and advisory by the Board of Commissioners are conducted for the benefit of the Company and in accordance with the Company's objectives. The supervisory duties include matters related to the Board of Directors' management policies, the Board of Directors management activities, on the Company or its business lines.

To this end, all measures taken by the Board of Directors are within the supervisory scopes of the Board of Commissioners. Particularly those related to the Bank's Business Plan (RBB) and/or the Company's Work Plan and Budget (CBP), including its implementation.

FINANCIAL AND FAMILIAL RELATIONSHIP

No members of BRI's Board of Commissioners and Board of Directors that hold concurrent positions as commissioners, directors or executives in other banks/institutions, nor having any first or second-degree familial relations with fellow members of the Board of Commissioners and/or Board of Directors. This ensures BRI Board of Directors to continuously acts independently, without any conflicts of interests in carrying out duties and responsibilities independently and in a critical manner, both in the relationships between the directors or with the Board of Commissioners. BRI's Board of Directors is led by a President Director who is independent of the controlling shareholders.

Members of the Board of Directors do not hold any concurrent position as President Director or any other director positions in any State-owned Enterprises, regional owned enterprises, private companies or any other positions related to the management of BRI. This also applies for other structural or functionary positions in the central and local government institutions, as well as other positions, in accordance with BRI's statutes' regulations and prevailing regulations.

BRI's Board of Directors is chaired by a President Director who is independent from the controlling shareholder.

Board of Commissioners and Board of Directors' Relationship

Relationship between Members of the Board of Directors and Board of Commissioners and Controlling Shareholders

Name	Financial Relationship						Familial Relationship					
	BOC		BOD		Controlling Shareholders		BOC		BOD		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Board of Commissioners (BOC)												
Bunasor Sanim	✓		✓		✓		✓		✓		✓	
Mustafa Abubakar	✓		✓		✓		✓		✓		✓	
Heru Lelono	✓		✓		✓		✓		✓		✓	
Hermanto Siregar	✓		✓		✓		✓		✓		✓	
Vincentius Sonny Loho	✓		✓		✓		✓		✓		✓	
Adhyaksa Dault	✓		✓		✓		✓		✓		✓	
Ahmad Fuad	✓		✓		✓		✓		✓		✓	
Dwijanti Tjahjaningsih	✓		✓		✓		✓		✓		✓	
Board of Directors (BOD)												
Sofyan Basir	✓		✓		✓		✓		✓		✓	
Sarwono Sudarto	✓		✓		✓		✓		✓		✓	
Randi Anto	✓		✓		✓		✓		✓		✓	
Sulaiman Arif Arianto	✓		✓		✓		✓		✓		✓	
Achmad Baiquni	✓		✓		✓		✓		✓		✓	
A. Toni Soetirto	✓		✓		✓		✓		✓		✓	
Lenny Sugihat	✓		✓		✓		✓		✓		✓	
Djarot Kusumayakti	✓		✓		✓		✓		✓		✓	
Asmawi Syam	✓		✓		✓		✓		✓		✓	
Suprajarto	✓		✓		✓		✓		✓		✓	
Gatot Mardiwasisito	✓		✓		✓		✓		✓		✓	

JOINT MEETING OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

As commonly found in companies that apply dual organs system, BRI clearly categorized the duties and responsibilities of both the Board of Commissioners and the Board of Directors in their daily operations. To synchronize their vision and resolve any important issues related to the company's business conduct and operations, the Board of Commissioners and the Board of Directors conduct regular joint meetings.

The Boards' joint meetings are held to discuss various topics related to work plans, operations, business opportunities, and other strategic issues that requires the Board of Commissioners' approval. The meetings are also used to discuss the Board of Directors' periodic reports and to provide feedbacks, notes, and advices that are compiled in the minutes of meeting.

Board of Commissioners and Board of Directors' Relationship

The meeting resolutions are binding and achieved by consensus or resolved with voting. They are to be followed up and implemented. In the voting process, any members of Board of Commissioners with conflicts of interest may not cast a vote, and explanation regarding the matter must be recorded in the minutes of meeting. All rules and guidelines regarding the boards' relations are stipulated in the Board Charter.

Joint Meeting Frequency and Attendance

During 2014, BRI held 34 joint meetings of the Board of Commissioners and Board of Directors, with the following attendance's record:

No	Name	Position	Total Joint Meetings	Attendance	% Attendance
a	b	c	d	e	f=e/d
1.	Bunasor Sanim	President Commissioner/ Independent Commissioner	34	28	97%
2.	Mustafa Abubakar	Vice President Commissioner/ Independent Commissioner	34	27	93%
3.	Adhyaksa Dault	Independent Commissioner	34	21	72%
4.	Aviliani*	Independent Commissioner			
5.	Ahmad Fuad	Independent Commissioner	34	26	90%
6.	Heru Lelono	Commissioner	34	19	66%
7.	Hermanto Siregar	Commissioner	34	25	86%
8.	Vincentius Sonny Loho	Commissioner	34	24	83%

* Effective as of 23 May 2014, resigned as the Commissioner of BRI

The following are agenda of joint meeting of the Board of Commissioners and Board of Directors:

No	Date	Meeting	Agenda
1	16 January	Joint meeting	Presentation of the Board of Directors on performance and supervisory evaluation of BRI Subsidiaries (PT BRI Agroniaga Tbk and PT BRI Syariah).
2	21 January	Joint meeting	Corporate Actions
3	11 February	Joint meeting	1. BRI Risk Profile for Quarter IV-2013 2. Bank Sound Level Semester II-2013 3. Compliance Function Semester II-2013 4. Anti Fraud Strategy Semester II-2013
4	25 February	Joint meeting	PKBL Implementation Report 2013
5	11 Maret	Joint meeting	BRI Performance Evaluation
6	22 April	Joint meeting	Organization Changes of BRI Treasury Division. Discussion on Pra-Publication of Financial Performance Report Quarter I-2014

Board of Commissioners and Board of Directors' Relationship

No	Date	Meeting	Agenda
7	06 May	Joint Meeting	1. Review of TK Bank Semester II/2013; 2. Review of risk profile quarter I/2014; 3. Review of bank's compliance function implementation Quarter I/2014; 4. Review of anti fraud strategy implementation Quarter I/2014.
8	20 May	Joint Meeting	Presentation on performance of BRI Subsidiaries quarter I/2014 (PT BRI Agroniaga dan PT BRI Syariah)
9	03 June	Joint Meeting	Audit Findings Report Quarter I-2014
10	24 June	Joint Meeting	Presentation on Revision Proposal of Bank Business Plan Year 2014-2016 and Work and Budget Plan 2014
11	01 July	Joint Meeting	Presentation on HR Management performance and Follor Up Plan of 2014, related to: 1. Man Power Planning; 2. Retaining and Maintaining; 3. Work satisfactory survey (results and implications of HR policy).
12	01 July	Joint Meeting	BRI Organization Changes
13	08 July	Joint Meeting	Discussion on investments budget
14	08 July	Joint Meeting	Risk Monitoring System of BRI Satellite
15	15 July	Joint Meeting	Discussion on BRI DPLK financial performance
16	22 July	Joint Meeting	Discussion on BRI Financial Performance Kinerja Semester I of 2014
17	22 July	Joint Meeting	BRI Satellite
18	19 August	Joint Meeting	1. Review of TK Bank Semester I/2014; 2. Review of risk profile Semester I/2014; 3. Review of bank's compliance function implementation Semester I/2014; 4. Review of anti fraud strategy implementation Semester I/2014.
19	21 August	Joint Meeting	Corporate Actions
20	09 September	Joint Meeting	Management Letter for Fiscal Year 2013
21	09 September	Joint Meeting	Goods and Services Procurement
22	23 September	Joint Meeting	NPL Handling Progress

Board of Commissioners and Board of Directors' Relationship

No	Date	Meeting	Agenda
23	30 September	Joint Meeting	Discussion on audit findings report quarter II/ 2014
24	07 October	Joint Meeting	BRI Pension Fund Performance Discussion
25	14 October	Joint Meeting	Observation phase of CGPI 2013 program, with the theme of GCG in the prospective of learning organizations
26	16 October	Joint Meeting	Discussion on SOEs Ministry Letter
27	22 October	Joint Meeting	Discussion on Financial Performance Quarter III of 2014
28	28 October	Joint Meeting	Discussion of BRI Organizations
29	28 October	Joint Meeting	Credit Risk Management in Restructuring
30	04 November	Joint Meeting	1. BRI Risk Profile for Quarter III-2014 2. Implementation of restructuring of middle and corporate debtors
31	18 November	Joint Meeting	Presentation BRI Bank Business Plan 2015-2017 and Work & Budget Plan 2015
32	02 December	Joint Meeting	Discussion on audit findings report quarter III of 2014 Presentation of TL on new POJK regulations implementation, namely:
33	09 December	Joint Meeting	1. POJK No. 18/POJK.03/2014, dated 18 November 2014 concerning the Implementation of integrated governance for financial conglomerates. 2. POJK No. 17/POJK.03/2014, dated 18 November 2014 regarding the Implementation of integrated Risk Management Implementation for financial conglomerates.
34	23 December	Joint Meeting	Presentation on HR management performance and follow up plan, and Trainings 2014.

Board of Commissioners and Board of Directors' Relationship

The Board of Directors' decisions that require the Board of Commissioners' approval

The Board of Commissioners is not involved in any decision making related to the Company's operational activities, except in the case of funding for related parties and other matters stipulated in the Company's Articles of Association and/or in the prevailing laws and regulations. In the context of supervisory and advisory, BRI's Board of Commissioners conducts regular weekly meetings.

BRI has established the regulations that stipulate limitations of the Board of Directors' approvals in the operational decision-making. For certain decisions that exceeded these limitations or certain conditions, the Board of Directors requires the approval of the Board of Commissioners. Below are the Board of Directors' decisions that called for the Board of Commissioners' approval:

1. Approval of Bank Business Plan Year 2015-2017 and Company Work and Budget Plan of PT BRI (Persero) Tbk 2015.
2. Approval on Revision of Bank Business Plan 2014-2016 and Company Work and Budget Plan of PT BRI (Persero) Tbk 2014.
3. Bank Business Plan Realization Monitoring Report of PT BRI (Persero) Tbk Semester II 2013.
4. Bank Business Plan Realization Monitoring Report of PT BRI (Persero) Tbk Semester I 2014.
5. Supervisory Results of BRI DPLK Financial Report Fiscal 2013.
6. Approval of Amendment to Organization of PT BRI (Persero) Tbk.
7. Evaluation on Compliance Director Report of PT BRI (Persero) Tbk.
8. Evaluation on Risk Profile Report of PT BRI (Persero) Tbk.
9. Self Assessment of GCG Implementation of PT BRI (Persero) Tbk Semester II 2013.
10. Self Assessment of GCG Implementation of PT BRI (Persero) Tbk Semester I 2014.
11. Consultation on the Board of Directors' Loans to the Board of Commissioners.
12. Approval of Principles Permission of Public Accountant Firm Appointment of BRI DPLK 2014.
13. Approval of Joint Decree on the Guidelines of Gratifications Control and Conflicts of Interests of PT BRI (Persero) Tbk.
14. Approval of Funds Provision to Related Parties.
15. Approval of Capital Injection to PT Bank BRI Agroniaga Tbk.
16. Approval of Working Capital Injection to PT Bank BRI Syariah.
17. Approval of transfer of ownership on the purchase of fixed assets.
18. Recommendations and suggestions related to Visitation Results of the Board of Commissioners to Operating Units of PT BRI (Persero) Tbk, presented at the meeting with the Board of Directors.
19. Response on Internal Audit Findings Principals Report of PT BRI (Persero) Tbk Quarter IV-2013, Quarter I-2014, II-2014, and III-2014.
20. Response on Annual Audit Plan of Internal Audit of PT BRI (Persero) Tbk 2014.

Board of Commissioners' Committees

AUDIT COMMITTEE

Reference

In implementing its duties, Audit Committee refers to the following regulations:

1. Stipulation of BAPEPAM Chairman No. KEP-643/BL/2012 dated 7 Desember 2012 concerning Audit Committee Establishment and Duty Implementation Guidelines.
2. Bank Indonesia Regulation, PBI No. 8/4/PBI/2006 dated 30 January 2006 regarding the Implementation of Good Corporate Governance for Commercial Banks, in lieu of Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006.
3. SOEs Minister Regulation No. PER-01/MBU/2011 dated 1 August 2011 concerning the Implementation of Good Corporate Governance for SOEs, in lieu of SOEs Minister Regulation No. PER-09/MBU/2012 dated 6 July 2012.
4. Decree of PT Bursa Efek Jakarta (IDX) Board of Directors No. KEP-305/BEJ/07-2004 dated 19 July 2004 concerning the Regulation of I-A on Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies.

The Audit Committee is established to assist the Board of Commissioners' supervisory function and directives provision to the Board of Directors on financial information, internal control system, effectiveness of audit by external and internal auditors, effectiveness of risk management implementation, as well as compliance on prevailing regulations.

Committee Charter

Based on the Audit Committee Charter 2011, the Audit Committee is established by BRI's Board of Commissioners to support the Board of Commissioners' effectiveness in carrying out its duties and responsibilities, particularly with respect to its supervisory function in order to enhance public trust to the Bank's management.

Throughout 2014, the Audit Committee has carried out functions, duties, and responsibilities in accordance with the Audit Committee Charter. In several meetings with the Operating Units, the Audit Committee through the Board of Commissioners has requested the attendance of management staff members to provide information regarding the Bank's internal control and risk management.

Structure and Composition

The Audit Committee is consist of a Chairman, occupied by an Independent Commissioner, and members that consist of two Independent Commissioners, two Commissioners, and three non-Commissioners with expertise in finances, accounting, legal, and banking. The composition has met the requirements set forth in the Chairman Decree of Capital Market and Financial Institutions Supervisory Board No. Kep-29/PM/2004 and Bank Indonesia Regulation No. 8/4/ PBI/2006, in lieu of Bank Indonesia Regulation No. 8/14/PBI/2006. The profile of non-commissioners member of Audit Committee is presented under the "Company Information" chapter.

Board of Commissioners' Committees

Members Composition 1 January 2014 – 7 October 2014

No.	Name	Position	Profession
1.	Bunakor Sanim	Chairman	President Commissioner/Independent
2.	Adhyaksa Dault	Member	Independent Commissioner
3.	Ahmad Fuad	Member	Independent Commissioner
4.	Hermanto Siregar	Member	Commissioner
5.	Vincentius Sonny Loho	Member	Commissioner
6.	H.C. Royke Singgih	Member	Non Commissioner
7.	Dedi Budiman Hakim	Member	Non Commissioner
8.	Syahrir Nasution	Member	Non Commissioner

Members Composition 7 October 2014 – 31 December 2014

No.	Name	Position	Profession
1.	Bunakor Sanim	Chairman	President Commissioner/Independent
2.	Adhyaksa Dault	Member	Independent Commissioner
3.	Hermanto Siregar*	Member	Independent Commissioner
3.	H.C. Royke Singgih	Member	Non Commissioner
4.	Dedi Budiman Hakim	Member	Non Commissioner
6.	Syahrir Nasution	Member	Non Commissioner

* Effective as of 19 November 2014 serves as Independent Commissioner following the approval of Financial Services Authority on the Fit and Proper Test

Audit Committee Profiles

The profiles of Bunakor Sanim, Adhyaksa Dault, and Hermanto Siregar can be viewed in the section of the Board of Commissioners' Profiles.

H.C. Royke Singgih – Indonesian Citizen, 54 years. Serves as member of Audit Committee of PT BRI (Persero) Tbk since October 2005. A registered accountant, previously worked in PT Bank IFI Jakarta, PT PAN Indonesia Bank Jakarta, and PT Krakatau Steel Cilegon. Holds Bachelor's Degree in Accounting from Gadjah Mada University, Yogyakarta (1986), Master's Degree in Finance and Banking from Universitas Indonesia, Jakarta (2000), Special Certification for Strategic Management in Pre-Doctoral Program of Universitas Indonesia, Jakarta (2004), and holds a Doctoral Degree in Business Management from Bogor Agricultural University (2012).

Syahrir Nasution – Indonesian Citizen, 62 years. Serves as member of Audit Committee of PT BRI (Persero) Tbk since November 2008. A registered accountant, previously worked in the State Audit Bureau on Finance and Development (BPKP), Jakarta until 1990. Started his career in BRI as auditor, from 1990-2008, and last served as Inspector at BRI Jakarta Inspection Office. Holds a Bachelor's Degree in Accounting from Institut Ilmu Keuangan, Ministry of Finance, Jakarta (1981).

Dedi Budiman Hakim – Indonesian citizen, 50 years. Serves as a member of Audit Committee of PT BRI (Persero) Tbk since November 2005. Currently also serves as Lecturer in Bogor Agricultural University (IPB), Bogor and researcher in Center for Applied Economics and Finance IPB, Bogor. Holds Bachelor's Degree in Agricultural Economics from Bogor Agricultural University (1988), a Master's Degree in Agricultural Economics from Massey University Palmerston North, New Zealand (1994), and a Doctoral Degree in Agricultural Economics from Georg-August-Universität Göttingen, Germany (2004).

Board of Commissioners' Committees

Qualifications and Professional Experience of Committee Members

1. Has adequate banking knowledge, including banking regulations and other prevailing laws and regulations.
2. A good listener, inquisitive, and dedicated.
3. Has relevant education background and at least 10 years of professional experience in financial reporting or audit (at least one member).
4. Dedicates sufficient time to carry out his/her duties.
5. Able to carry out effective communications.
6. Upholds high standard of ethics, integrity and mentality as well as professional responsibilities.
7. Has adequate understanding on GCG principles.
8. Has adequate understanding on business risks, risk control, and internal control.
9. Able to provide constructive recommendations.
10. Understands auditing process.
11. Is a member of Audit Committee professional association

Audit Committee Independency

To maintain and ensure independency of tasks execution and objectivity of recommendations and suggestions provided to the Board of Commissioners, all members of the Audit Committee are not affiliated with the Board of Directors, other Commissioners, or BRI's controlling shareholders; they are not shareholders, concurrently serve as member of the Board of Commissioners, Board of Directors, or employees of affiliated companies or companies that are engaged in business relationship with BRI; do not hold the authority to design, lead, or control BRI prior to their appointment as members of Audit Committee; and are not former partners or employees of Public Accountant Firm appointed to audit BRI's financial accounting.

To assure the quality of duties implementation and recommendations, all members of BRI's Audit Committee shall have financial and/or accounting background. All requirements with respect to Audit Committee's independency as set out in regulations and GCG best practices have been met.

Audit Committee Duties and Responsibilities

Based on Audit Committee Charter, the Audit Committee is established by BRI's Board of Commissioners to support the Board of Commissioners' effectiveness in carrying out its duties and responsibilities, particularly with respect to its supervisory function in order to enhance public trust to the Bank's management.

During 2014, Committee Audit has conducted functions, duties and responsibilities according to the Audit Committee Charter. During meetings with operating units, the Audit Committee through the Board of Commissioners has requested the attendance of management staffs and to provide information related to the Bank internal control and risk management.

Audit Committee Authority

1. To have full, free, and unlimited access to the bank's records, employees, funds, assets, and other resources related to its duties implementation.
2. To receive input or recommendations from professionals outside the Bank for matters relevant to its duties.
3. To provide opinion and recommendation to the Board of Commissioners regarding the nomination of Head of Internal Auditor and External Auditor appointment.

Brief Description on Audit Committee Duties and Responsibilities

1. To oversee and evaluate audit planning and its implementation as well as monitoring on follow-up actions over audit findings, in order to assess internal control adequacy, including the adequacy of financial reporting;

Board of Commissioners' Committees

2. To examine the overall adequacy of the Bank's Internal Control including compliance on GCG policy, BRI's Code of Conduct and Legal, as well as capital market regulations;
3. To review financial information prior to publication by the Bank, such as financial statements, annual reports, financial projections, and other financial information;
4. To assess the adequacy of Internal Audit function including auditor composition, annual plan, and implemented audit activities;
5. To perform, at minimum, supervision and evaluation over Audit Internal performance, public accountant's audit consistency with prevailing audit standards, and follow up by the Board of Directors over findings of Internal Audit, public accountant, and Bank Indonesia in order to provide recommendations to the Board of Commissioners;
6. To review the competence and independence of External Auditor; recommend External Auditor in GMS;
7. To examine and report to the Board of Commissioners on complaints over the Bank;
8. To administer report detailing Audit Committee's activities to the Board of Commissioners and include the report in the Bank's Annual Report.

Audit Committee Programs and Implementation

Audit Committee has carried out the following programs during 2014:

1. Internal Activities

- a. Developed 2014 Audit Committee plan and program, which elaborated the Audit Committee's Charter.
- b. Developed the Board of Commissioners' 2014 plan and program together with the Nomination and Remuneration Committee, Risk Management Supervisory Committee, and the Board of Commissioners' Secretary.
- c. Held regular meeting with Internal Audit to discuss internal control system and audit findings, particularly items that revealed significant risks to the Bank's business.
- d. Held meeting with the Finance and Accounting Management Division as well as other related divisions to discuss the Bank's financial performance and other financial matters.
- e. Evaluated and submitted written report to the Board of Commissioners regarding the meetings and the Audit Committee's assignment implementation.
- f. Held meeting with the Public Accountant Firm to discuss audit result of Bank's Financial Statements.

- g. Together with the Nomination and Remuneration Committee, Risk Management Supervisory Committee, and the Board of Commissioners' Secretary with its staff members reviewed the Bank's Business Plan and Work and Budget Plan to grant the Board of Commissioners' approval.
- h. Together with the Nomination and Remuneration Committee, Risk Management Supervisory Committee, and the Board of Commissioners' Secretary with its staff members reviewed monthly performance progress; provided recommendations and rendered opinions based on the review to the Board of Commissioners to be clarified by the Board of Directors during joint meeting of the Boards.

2. External Activities

- a. Attended seminars related to the Audit Committee's functions, such as The Institute of Internal Auditor (IIA) Indonesia Chapter and Indonesia Audit Committee Association (IKAI) in order to enhance the Audit Committee's competence and capability.
- b. Held discussion with External Auditors, before and after audit, regarding findings in the Bank's financial statements.
- c. Accompanied Commissioners during visit to a number of operational units.

Board of Commissioners' Committees

Audit Committee Meetings and Attendance

The meetings were convened with the Internal Audit, Finance and Accounting Management Division, Program Loans Business Division, and Public Accountant Firm PSS - Ernst and Young.

The Audit Committee held 16 (sixteen) meetings throughout 2014, with the following record of attendance:

No.	Name	Total Meetings	Attendance	Attendance (%)
1.	Bunasor Sanim	16	13	81%
2.	Adhyaksa Dault	16	10	63%
3.	Hermanto Siregar	16	12	75%
4.	H.C. Royke Singgih	16	15	94%
5.	Syahrir Nasution	16	15	94%
6.	Dedi Budiman Hakim	16	14	88%

The following are Audit Committee meeting agenda in 2014:

No.	Date	Agenda	Parties/Operating Units
1.	7 January	Audit Development Report 2013	KAP Ernst & Young
2.	16 January	Report of General Audit Findings on BRI performance in 2013	KAP Ernst & Young
3.	16 January	Discussion of Audit Findings Report 2013	PT. Bank BRISyariah & PT. BRI Agro Tbk.
4.	21 January	Pra-Publication of Financial Statements End of 2013	Board of Directors
5.	25 February	PKBL Performance 2013, PKBL Audit 2013, and PKBL Work Plan 2014	Program Business Division
6.	4 March	Audit Findings Report Quarter IV of 2013	Internal Audit
7.	22 April	Pra-Publication of Performance Quarter I of 2014	Board of Directors
8.	20 May	Presentation of Financial Statements and Company Work and Budget Plan 2014	PT. Bank BRISyariah & PT. BRI Agro Tbk.

Board of Commissioners' Committees

No.	Date	Agenda	Parties/Operating Units
9.	3 June	Discussion of Audit Findings Report Quarter I of 2014	Internal Audit
10.	15 July	Presentation of Financial Statements and Company Work and Budget Plan 2014	BRI DPLK
11.	22 Juli	Pra-Publication of Performance Quarter II of 2014	Board of Directors
12.	9 September	Management Letter	Board of Directors
13.	30 September	Discussion of Audit Findings Report Quarter II of 2014	Internal Audit
14.	22 Oktober	Pra-Publication of Performance Quarter III of 2014	Board of Directors
15.	4 November	Sharing Session	Auditor PricewaterhouseCoopers
16.	2 Desember	Discussion of Audit Findings Report Quarter III of 2014	Internal Audit

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Reference

BRI's Nomination and Remuneration Committee is established based on:

1. SOEs Minister Regulation No. PER-01/MBU/2011 dated 1 August 2011 concerning Good Corporate Governance Implementation;
2. Regulation of Bank Indonesia (PBI) No. 8/4/PBI/2006 in lieu of PBI No. 8/14/ PBI/2006 concerning Good Corporate Governance Implementation for Commercial Banks;
3. Laws No. 19 year 2003 dated 19 June 2003 concerning SOEs;
4. SOEs Minister Regulation No.Per-12/MBU/2012 dated 24 August 2012 regarding Supporting Organs of the Board of Commissioners/Supervisory Boards of SOEs;
5. Regulation of Financial Services Authority No. 34/POJK.04/2014 regarding Nomination and Remuneration Committee of Issuers or Listed Companies.

Board of Commissioners' Committees

Nomination and Remuneration Committee Charter

As stipulated by various underlying regulations, BRI's Nomination and Remuneration Committee (NRC) Charter set forth the objectives of NRC, composition, authority, duties and responsibilities, structures, code of conducts, and meeting guidelines. The Charter serves as the guidelines of the NRC's duties and responsibilities implementation in supporting the Board of Commissioners' effectiveness in enacting its duties and responsibilities in HR management.

Structure and Composition

The Nomination and Remuneration Committee of PT BRI (Persero) Tbk is consist of an Independent Commissioner that serves as Chairman and members that consist of one Independent Commissioner, three Commissioners, Head of Human Resource Management Division as Executive Officer, as well as two non-Commissioners with expertise in remuneration and/or nomination including the Bank's succession plan. The composition has met the requirements of Bank Indonesia Regulation PBI No. 8/4/PBI/2006 in lieu of Bank Indonesia Regulation No. 8/14/PBI/2006.

Profiles of non-commissioners members is presented in the "Company Information" section.

Members Composition 1 January 2014 – 7 October 2014

No.	Name	Position	Profession
1.	Ahmad Fuad	Chairman	Independent Commissioner
2.	Aviliani*	Member	Independent Commissioner
3.	Mustafa Abubakar	Member	Vice President Commissioner
4.	Heru Lelono	Member	Commissioner
5.	Hermanto Siregar	Member	Commissioner
6.	Executives (Head of HR Policy and Development Division)	Member	Non-Commissioner/ex-officio
7.	Asep Ikhsan Iskandar	Member	Non-Commissioner

* Effective as of 21 May 2014, no longer served as member of Nomination and Remuneration Committee

Members Composition 7 October 2014 – 31 December 2014

No.	Name	Position	Profession
1.	Mustafa Abubakar**	Chairman	Vice President Commissioner/ Independent Commissioner
2.	Bunaser 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 HR Policy and Development Division)	Member	Ex-officio

** Effective as of 19 November 2014 serves as Independent Commissioner following the approval of Financial Services Authority on the Fit and Proper Test

Board of Commissioners' Committees

Profiles of Nomination and Remuneration Committee Members

The profiles of the Board of Commissioners Members which constitutes as Members of Nomination and Remuneration Committee can be viewed in the Profiles of the Board of Commissioners section.

Ganefi – Indonesian Citizen, 51 years, began his career in PT BRI (Persero) Tbk since 1989 in several positions, currently serves as Head of Human Resources Policy and Development Division of Head Office PT BRI (Persero) Tbk. Hold a Bachelor's Degree in Fiscal Administration from the Faculty of Social and Political Sciences, Universitas Indonesia, Jakarta (1989) and Master of Business from Monash University, Australia (1994).

Qualifications and Professional Experience of Committee Members

1. Has high standard of integrity, objectivity, mentality, ethics, and professional responsibilities
2. Able to act independently; implementing his/her duty professionally without conflicts of interests and free from influence/pressure of any parties that contradict the prevailing laws, regulations, and GCG principles.
3. Has adequate banking knowledge including prevailing laws and regulations.
4. Has extensive understanding of human resource management, preferably experienced in HR management including succession plan, career development, performance evaluation, and remuneration system for the Board of Commissioners, Board of Directors, and employees.
5. Knowledgeable in manpower regulations and other related regulations.
6. Dedicates a sufficient time to carry out his/her duties.
7. Capable of effective communications.

Board of Commissioners' Committees

Nomination and Remuneration Committee Independency

To assure the quality of duties implementation, several NRC members have economic and finance expertise while other members possess educational background in human resource. To maintain and ensure independency in carrying out its duties and objectivity of recommendations and suggestions provided to the Board of Commissioners, all members of NRC are not affiliated with the Board of Directors, other Commissioners, or BRI's controlling shareholders; they are not shareholders, concurrently serve as member of the Board of Commissioners, Board of Directors, or employees of affiliated companies or companies that are engaged in business relationship with BRI.

Authority, Duties, and Responsibilities of Committee

Based on NRC Charter dated 3 August 2011, NRC is established by the Board of Commissioners to support the Board of Commissioners' effectiveness in carrying out its duties and responsibilities, particularly with respect to nomination and remuneration policies. The authority, duties, and responsibilities of NRC are outlined as follows:

Authority

1. To obtain information from the Bank's internal and external parties that are relevant to its duties in nomination and remuneration as well as manpower policies and other functions related to HR management.
2. To gain necessary input or recommendations regarding nomination and remuneration, manpower policies, and other functions in HR management from internal and external parties.

Duties and Responsibilities

1. Nomination Function
 - a. Analyse, develop, and provide recommendations on procedures to select and/or replace members of the Board of Commissioners and Directors to the Board of Commissioners.
 - b. Recommend candidates of the Board of Commissioners and/or Directors members to the Board of Commissioners.
 - c. Oversee the implementation and analyse selection criteria and procedures for candidates of Executive Officers one level below the Board of Directors.
 - d. Develop performance assessment system of the Board of Commissioners and the Board of Directors.
 - e. Provide recommendations on composition of the Board of Commissioners and Board of Directors.

- f. Provide opinion or advices to the Board of Directors over decisions regarding mutation and/ or appointment of the Bank's non-employees as Executive Officers one level below the Board of Directors.
- g. Analyse data of Executive Officers one level below the Board of Directors as submitted by the Board of Directors on quarterly basis and at any time if changes occur.
- h. Provide recommendations on Independent Parties to the Board of Commissioners to be members of the Audit Committee and/or Risk Management Supervisory Committee.
2. Remuneration Function
 - a. Evaluate remuneration policies applicable for the Board of Commissioners, Board of Directors, and employees.
 - b. Provide recommendations to the Board of Commissioners on:
 - i. Remuneration policy for the Board of Commissioners and Board of Directors.
 - ii. Remuneration policy for Executive Officers and overall Employees, submitted to the Board of Directors.
 - c. Provide recommendations on option program to the Board of Commissioners, Directors and Employees, among others stock option.

Board of Commissioners' Committees

- d. Provide recommendations on pension system for the Bank's employees.
- e. Provide recommendations on compensation system and other benefits with regards to reduction in force.
- 3. Others
 - a. Evaluate and provide recommendations to the Board of Commissioners for matters pertaining to manpower policies and other HR management functions that have significant financial impacts and/or legal risk to the Bank.
 - b. Provide recommendations concerning internal and/or external audit findings and result of Bank Indonesia's oversight in HR management.
 - c. Administer documents relating to the Committee's duties and implementation.

NRC Meeting Frequency and Attendance

The NRC convened 12 (twelve) meetings in 2014. The following table presents the members' record of attendance:

No.	Name	Total Meetings	Attendance	Attendance (%)
1.	Bunasor Sanim*	3	3	100%
2.	Mustafa Abubakar*	3	3	100%
3.	Ahmad Fuad	12	10	83%
4.	Heru Lelono	12	6	50%
5.	Hermanto Siregar	12	8	67%
6.	Adhyaksa Dault	12	7	58%
7.	Vincentius Sonny Loho*	3	3	100%
8.	Ganefi (Head of HR Policy and Development Division)	12	10	83%

* Effective as of 7 October 2014, serves as Members of Nomination and Remuneration Committee

Board of Commissioners' Committees

NRC Meeting Agenda

The following are meeting agenda of Nomination and Remuneration Committee during 2014:

No.	Date	Agenda	Parties/Operating Units
1.	11 February	Supporting Organ of the Board of Commissioners and Remuneration prior to the AGMS 2014	Internal/ NRC
2.	04 March	New Candidates Recruitment Process of Members of Non-Commissioners	Internal/ NRC
3.	11 April	Discussion on Remuneration of the Board of Directors and Commissioners	Internal/ NRC
4.	15 April	Discussion on Remuneration of the Board of Directors and Commissioners	Internal/ NRC
5.	29 April	Discussion on Allowances, Facilities of the Board of Directors and Commissioners	Internal/ NRC
6.	09 June	Clarification of Extraordinary GMS Agenda 2014	Corporate Secretary Division
7.	10 June	Discussion on SOEs Rules Implementation, Allowances and Facilities of the Board of Directors and Commissioners	Internal/ NRC
8.	01 July	Presentation of HR Management performance and HR Management Follow Up Plan of 2014: 1. Retaining and Maintaining; 2. Employee satisfaction survey	Director of HR Management
9.	23 September	Allowances and Facilities of the Board of Directors and Commissioners	Corporate Secretary Division
10.	16 October	Discussion on Follow Up of Letter from the SOEs Ministry related to the Nomination of the Board of Directors	Internal/ NRC
11.	23 December	Presentation of performance and follow up plan of HR Management and Trainings of 2014, with focused discussion on planning, acquiring and developing aspects, namely: 1. Development of employees formation recruitment as well as policy on promotion, mutation and rotation of BRI employees. 2. Trainings curricula and programs on position levels.	Director of HR Management

Board of Commissioners' Committees

Work Program Implementation Reports and NRC Activities

The Nomination and Remuneration Committee has conducted duties and activities throughout 2014, which covers:

1. Developed the 2014 NRC plan and program, which elaborated the NRC's Charter.
2. Developed the Board of Commissioners' 2014 plan and program with the Audit Committee, Risk Supervisory Committee, and the Board of Commissioners' Secretary.
3. Reviewed and examined the Board of Directors and Commissioners' remuneration with consideration to Bank's performance, business size, and banking industry remuneration survey.
4. Provided recommendation to the Board of Commissioners for the non-commissioner Committee's members' term of service.
5. Provided input and recommendations to the Board of Commissioners regarding manpower policies, which included:
 - The importance of HR and Manpower Planning integrative strategies that are aligned with the corporate plan, Bank's Business Plan, Bank's Work and Budget Plan, as well as factual requirements relating to the Bank's business developments.
- Acceleration of HR fulfilment by prioritizing competence and leadership enhancements through the refinement of training and education, mentorship and assistance from senior employees, as well as corporate culture internalization and implementation, all in concert to support business growth.
- Measures to achieve ideal composition between operations and supporting employees accompanied by increased of IT roles that supported employees in carrying out Bank's operations.
- HR Management strategy to enter fiscal year 2014; optimizing HR fulfilment particularly marketing funds, manpower policies improvements including implementation, Management's commitment to enact reward and punishment objectively and transparently, in order to boost overall performance in the pursuit of realizing a Bank with productive and efficient networks and HR, while ensuring employees' welfares during retirement.
6. Together with the Audit Committee, Risk Management Supervisory Committee, and Board of Commissioners' Secretary along with its staff members reviewed the Bank's Business Plan and Work and Budget Plan to grant the Board of Commissioners' approval.
7. Together with the Audit Committee, Risk Supervisory Committee, and the Board of Commissioners' Secretary including its staff members reviewed the Bank's monthly performance progress; provided recommendations and rendered opinions based on the review to the Board of Commissioners, to be clarified by the Board of Directors during joint meeting of the Boards.
8. Conducted visits to operating units.
9. Carried out other assignments from the Board of Commissioners.

RISK MANAGEMENT SUPERVISORY COMMITTEE (RMSC)

Reference

The establishment of Risk Management Supervisory Committee (RMSC) is based on:

1. State-Owned Enterprises Ministry Decision No. PER-01/MBU/2011, dated 1 August 2011 concerning the Implementation of Good Corporate Governance;

Board of Commissioners' Committees

2. SOEs Minister Regulation No.Per-12/MBU/2012 dated 24 August 2012 regarding the Supporting Organ of the Board of Commissioners/Supervisory Boards of SOEs; and
3. Regulation of Bank Indonesia (PBI) No. 8/4/PBI/2006 as amended of PBI No. 8/14/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks.

Committee Charter

BRI's Risk Management Supervisory Committee (RMSC) Charter set forth the objectives of RMSC, composition, authority, duties and responsibilities, structure, code of conducts, and meeting guidelines. The charter serves as the guideline on RMSC's duties and responsibilities implementation in evaluating and ensuring that the Bank's risk management has met adequacy requirements procedures and risk management methodologies, keeping the Bank's activities manageable within the acceptable risk limit and beneficial to the Bank.

Structure and Composition

Members of Risk Management Supervisory Committee of PT BRI (Persero) Tbk consist of a Chairman, served by Independent Commissioner, and members that comprises two Independent Commissioners, two Commissioners, and three non-Commissioners with expertise in finance and risk management. The composition has complied with Bank Indonesia Regulation No. 8/4/PBI/2006 in lieu of Bank Indonesia Regulation No. 8/14/PBI/2006 above.

Profiles of members of non-commissioners can be viewed in the section of "Company Information".

Members Composition 01 January 2014 – 7 October 2014

No.	Name	Position	Profession
1.	Aviliani*	Chairman	Independent Commissioner
2.	Bunaser Sanim	Member	President Commissioner/Independent Commissioner
3.	Mustafa Abubakar	Member	Vice President Commissioner/Independent Commissioner
4.	Adhyaksa Dault	Member	Independent Commissioner
5.	Vincentius Sonny Loho	Member	Commissioner
6.	Ridwan Darmawan Ayub**	Member	Non-Commissioner
7.	I Gde Yadnya Kusuma	Member	Non-Commissioner
8.	Pamuji Gesang Raharjo***	Member	Non-Commissioner

* Effective as of 21 May 2014, no longer served as Chairman nor Member of Risk Management Supervisory Committee

** Effective as of 1 May 2014, no longer served as Member of Risk Management Supervisory Committee

*** Effective as of 7 October 2014, no longer served as Member of Risk Management Supervisory Committee

Board of Commissioners' Committees

Members Composition 7 October 2014 – 31 December 2014

No.	Name	Position	Profession
1.	Ahmad Fuad*	Chairman	Independent Commissioner
2.	Bunasor Sanim**	Member	President Commissioner/ Independent Commissioner
3.	Mustafa Abubakar	Member	Vice President Commissioner/ 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

* Effective as of 21 May 2014, serves as Chairman of Risk Management Supervisory Committee, replacing Aviliani

** Effective as of 7 October 2014, no longer served as Member of Risk Management Supervisory Committee

*** Effective as of 7 October 2014, serves as Member of Risk Management Supervisory Committee

Profiles of Members of Risk Management Supervisory Committee

The profiles of Ahmad Fuad, Mustafa Abubakar, and Vincentius Sonny Loho can be viewed in the section of Profiles of the Board of Commissioners.

Indra Yetti – Indonesia citizen, 42 years. Appointed as member of Risk Management Supervisory Committee PT. BRI (Persero), Tbk since August 2014. Previously worked in Bank Mandiri as well as several foreign banks and nationals in various positions. Obtained Bachelor in Economy Accounting Science from Trisakti University, Jakarta (1995) and Master of Commerce from University of New South Wales, Australia.

I Gde Yadnya Kusuma – Indonesian Citizen, 60 years. Serves as members of Risk Management Supervisory Committee of PT BRI (Persero) Tbk since July 2010. He previously occupied various positions in Bank Indonesia and served as Director for Research and Analysis at the Center of Financial Transaction Reports and Analysis (PPATK). Bachelor's of Economics from Sekolah Tinggi Ilmu Ekonomi Swadaya, Jakarta (1993) and Master's of Economics from Universitas Indonesia, Jakarta (2006).

RMSC Independency

RMSC strives to uphold independency in carrying out its duties and in reporting its work results to the Board of Commissioners. All members of the Committee have no affiliation with the Board of Directors and are collectively competent as well as experienced in their respective field.

RMSC members are professionals with sufficient competency in their respective fields with minimum 5 years experience. The members do not have professional or familial relationship with other members of the Board of Commissioners and Board of Directors. Members of RMSC have varied expertise background, such as strategic management, performance management, risk management, banking/finance, and accounting. The range of competency ensures recommendations' quality and is sources of BRI's risk management improvement.

Board of Commissioners' Committees

Duties and Responsibilities

Based on RMSC Charter, RMSC is established to assist the implementation of duty and responsibility of the Board of Commissioners in evaluating and ensuring that the Bank's risk management has met adequacy requirements procedures and risk management methodologies, keeping the Bank's activities manageable within the acceptable risk limit and beneficial to the Bank.

Overall, duties and responsibilities of RMSC include:

1. Periodically evaluate and review risk management policies; provide recommendations to the Board of Commissioners as a basis of consideration to make necessary improvements on risk management policies.
2. Oversee the adequacy of identification, measurement, monitoring, control, and risk management information systems.
3. Evaluate and analyse the Bank's risk profile report on quarterly basis; provide recommendations for necessary improvements and enhancements.
4. Review and evaluate the Board of Directors' accountability on risk management implementation at minimum on quarterly basis.
5. Evaluate and analyse the Board of Directors' recommendation on funding for related parties that require approval from the Board of Commissioners.
6. Evaluate and review the Work and Budgeting Plan, Bank's Business Plan, and Corporate Plan to obtain the Board of Commissioners' approval.
7. Monitor and/or respond to the Bank's Business Plan and Work and Budgeting Plan realization.

8. Evaluate and analyse loans approval proposals for loans over a certain amount that requires consultation with the Board of Commissioners.
9. Evaluate monitoring results on the Bank's compliance with Bank Indonesia's regulations and other laws.
10. Carry out other assignments from the Board of Commissioners.

Meetings and Attendance

Considering the extensive scope and close link between the Bank's business risks, issues related to risk management are discussed not only in RMSC meetings, but also in the Board of Commissioners' meetings.

During 2014, RMSC has convened, both internally, or together with related Divisions/Operating Units to evaluate the implementation and risk management practices covering Market, Liquidity, Credit, Operational, Legal, Compliance, Strategic, and Reputational Risks as stipulated in the prevailing Bank Indonesia regulations.

RMSC held 16 (sixteen) meetings in 2014, with the following record of attendance:

Board of Commissioners' Committees

No.	Name	Total Meetings	Attendance	Attendance (%)
1.	Ahmad Fuad*	9	8	89%
2.	Mustafa Abubakar	14	12	86%
3.	Vincentius Sonny Loho	14	10	71%
4.	I Gde Yadnya Kusuma	14	14	100%
5.	Indra Yetti**	3	3	100%

* Effective as of 21 May 2014, serves as Chairman of Risk Management Supervisory Committee, replacing Aviliani

** Effective as of 7 October 2014, serves as Member of Risk Management Supervisory Committee

The following are meeting agenda of RMSC during 2014:

No.	Date	Agenda	Board of Directors/ Divisions/Operating Units
1.	11 February	1. BRI Risk Profiles for Quarter IV-2013 2. Bank Sound Level Semester II-2013 3. Compliance Function Semester II-2013 4. Anti Fraud Strategy Semester II-2013	Director of Compliance, Risk Management Division, Compliance Division
2.	6 May	1. Review of TK Bank Semester II/2013; 2. Review of risk profile quarter I/2014; 3. Review of Bank's compliance function implementation Quarter I/2014; 4. Review of anti fraud strategy implementation Quarter I/2014.	Director of Compliance, Risk Management Division, Compliance Division
3.	8 July	Risk Monitoring System of BRI Satellite (BRISat)	Director of Compliance, Risk Management Division, Compliance Division
4.	22 July	1. Procurement Progress of BRISat 2. Risk Monitoring System of BRISat Planning, Procurement, and Operations	Director of Operations, Director of Compliance, Risk Management Division, Compliance Division

Board of Commissioners' Committees

No.	Date	Agenda	Board of Directors/ Divisions/Operating Units
5.	19 August	1. BRI Risk Profile for Semester I-2014 2. Bank Sound Level Semester I-2014 3. Compliance Function Semester I-2014 4. Anti Fraud Strategy Semester I-2014	Director of Compliance, Risk Management Division, Compliance Division
6.	28 October	Credit Risk Management in Restructuring	Director of Commercial Business
7.	4 November	1. BRI Risk Profile for Quarter III-2014 2. Credit Restructuring for medium and corporate 3. Risk Management implementation in effort to develop integrated supervisory functions	Director of Operations, Director of Compliance, Risk Management Division, Compliance Division
8.	January – December	Loans consultation, held in 7 (seven) meetings	Director of Commercial Business / Director of Institutional Business and SOEs

Report of Risk Management Supervisory Committee Program

Throughout 2014, Risk Management Supervisory Committee has performed the following:

1. Developed Risk Management Supervisory Committee 2014 program, which elaborated the NRC Charter.
2. Developed the Board of Commissioners' 2014 programs with Audit Committee, Nomination and Remuneration Committee, and the Board of Commissioners' Secretary.
3. Conducted review to grant the Board of Commissioners' approval on Risk Management Implementation in the Use of Information Technology Policy.

Board of Commissioners' Committees

4. Responded and provided recommendations on loans facility that the Board of Directors consulted with the Board of Commissioners.
5. Responded on Conflict of Interests Guidelines Policy draft.
6. Evaluated the Bank's Loans Portfolio Performance Report.
7. Reviewed the Bank's risk profile quarterly report.
8. Reviewed monthly and semester reports from the Compliance Director.
9. Together with Audit Committee, Nomination and Remuneration Committee, and the Board of Commissioners' Secretary including staff members reviewed the Bank's Business Plan and Work, and Budget Plan to grant the Board of Commissioners' approval.
10. Together with Audit Committee, Nomination and Remuneration Committee, and the Board of Commissioners' Secretary including staff members reviewed the Bank's monthly performance progress; provided recommendations and rendered opinions based on the review to the Board of Commissioners, to be clarified by the Board of Directors during joint meeting of the Boards.
11. Discussed enhancements on Risk-Based Bank's Soundness Assessment Guidelines.
12. Carried out other assignments from the Board of Commissioners.

Board of Directors' Committees

To support the effectiveness of operations duties and responsibilities implementation, BRI has established seven committees under the Board of Directors, which are:

RISK MANAGEMENT COMMITTEE (RMC)

RMC is the highest committee in BRI risk management system, with the composition of all members of the Board of Directors and appointed officials at one level under the Board of Directors. RMC is a non-structural and independent from the Operating Units.

RMC is mainly responsible to provide recommendations to the President Director concerning the formulation of policies, enhancements of policy implementation, evaluation of risk profile condition and progress, and other recommendations for improvements.

In risk management implementation, RMC has established sub-RMCs that are responsible to provide recommendations to BRI's President Director. The Sub-RMCs are:

1. Operational Risk Management Committee (ORMC) – a sub-RMC that focuses on operational risk exposure and operational risk management implementation. Operational risk comprises operational, legal, reputational, strategic, and compliance risks.
2. Credit Risk Management Committee (CRMC) – a sub-RMC that focuses on credit risk exposure and credit risk management implementation.
3. Market Risk Management Committee (MRMC) - a sub-RMC that focuses on market risk exposure and market risk management implementation. Market risk comprises foreign exchange, interest rate, and liquidity risks.

Board of Directors' Committees

Structure and Composition

The structure and composition of sub Risk Management Committee is comprehensively stipulated in the Decree of the Board of Directors No.519-DIR/DMR/07/2011 dated 18 July 2011.

Chairman	President Director
Chairman I	Director of Compliance (concurrently as permanent member with voting rights)
Chairman II	Director of Credit Risk Control (also serves as permanent member with voting rights)
Secretary I	Head of Risk Management Division (also serve as permanent member with voting rights)
Secretary II	Head of Credit Administration Division (concurrently as permanent member with voting rights)
Permanent Members with voting rights	1) Director of Finance
	2) Director of Operations
	3) Director of Commercial Business
	4) Director of MSME Business
	5) Director of Consumer Business
	6) Director of of Institutional Business and SOEs
	7) Director of Networks and Services
Permanent Members without voting rights	1) Head of Internal Audit
	2) All Division Heads (except Head of Risk Management Division and Head of ADK Division)
	3) Managers of Special Branch Offices
	4) Managers of DKI Jakarta Regional Office
	5) Jakarta's Inspectors
Temporary Members	Invited based on relevancy of issues

Authorities and Responsibilities

1. Provide recommendation 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 for uncondusive external conditions.
2. Provide recommendation to the President Director on the stipulation of risk measurement methodology and its amendments.
3. Provide recommendation on risk limits stipulation and its amendments.
4. Submission of risk profile report and risk monitoring results, as well as its necessary amendments of recommendation.

Board of Directors' Committees

Committee Programs

RMC holds periodical meetings, at least 1 (one) time every 3 (three) months. RMC discusses, re-analyzes and approves the proposals and recommendations in the meeting according to prevailing regulations. The proposal and recommendation are among others covers risk management policies, strategies, and procedures.

Description of Committee Activities

RMC's meetings can be held upon attendance of at least 2/3 of permanent members without voting rights, including 3 (three) Directors, of which one of them are Director of Compliance. RMC's meeting is chaired by RMS's Chairman. In the absence of RMC's Chairman, the meeting can be led by Chairman I or Chairman II.

The resolutions of RMC's meetings are generated in consultation/consensus. In the case of no agreement is reached, the permanent members with voting rights are entitled to vote and is considered to meet the requirements upon the approval of more than 50% of attended permanent members with voting rights.

Committee's Meeting Agenda

No	Activities	Schedule	Agenda
1	RMC I-2014	14 February	1. External condition 2. BRI Risk Profile 3. Impact of disasters on BRI, credit field control 4. RMC's recommendations and resolutions
2	RMC II-2014	21 May	1. External condition 2. BRI Risk Profile 3. Capital Analysis and Stress Test 4. BRI LDR and integrated supervisory 5. RMC's recommendations and resolutions
3	RMC III-2014	28 August	1. BRI External condition 2. BRI Risk Profile 3. Capital Analysis and Stress Test 4. Achievement of RKA (working & budgeting plan), fulfillment of LCR rules, supervisory of BRI Units 5. RMC's recommendations and resolutions
4	RMC IV-2014	25 November	1. External condition 2. BRI Risk Profile 3. Capital Analysis and Stress Test 4. Span of control, loans documents arrangements, consumer products development 5. RMC's recommendations and resolutions

Board of Directors' Committees

CREDIT POLICY COMMITTEE (CPC)

CPC is a committee established to assist the Board of Directors in formulating credit policy and provide improvement recommendations related to credit policy.

Structure and Composition of CPC

The structure and composition of CPC is comprehensively stipulated in the Decree of the Board of Directors No S.114-DIR/ADK/06/2012 dated 29 June 2012, which are:

Chairman:

President Director

Secretary:

Head of Credit Administration Division (concurrently as Member)

Permanent Members:

- 7 Director of Business, Finance and Compliance
- 17 Heads of Business, CDS and Legal Divisions.

Duties and Responsibilities

1. Provide recommendations to the Board of Directors in defining BRI's Credit General Policy, especially related to prudential principles formulation in credit as prescribed in the policy.
2. Supervise consistent application and implementation of Credit General Policy, as well as define the problem-solving mechanism to address any barriers or constraints in its implementation. CPC also periodically reviews the policy and recommends necessary adjustment or improvement to the Board of Directors.
3. Monitor and evaluate:
 - a. Appropriateness of credit authority enactment
 - b. Appropriateness of loans approval, development, and quality granted to parties related with the Bank and certain large debtors
 - c. Appropriateness of Legal Lending Limit implementation
 - d. Compliance with prevailing laws and regulations concerning loans disbursement
 - e. Settlement of non-performing loans based on mechanism established in BRI's Credit General Policy
 - f. Adequacy of Provision for Loss of Earnings Assets/ Allowance for Impairment Losses
 - g. Certain large debtors and loans in credit list under special supervision
4. Review the effectiveness of Credit Internal Control System.
5. Submit periodical written reports and provide recommendations of improvement measures to the Board of Directors with the enclosure to the Board of Commissioners, regarding:
 - a. Supervisory results on BRI's Credit General Policy implementations.
 - b. Monitoring and evaluation results on matters related to the point 3 above.

Programs

With respect to the CPC functions, duties, and responsibilities as described above, the CPC's work programs consist of CPC meetings. The daily implementation of CPC duties and responsibilities is carried out by CPC Secretary and related Divisions.

Activities

CPC meetings are held in accordance with the following rules:

1. CPC meeting is held when changes/revisions on Credit General Policy are made or when urgent matters that require immediate discussion by CPC.
2. CPC meeting is led by the President Director as the Chairman of CPC, in the absence of CPC Chairman, the meeting may be chaired by the Director of Credit Risk Control or other Directors members of CPC.

Board of Directors' Committees

3. CPC meeting is legitimate if attended by at least 2/3 members, including minimum of 3 (three) Directors. Upon the absence of Division Head as member, he/she may appoint a proxy.
4. CPC meeting resolutions are taken in consultation/consensus. If agreement is not achieved, the resolutions will be determined in the Board of Directors' meeting.

Mechanism

The implementation of CPC daily functions, duties and responsibilities are conducted by CPC Secretary with related Divisions. The implementation are as follows:

1. Arrange and formulate CPC meeting materials, agenda and implement CPC meetings.
2. Develop and prepare Credit General Policy drafts for discussion in CPC meeting, upon the policy amendments/revisions.
3. Present identification of Credit General Policy implementation issues, in order to take decision on improvements and settlements.
4. Manage Credit General Policy approval proposal process to the Board of Directors and Commissioners.

5. Administer minutes of every CPC meetings for further reporting to the President Director.
6. Prepare and distribute minutes of meetings at the latest 1 (one) week after the meeting dates, as well as responsible to maintain and filing the CPC documents.
7. Follow up CPC meeting results to be formulated into credit policy.

Meeting Agenda

1. Meeting discussion on final drafts of amendments/revisions of Credit General Policy prior to ratification in the form of the Board of Directors' Decree.
2. Discussion for any important and emergency issues that required fast and immediate organization responses.

Meeting Frequency

There were no CPC meeting in 2014, considering that the review on credit policy is implemented every once in 3 (three) years. The next CPC meeting will be held in 2015.

CREDIT COMMITTEE

Credit Committee is the operational committee established to assist the Board of Directors in evaluating and/or determining credit proposals for certain credit numbers and/or types as stipulated by the Board of Directors.

Structure and Composition

The structure and composition of Credit Committee is stipulated in the Decree of the Board of Directors No.S.114-DIR/ADK/06/2012 dated 29 June 2012 with following details.

Based on its composition and authorities, Credit Committee in Head Office are divided into:

1. BRI Credit Committee (CC-BRI)
2. Board of Directors Credit Committee (CC-BOD)
3. Division Credit Committee (CC-Division)
4. Special Branch Office Credit Committee (CC-SBO)

Based on its composition and authorities, Credit Committee in Regional Offices are divided into 3 (three) Committees, as follows:

1. Regional Office Credit Committee
2. Regional Office Credit Committee for Restructuring
3. Regional Office Credit Committee for Write-Off

Board of Directors' Committees

The following are composition of BRI and Board of Directors Credit Committee:

CREDIT COMMITTEE	MEMBERS	FINAL DECISION MAKERS
BRI Credit Committee (for credit approval)	Director of Commercial Business Director of Institutional Business and SOEs Director of MSME Business Director of Consumer Business Director of Credit Risk Control	President Director
BRI Credit Committee (for Money Market Line and Treasury product approval)	Director of Finance Director of Commercial Business Director of Institutional Business and SOEs Director of MSME Business Director of Consumer Business Director of Credit Risk Control	President Director
Board of Directors Committee 1 (CCD-1) (for the approval of performing loans - medium loans initiated by Regional Office and Business Program & Partnership Division)	Director of MSME Business Director of Commercial Business Director of Credit Risk Control	
Board of Directors Committee 2 (CCD-2) (for the approval of performing loans - medium and corporate loans initiated by SOEs Business Division)	Director of Institutional Business and SOEs Director of Commercial Business Director of Credit Risk Control	
Board of Directors Committee 3 (CCD-3) (for the approval of performing loans - medium and corporate loans initiated by Agribusiness and General Business, and Consumer loans)	Director of Commercial Business Director of Consumer Business Director of Credit Risk Control	
Board of Directors Committee for Restructuring and Non-Performing Loans Settlement	Director of MSME Business Director of Commercial Business Director of Institutional Business and SOEs Director of Consumer Business Director of Credit Risk Control	

Board of Directors' Committees

Duties and Responsibilities

Duties

1. Provide loans approval or refusal based on authority limits as stipulated by the Board of Directors.
2. Coordinate with Assets and Liabilities Committee (ALCO) in funding aspects for certain amount of loans as set out by ALCO.

Responsibilities

1. Implement duties in providing loans approval based on professional expertise, honesty, objectivity, diligent and thorough measurements.
2. Refuse the requests and or influences of concerned parties in providing loans approval as in only formality terms.
3. Signing off Loan Approval forms as the credit disbursement approval proof, as the realization of responsibility of Credit Committee, thereby prior to signing, Credit Committee shall:
 - a. Ensure that all loans disbursement has met banking regulations and in accordance with sound credit principles.
 - b. Ensure that loans disbursement are in accordance with BRI's Credit General Policy, CPC and other credit regulations.
 - c. Ensure that loans disbursement are based on honest assessment, objective, diligent and proper, as well as devoid of influence from parties related with loan applicants.

Programs

Conduct Credit Committee meeting to provide credit approval with certain amounts.

Credit Committee meeting is held with the following rules:

- May be held if the quorum is met:
 - a. For BRI CC, minimum of 60% attendance from committee members
 - b. Other than BRI CC, shall be attended by all members of committee

Board of Directors' Committees

- Decision making
 - a. For BRI CC and Board of Directors CC, the decision making are based on majority principles. Upon the absence of members, circular decision remains requested.
 - b. Other than BRI CC, the loans decision are held unanimously or the decision can be taken if all members of Credit Committee provided the approval.

Activities

Credit Committee meeting is held upon the requirement of new loans approval or loans extension. Loans with minimum amount of Rp1 trillion shall be taken into consultation to the Board of Commissioners and or by the consideration of BRI or Board of Directors Credit Committee upon matters that need the consultation of the Board of Commissioners. The amounts are applicable to both single debtor, group, plasma, or SOEs and government debtors.

Meeting Agenda

1. Provide loans approval with certain amounts based on the authority limits by each Committee.
2. Obtain other matters resolutions that required the decision of CPC.

Credit Committee Resolutions in 2014

Period	BRI Credit Committee Approval	Board of Directors Credit Committee Approval	Board of Directors Credit Committee Approval for Restructuring
2014	76	24	1

Board of Directors' Committees

ASSETS AND LIABILITIES COMMITTEE (ALCO)

Asset-Liability Committee (ALCO) is the committee established to assist the Board of Directors in managing BRI integrated Assets and Liabilities, determine savings and borrowing interest rates, stipulate mismatch, the mismatch policy net open position and interest rate risk, manage and define balance sheet and capital structure, as well as provide recommendations to the Board of Directors to establish policy which will be decided in ALCO meeting.

Structure and Composition

Organization structure of Assets and Liabilities Committee is comprehensively stipulated in the Decree of the Board of Directors No.650-DIR/TRY/10/2009 dated 30 October 2009 with the following outlines:

Chairman (concurrently as member):

President Director

Substituting Chairman I (concurrently as member):

Director of Finance

Substituting Chairman II (concurrently as member):

Substituting Director of Director of Finance (Based on the Decree concerning Substituting Director)

Secretary (concurrently as member):

Head of Treasury Division

Members:

- Board of Directors
- All Division Heads of Business, Funds & Services as well as Operations
- Regional Managers in Jakarta, and
- Managers of Special Branch Offices.

Assets and Liabilities Management (ALM):

A group of analysts to support ALCO. As a supporting unit, ALM is responsible to analyse, among others sources and use of funds, Maturity and Re-pricing Gap, Primary and Secondary Reserve; conduct NOP monitoring; develop scenarios for deposit and lending interest rate as well as alternative pricing, define funding strategy; prepare data, presentation material, and other facilities needed in ALCO meetings.

Authorities, Duties, and Responsibilities

1. Stipulate an integrated Assets and Liabilities policy.
2. Stipulate basic interest rates for savings, loans and fund transfer price.
3. Determine mismatch and net open position (NOP).
4. Manage and establish balance sheet and capital structures.

5. Ensure the management of Assets and Liabilities are in accordance with ALCO meeting results policy.

Programs

ALCO periodically convenes to discuss the management of BRI assets - liabilities related to the strategy and the Board of Directors' strategy, in the matters of:

- Bank performance development.
- Bank's portfolio composition and growth.
- Risk management (guidelines on mismatch and net open position limits).
- Interest rates of savings, loans, and fund transfer price.

Description of Committee Activities

- a. BRI ALCO meeting is led by ALCO Chairman. In the absence of ALCO Chairman, the meeting may be chaired by ALCO Substituting 1 or in his/her absence, also can be chaired by ALCO Chairman Substituting II.
- b. ALCO Secretary is responsible in organizing ALCO Meetings, including preparations, materials preparation and presentation, and develops and distributes minutes of meetings. In the absence of ALCO Secretary, Head of Treasury Division as ALCO Secretary may be represented by Deputy Head of Treasury Division, or in his/her absence may be replaced by Head of Investment Banking Desk, or upon his/her absence may be replaced by Section Head of ALCO Supporting Group.

Board of Directors' Committees

- c. ALCO convenes on a monthly basis.
- d. ALCO meeting shall be attended at least by 2/3 of ALCO members. In the absence of Division Head of ALCO members, he/she can appoint substitution in the level of Deputy Head Division or Section Head.
- e. The resolutions of ALCO Meetings are taken in consultation/consensus. In the event of no agreement being reached, the resolutions of ALCO meetings are legitimate if its approved by 2/3 of attended members, including 2 members of the Board of Directors, and one of the member are Chairman or Subtituting Chairman.

Committee's Meeting Agenda

No	Date	Topics/Agenda
1	23 January	ALCO meeting regular agenda are as follows: a. Presentation of Assets & Liabilities Management. b. Market Review. c. Shares Development. d. Recommendations and meeting resolutions.
2	20 February	
3	21 March	
4	24 April	
5	22 May	
6	19 June	
7	17 July	
8	21 August	
9	23 September	
10	16 October	
11	20 November	
12	1 December	
13	8 December	
14	15 December	
15	22 December	
16	29 December	

Board of Directors' Committees

HUMAN RESOURCES POLICY COMMITTEE

Human Resources policy committee is an operations committee authorized to determine HR policies. The committee was established in 2008 with the purpose to improve effectiveness, efficiency, objectivity, and transparency of decision-making relating to HR matters and to provide assurance for stakeholders that all HR-related decisions have complied with GCG principles.

Structure and Composition

Chairman:

President Director

Members:

Board of Directors

Secretary:

Head of Human Resources Development and Policy Division

Deputy Secretary:

Deputy Head of Human Resources Development and Policy Division

Authorities, Duties and Responsibilities

As the committee in HR field, the HR Policy Committee has the following authority:

1. HR-related decision making that includes HR planning, recruitment, selection, career development, performance management, welfare, industrial relations, assessment, and HR Information Management System (HR-IMS).
2. Decision-making in HR operations including transfers (promotion, rotation, demotion), performance evaluations, and disciplinary sanctions for Executives of Echelon 1 and 2.

Programs

Work program of HR Policy Committee includes formulation of policies in HR policies and operations. HR Policy Committee composition and membership are stipulated by the Board of Directors Decision Letter No. S.109-DIK/02/2008 dated 29 February 2008.

Meeting Frequency

During 2014, HR Policy Committee has convened 16 meetings with 100% attendance level. The following are details of agenda meeting and implementation:

Board of Directors' Committees

No	Date	Agenda	Attendance
1	09 January	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
2	30 January	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
3	27 February	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
4	06 March	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
5	12 March	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
6	27 March	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
7	05 May	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
8	08 May	Discussion on Discipline Violation Cases	All Board of Directors
9	22 May	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
10	17 July	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
11	02 October	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
12	20 October	Discussion on Discipline Violation Cases	All Board of Directors
13	23 October	Discussion on Discipline Violation Cases	All Board of Directors
14	13 November	Discussion on Discipline Violation Cases	All Board of Directors
15	18 December	Mutation/Promotion of Executives Echelon 1 and 2	All Board of Directors
16	23 December	Discussion on Discipline Violation Cases	All Board of Directors

Realization of Committee Programs

The realization of HR Policy Committee work programs throughout 2014 covers the policy in HR fields, which are: HR Planning, Recruitment/Selection, Career Development, Welfares, and HR Management Information System, as well as HR Operations, such as: employees mutation, performance assessment, and decision on discipline violations.

INFORMATION SYSTEM AND TECHNOLOGY STEERING COMMITTEE (ITSC)

Pursuant to Regulation of Bank Indonesia No. 9/15/PBI/2007 dated 30 November 2007 and Circular Letter of Bank Indonesia No. 9/30/DPNP dated 12 December 2007, both concerning the Implementation of Risk Management in Commercial Banks, BRI has established Information System and Technology Steering Committee (ITSC) through the Decree of the Board of Directors Nokep: 625-DIR/TSI/10/2009 dated 19 October 2009 regarding the Information System and Technology Steering Committee (ITSC) of PT Bank Rakyat Indonesia (Persero) Tbk.

Board of Directors' Committees

ITSC is committee responsible to provide directives and recommendations on BRI information system and technology policies, development, and implementation.

Structure and Composition

ITSC structure and composition is stipulated by the Decree of the Board of Directors No. 625-DIR/TSI/10/2009 dated 19 October 2009, summarized as follows:

Chairman:

Director of Operations

Deputy Chairman:

Director of Compliance

Secretary:

Head of Information System and Technology Division

Members:

19 Division Heads, consisted of Business, Operations, and Internal Audit Divisions.

The Committee composition is ex-officio and committee members represent parties that interact directly with IST as partners or users.

Authorities, Duties and Responsibilities

1. Provide recommendation on a long-term (5-year) BRI IST development objectives stated in BRI IT Strategic Plan (ITSP);
2. Provide recommendation on a short-term (annual) and long-term (5-year) of BRI IST development priority, in line with the Corporate plan and Bank's Business Plan implemented by BRI's management;
3. Provide recommendation on changes to IST long-term plan and strategy following changes to BRI's business policy and strategy;

4. Review and recommend the Functional Work Plan and BRI IST Investments and Exploitation Plan for short term (annual) IST development, operations, and maintenance based on BRI ITSP;
5. Monitoring and evaluate the implementation of BRI IST project development, ensuring alignment with the established plan and strategy;
6. Periodically monitoring and evaluate the IST development realization managed by IST Division;
7. Monitor the effectiveness of risk management measures over BRI's IT investments, ensuring that the investments would contribute to BRI's business objectives achievements;
8. Provide recommendation on IST issue resolutions that users and IST division are unable to resolve in effective, efficient, and timely manner.

Programs

ITSC work programs is to implement duties and authorities according to regulations, on the materials as set out in the agenda of committee meetings.

Realization Programs

ITSC meetings evaluate BRI's IT progress and IT issues as determined by meeting agenda. In ITSC meetings, the Board of Directors provide strategy direction especially concerning certain e-channel development that requires close attention of the Board. The Board of Directors also reminds that development of application may not undermine mandatory development.

Board of Directors' Committees

ITSC's Meeting Agenda

ITSC meeting agenda during 2014 are as follows:

Committee's Meeting Agenda

No	Date	Meeting	Topics/Agenda
1	15 August	ITSC	Achievement and Evaluation of ITSP 2008-2013 and finalization of ITSP 2014-2018

PROJECT MANAGEMENT OFFICE (PMO) STEERING COMMITTEE

PMO Steering Committee is the highest forum in project management at BRI corporate levels. PMO Steering Committee provides strategic directives in terms of project management, among others are:

1. Establish project criteria in monitoring of PMO Operating Unit.
2. Determine projects under PMO monitoring, which are not included within the established criteria.
3. Resolution on project investments and exploitations, among others to approve, amend, or cancel the project plans and implementation.
4. Resolution on project issues that are escalated to the PMOSC.

Structure and Composition

The structure and composition is stipulated in the Decree of the Board of Directors No.647-DIR/REN/09/2011 dated 30 September 2011, summarized as follows:

Chairman:

President Director

Members:

- Director that serves as Head of PMO
- Members of the Board of Directors responsible over Operating Units as Project Owners
- Members of the Board of Directors responsible over Operating Units as Project Supporting Units
- Head of Units as Project Owners
- Head of Units as Project Supporting Units

Board of Directors' Committees

Authorities and Responsibilities of PMO Steering Committee are as follows:

1. Provide strategic directives of BRI projects at corporate levels.
2. Take decisions based on recommendations for issue resolution in project management, for issues 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 prevailing regulations.
4. Take decisions over matters not yet stipulated in PMO General Policy and PP PMO.
5. Ratify Joint Planning Session (JPS) or Streamlining results.
6. Discontinued projects that are no longer viable.
7. Approve and ratify project proposals conducted after the approval of Corporate Work & Budget Plan, such as regulatory projects or upon emergency projects.
8. Provide directives and resolutions in the effort to accelerate projects completion.

Realization Programs

PMO Steering Committee meets at least 1 (one) time every year and is responsible to BRI's Board of Directors.

The following are summarized of PMO Steering Committee activities in 2014 :

Activities	Date	Agenda	Attendance
PMO Steering Committee Year 2014	7 March	1. Projects Achievement 2013 to December 2013 2. Realization of Projects Budget Year 2013 3. Projects Plan Year 2014 4. Projects Issues 5. Projects Required Special Attention 6. Proposals & Resolutions of PMO Steering Committee	1. Head of PMO (Director of Operations as substitutes of Director of Compliance) 2. Director of HR Management (Director responsible on Operating Owners of Project Owners) 3. 22 (twenty two) Operating Units, including Units of Project Owners and Supporting Units of Project Owners (100% related Operating Units were in attendance)

Board of Directors' Committees

JOB POSITION EVALUATION COMMITTEE

The Job Position Evaluation Committee reviews and recommends the Job Position Category proposed by the Job Position Evaluation Team.

Structure and Composition

Pursuant to the Decree of the Board of Directors Nokep. S.38-DIR/REN/05/2010 dated 19 May 2010 concerning the Guidelines of Organization General Policy Implementation, the structure and composition of Job Position Evaluation Committee is as follows:

1. Director of Compliance
2. Director of Operations
3. Head of Corporate and Development Strategy Division
4. Head of Human Resources Policy and Development Division

The composition is ex officio, and is not as individual.

Duties and Responsibilities

The duties are as follows:

1. Provide directives and input on Job Position Category recommendations prepared by the Job Position Evaluation team during the Committee meetings.
2. Provide recommendation on Job Position Category than requires the approval of the Board of Directors through the Board of Directors' meeting. The result is stipulated in the Decree of the Board of Directors.

Programs

Job Position Evaluation Team implements job position evaluations, which will be presented to the Committee.

Meeting Frequency

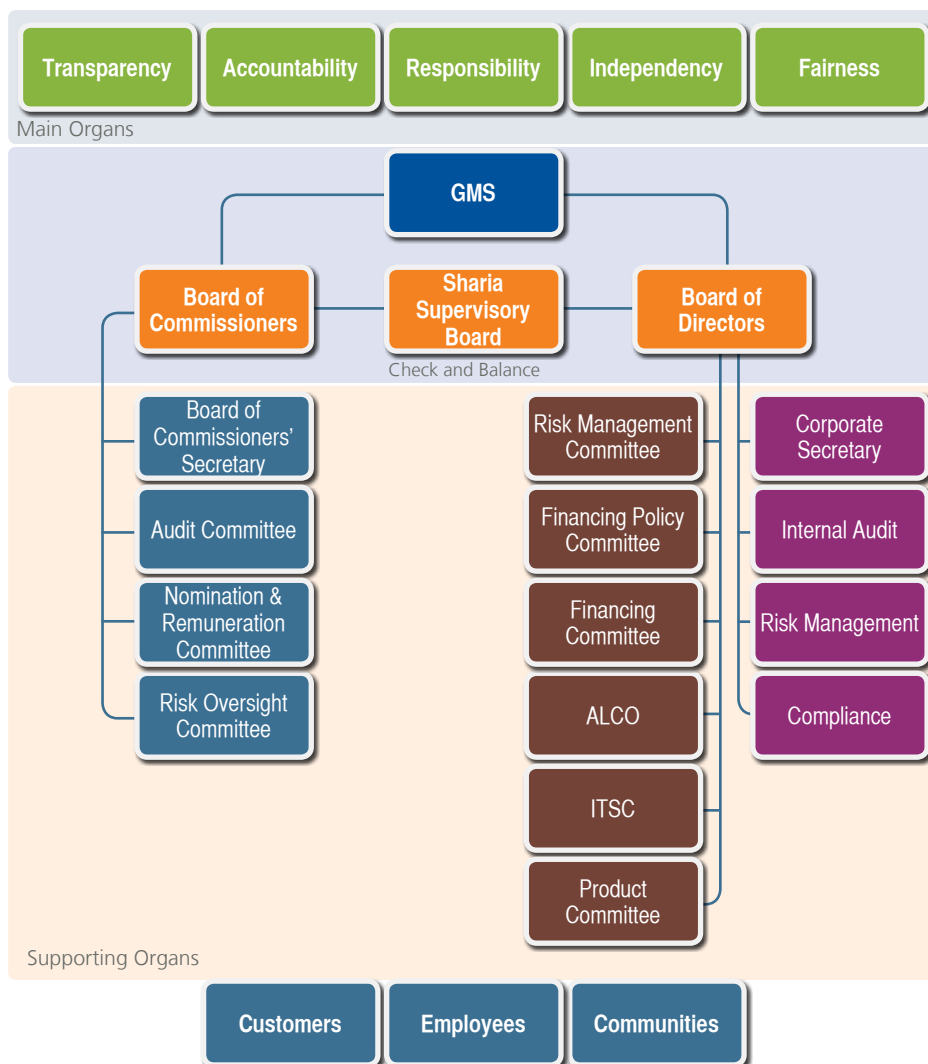
The Job Position Evaluation Committee did not convened any meetings during 2014, however, the Job Position Evaluation Team convened 2 (two) meetings with the following agenda:

No.	Date	Agenda
1	6 March	Reviewed the position of Regional Managers, Regional Deputy Managers (Operations, Funds, Loans), Head of Branch Offices, Head of Sub-Branch Offices, Head of BRI Units
2	27 June	Reviewed the position of Middle-AO and Branch Offices' Staffs

Corporate Governance Implementation in BRI's Subsidiary

PT Bank BRISyariah

1. Corporate Governance Structure and Mechanism



The Corporate Governance is systematically and sustainably implemented by referring to (Laws No. 21 year 2008 concerning Sharia Banking and PBI 11/33/PBI/2009 regarding Good Corporate Governance Implementation in Sharia Commercial Banks). To ensure this implementation, BRISyariah's Board of Commissioners established functional committees to empower the supervisory

functions of the Board of Commissioners. The committees supports the Board of Commissioners in executing its duties and obligations, as well as formulating policies with respect to the relevant committee's duties according to prevailing regulations. The management has also established supporting parties as operating units to control, and responsible on GCG implementation, at the same

Corporate Governance Implementation in BRI's Subsidiary

time serves as working partners to the Board of Commissioners' committees. The Operating Units include Corporate Secretary, Compliance, Risk Management, and Internal Audit that are directly responsible to the President Director.

2. Risk Management Functions

The Bank management has proactive roles in risk management process and encourages all employees to execute active roles in risk management according to each function and responsibility. PT Bank BRISyariah considers the importance of risk awareness enhancement within all employees. To that end, the employees' comprehension and ability are constantly renewed and improved through risk awareness socialization, including relevant trainings conducted in head office and all branch offices.

As a dynamic process, and thereby to ensure the conformity of risk management with industry development, PT Bank BRISyariah strives to improve risk quality, which includes policies, system, working process, and human resources.

In its implementation, PT BRISyariah refers to comprehensive approaches towards 10 (ten) risk types according to Bank Indonesia Regulation No. 13/23/PBI/2011 concerning Risk Management Application of Sharia Commercial Banks and Sharia Business Units, namely credit, liquidity, operational, market, legal, reputation, strategic, compliance risks, as well as rate of return risk, and equity investment risk.

To safeguard overall risks, PT Bank BRISyariah implements the three line of defence principles in the process of identification, measurement, monitoring, and preparation of adequate reports within risk control frameworks, comprehensively and properly. In risk control, risk management unit is assisted by other internal operating units as well as Internal Control and Quality Assurance function, to ensure internal control in all branches. Business unit takes the role as the first defence and is responsible on business risk exposures in daily operations. Business unit

shall identify, evaluate, control, and mitigation the risks encountered in each business. Risk Management Group and Compliance Desk serves a key unit to conduct second defence role through independent monitoring function.

Risk management unit reviews and recommends the risk limits and mitigation on products and business activities. The unit further cooperates with business unit to ensure the risks taken are identified accurately, measured and managed based on agreed parameters, and reported to related parties. Compliance unit manages the compliance risk and is responsible to ensure all published compliance regulations by Bank Indonesia and other regulators, have been disseminated and followed by all related business units in all Bank's activities and organization levels. Internal Audit Unit (IAU) takes the third defence role within risk management frameworks. IAU has the duties to control through independent testing and audit on business units, and its supporting units process accuracy, to ascertain the implementation of functions and responsibilities as well as compliance on prevailing policies and procedures.

3. AML-CTF Program Implementation

During 2014, the activity of AML-CTF program or Anti Money Laundering and Counter Terrorism Funding are as follows:

1. BRISyariah has equipped the AML-CTF program with transaction monitoring system that can monitor the transaction of all BRIS (H+1) Branch Offices. The system is specifically under limitation monitoring of Head Office Special Unit.
2. In the event of any transactions included under Cash Transaction and/or Suspicious Transaction, the monitoring results then has been jointly submitted and communicated between Head Office Special Unit and BRISyariah Branch Office Special Unit, for customers data verification and analysis.

Corporate Governance Implementation in BRI's Subsidiary

3. BRISyariah has enacted monitoring and reporting of Overseas Financial Transaction Report to PPATK in accordance with the prevailing regulations.
4. BRISyariah organized trainings/socialization on AML-CTF regulations, policies, and procedures through comprehensive learning methods covering; internal fully blended, e-learning and On the Job Training, Internal Klasikal, and e-learning, to employees in operating units and organization levels.

4. Internal Control System

Internal Control System was a mechanism which was designed to reduce the uncertainty risk in the future, to secure the Bank's assets, to promote sustainable compliance toward established management policy, to minimize financial loss impact, deviation including frauds and violations on prudent aspect, as well as increased organization effectiveness and cost efficiency. BRIS through Internal Audit Group continuously develops and implements effective internal control system in managing the Bank's risk, which is part of the Good Corporate Governance implementation program.

A. Internal Control System

The implementation of BRIS' Internal Control System covers the following objectives:

1. To ascertain that all Bank's business activities are implemented in accordance with prevailing laws and regulations, both by the Government, Banking Supervisory Boards, as well as the Bank's internal policies, rules, and procedures. As a process enacted by all Bank's elements, Internal Control System is designed to identify the possibility of events that may affected the Bank, and to manage the risk within the tolerant limits, so as to attain adequate confident in achieving the company's goals.
2. To provide accurate, comprehensive, timely and relevant information required in a proper and accountable decision making process, covering the financial and non-financial

reporting, as required by the Bank's internal or external parties.

3. To obtain efficiency and effectiveness of Bank's business activity, among others through the improvement of efficiency and effectiveness in utilizing assets and other resources, including protecting the Bank from risk of loss and fraud.
4. To reduce loss impacts, violations including breach/fraud and violation on prudential aspects. In the evaluation of internal control system effectiveness, BRIS has formulated policies, procedures and other rules in the implementation of internal control functions.

B. Internal Audit Unit Vision and Mission

1. Vision:

To become a strong and trustworthy Strategic Business Partner to provide added value to the company.

2. Missions:

- a. Conduct professional, independent and objective audits.
- b. Improve competence as professional Internal Auditors.
- c. Provide audit findings that served as added value for the company.

Internal Audit Unit services are intended to provide added values through practical recommendations to the management, so as to support in improving risk management, internal control system, and implementation of BRISyariah corporate governance in a more economic, effective and efficient manner.

C. Internal Audit Charter

BRIS has the Internal Audit Charter as basic guidelines in regulating the composition, roles and functions, authorities and responsibilities,

Corporate Governance Implementation in BRI's Subsidiary

as well as working methods in implementing internal auditor duties to realize effective internal control system in BRIS.

D. Internal Audit Objectives

1. To support all management levels in safeguarding the bank's operations activities that involved public funds;
2. To maintain and ensure bank's development towards fair and sound growth.

E. Internal Audit Functions

Internal Audit has the function to support the President Director and Board of Commissioners in controlling planning activity, implementation and monitoring of Bank's operations, through assurance and consulting services.

1. Assurance

To carry out objective testing on findings in order to provide independent assessment on governance, risk management, and control process in organization.

2. Consulting

To provide added value suggestions and recommendations, which are constructive and may be applied on all aspects that influenced internal control system and performances.

F. Auditor Responsibilities

1. To plan and implement audit by emphasizing on high risk activities, and evaluates the effectiveness of existing control system procedures, to attain optimum results on the Bank's goals and targets.
2. To manage internal audit and report the audit activity to the President Director and Board of Commissioners, with the enclosure to the Director of Compliance.
3. To submit audit findings report to:
 - a. President Director and Audit Committee, with enclosure to all Directors that at least covering the executive summary of audit

findings principals, major findings and other relevant information. In the event of findings with significant impacts to the Bank, the Head of Internal Audit shall report the information to the President Director and Board of Commissioners through Audit Committee.

- b. Financial Services Authority, regarding implementation and audit findings principals, including confidential findings, at every end of June and December at the latest 2 (two) months after reporting month, signed by the President Director and President Commissioner. The submission of audit report to third parties is only provided upon written request and upon the approval of President Director.

4. To monitor follow up recommendation of audit findings.
5. To coordinate audit activity with external auditor.
6. To develop and execute programs for the evaluation and improvement of internal audit quality.

G. Composition and Roles of Internal Audit in the Company's Structures

Internal Audit through Audit Committee implements supervisory functions to realize the Bank's vision and mission. Internal Audit is led by Group Head that was appointed and terminated by the Bank's President Director following the approval of the Board of Commissioners, and reported to Banking Supervisory Boards. The composition of Internal Audit Group Head (IAG) in organization is directly under and responsible to the President Director, yet applicable for direct communication to the Board of Commissioners through Audit Committee to inform related audit findings. The composition of IAG serves to maintain its independence and objectivity, to enable the disclosure of opinions and recommendations without influence or pressure from other parties.

H. Description of Internal Audit Unit Activity

With main target to safeguard business units in achieving Bank Work Plan of 2014, IAG stipulates priorities in audit plan development and

Corporate Governance Implementation in BRI's Subsidiary

implementation for financing process as well as branch operations, by establishing audit scopes activities, to achieve a focused and on target audit findings.

Audit implementation is done with Risk Based Audit approach and taking into consideration several parameters, namely audit rating findings, NPF ratio, and BOPO ratio. As such, the audit on operating units in 2014 covered regular audit duties according to the set audit plans. The details are as follows:

1. General Audit / Regular Audit

Constitute as regular audit that was systematically planned at the beginning of the current year (1 year budget), according to audit priority scales and stipulated through risk assessment process determined by Risk Based Audit (RBA) methodology, both regular audits of General Audit (GA) as well as IT Audit.

2. Audit of Head Office

The audit in Head Office is prioritized more towards operating units that directly related to business activity as well as branch and supporting units operations activities that required audit investigations.

BRIS current business development becomes variatives and complex as seen from its product choices (business segmentations) and activities. To that end, IAG considered to execute internal control adequacy assessment based on the products and activities as one method to mitigate identified risks.

3. Special Audit

Constitutes as audit activity that is not under fraud and regular audits, conducted with certain objectives both as the initiative of IAU

or management requests, with certain audit scopes.

Special Audit is not included in annual planning, but it's conducted in due observance of certain consideration based on its urgency levels or due to the stakeholders requests.

Audit findings on Internal Control System has been used as one of evaluation parameter of improvements, from policies, infrastructures, and HR management point of view. The follow up of audit findings are stringently monitored, to ensure that all issues have been settled and risks are controlled.

I. Monitoring and Correction on Frauds

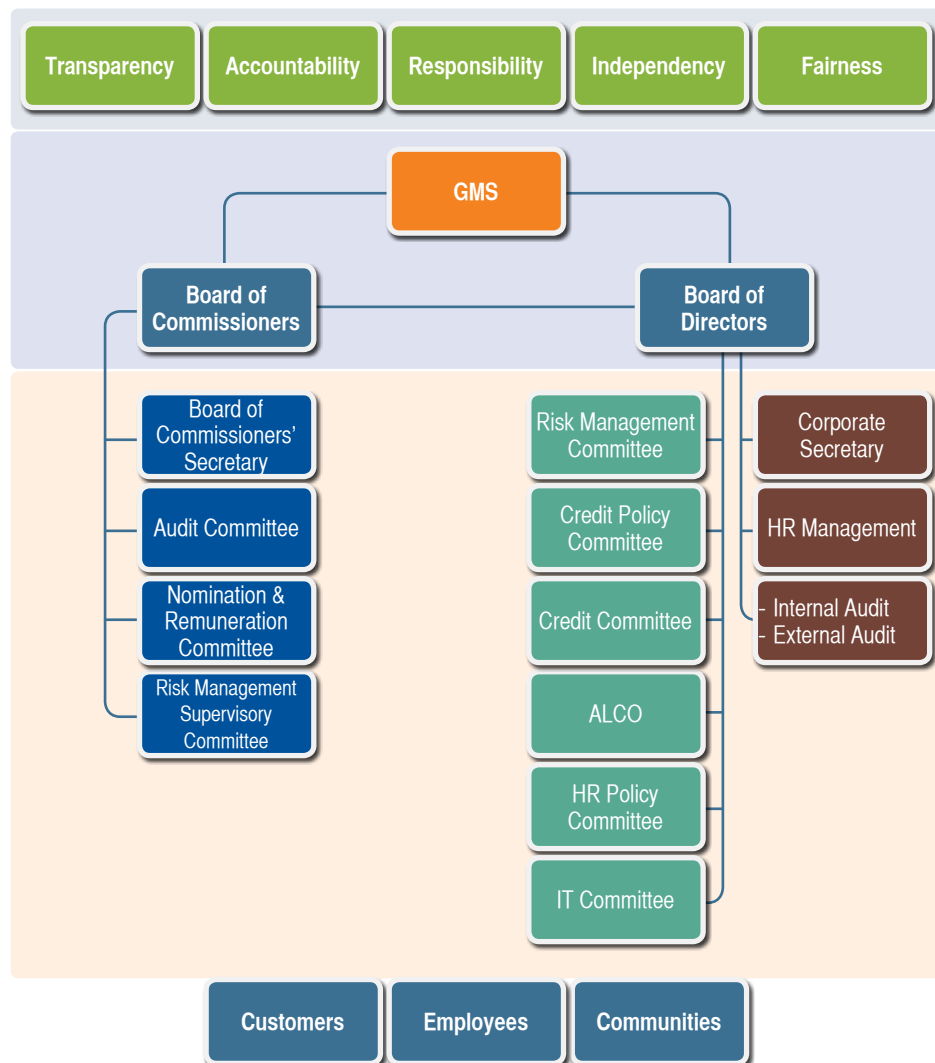
Bank has continuously conducted monitoring on the adequacy and effectiveness of internal control implementation, through:

1. Ensure that monitoring function has been clearly established with proper structure.
2. Appointment of the officers to monitor the effectiveness of internal control.
3. Stipulation of accurate frequencies on monitoring activity.
4. Integration of control system to operations activity and provide required regular reports.
5. Re-analyze evaluation results of operating units/employees assigned for monitoring.
6. Provide accurate feedbacks to the concerned parties.

Corporate Governance Implementation in BRI's Subsidiary

PT Bank BRI Agroniaga Tbk

1. Corporate Governance (GCG) Structure



Corporate Governance Implementation in BRI's Subsidiary

2. Risk Management Functions

Banking environment, externally and internally, has experienced rapid development followed by increasingly complex risk of banking operations especially products and services, thereby increasing risk exposures and bank's risk profiles. Risk management is instrumental for the bank in implementing business with measure risk levels. Increasing requirements of sound and integrated Bank management (Good Corporate Governance) requires risk management that support performance target achievements and able to safeguard business growth. This in turn will improve the effectiveness of capital expenditures and return on equity (ROE) levels, thereby providing added values to the shareholders, improving shareholders and other stakeholders' trust, and enhanced optimum business growth.

Risk Management System General Overview

To achieve the above goals and in line with the Regulation of Bank Indonesia No. 11/25/PBI/2009 dated 1 July 2009 concerning the Amendment of Bank Indonesia Regulation No. 5/8/2003 dated 19 May 2003 regarding Risk Management Implementation for Commercial Banks, as well as Circular Letter of Bank Indonesia No. 13/23/DPNP dated 25 October 2011 concerning the Amendment of Bank Indonesia Circular Letter No. 5/21/DPNP dated 29 September 2003 regarding Risk Management Implementation in Commercial Banks, risk management awareness and integrated risk culture have to be enhanced with the focus on the effectiveness of risk management governance and frameworks.

3. AML-CTF Program Implementation

The following are programs conducted during 2014:

- a. Continuously disseminated the Policy and Procedures of AML-CTF, among others are:
 1. Know Your Customer Unit (KYC) formulates the AML-CTF program in *compact disk* as material to be disseminated to all offices of Bank BRI AGRO.
 2. Provide AML-CTF materials to new employees with duties related to know your customers principles, which are: Frontliners (CS and Teller), AO (Account Officers), FO (Funding Officers).
 3. Socialization of AML-CTF training program for the participants of Officer Development Program (ODP).
- b. Submission of AML and CTF Program Action to Bank Indonesia, as well as further coordination with related operating units to meet targets and Action Plan.
- c. Implements reporting obligations to PPATK in the form of CTR and STR according to prevailing regulations.
- d. Follow up external parties request, which are Bank Indonesia, OJK, PPATK, KPK RI.

Corporate Governance Implementation in BRI's Subsidiary

4. Internal Control System Implementation

Internal Audit Unit (IAU) as one of Bank's internal control system elements, has active and significant supervisory roles in the achievement of Bank's vision and mission. The Board of Directors ensure the implementation of internal audit functions in every Bank's management levels and activities, as stipulated on the Internal Audit Charter regarding IAU's structure and composition.

Institutionally, IAU acts independently towards operating units and has direct responsibility to the President Director. IAU has direct access to the President Director and Audit Committee in order to coordinate and inform related issues on audit activities and findings.

IAU implements independent and objective assurance and consultation designed to provide added values and improve Bank's operations, as well as support the organization in achieving its goals, through systematics and regulated approaches, so as to evaluate and improve the effectiveness of risk management, internal control and good corporate governance process.

The following are audit scopes of Internal Audit Unit (IAU):

1. Audit in Head Office

Implement audits and consultation to operating units in Head Office to ensure the adequacy and effectiveness of internal control, risk management and GCG.

2. Audit in Branch Offices

Implement audits and consultation to Branch Offices including Sub-Branch Offices to ensure the adequacy and effectiveness of internal control, risk management and GCG.

Board of Commissioners' Secretary

Pursuant to the Board of Commissioners Guidelines, Secretary to the Board of Commissioners is the organ under the Board of Commissioners, appointed by the Board of Commissioners following the recommendation made by Series A Dwiwarna shareholders, which costs incurred by the Bank. The Secretary is responsible to ensure proper implementation of the Board of Commissioners' duties and responsibilities.

The following is the organizational structure of the Secretary of the Board of Commissioners:



DUTIES AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS' SECRETARY

Overall, the following are duties of the Board of Commissioners' Secretary:

1. Preparing minutes of meeting of the Board of Commissioners' meetings.
2. Coordinating the duties of the Board of Commissioners' Secretariat with its Staff Members, Secretary Administer, and Officers within BRI Commissioners Bureau.
3. Coordinating the Board of Commissioners' meetings.
4. Coordinating the duties of administratives, secretarials, and protocolers of the Board of Commissioners.
5. Coordinating and following up the reequets and/or compilation of data/information from and/or to the Bank's management, and external parties, in which are not included in the Committee duties, including information on regulations and rules relevant to the duties and responsibilities of the Board of Commissioners.
6. Coordinating the budget plan formulation and submission of annual budget to the Commissioners Bureau, as requested by the Bank' Secretariat Division.
7. Coordinating the formulation of recommendations and opinions on the agenda and documents of General Meeting of Shareholders.
8. Coordinating and following up of other duties, in which are not included in the duties BRI's Board of Commissioners' Committees.

REFERENCES

Corporate Secretary has a strategic role to ensure compliance and administrative procedures in decision-making as well as carrying out the corporate communications function to establish the Bank's goodwill. Regulatory requirements that serve as the basis of formation and enactment of the corporate secretary function, among others are as follows:

1. Regulation of Financial Services Authority No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuers or Listed Companies.
2. Regulation of SOEs Minister No. PER-01/MBU/2011 concerning The Implementation of Good Corporate Governance in the State-Owned Enterprises, in lieu of PER-09/MBU/2012.

CORPORATE SECRETARY GUIDELINES

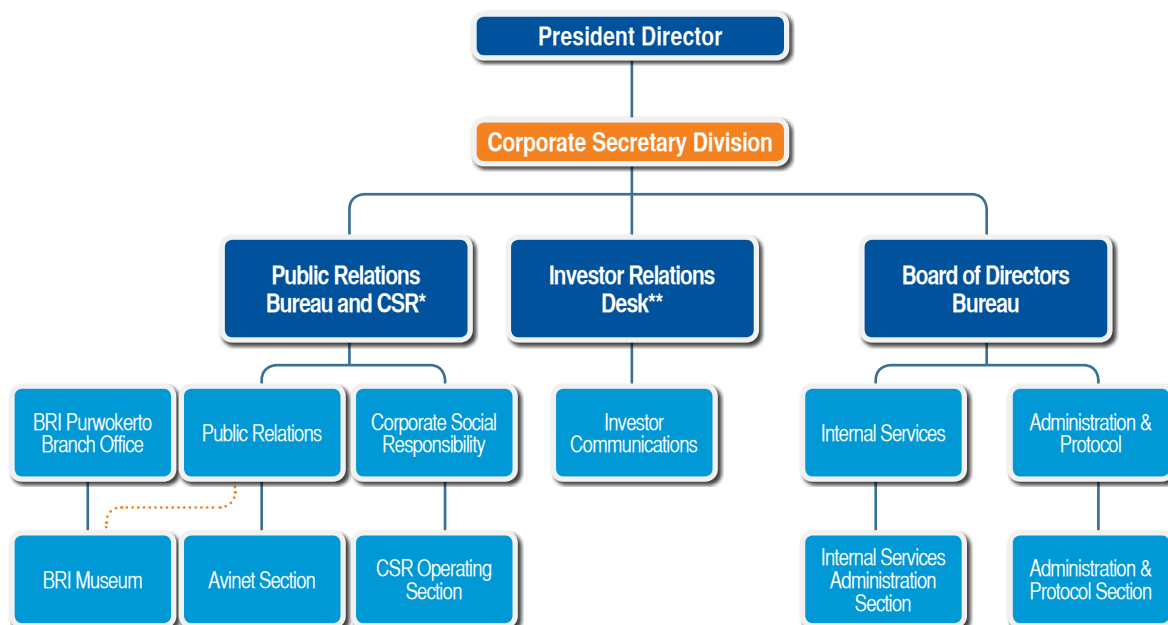
BRI's Corporate Secretary Guidelines was developed in 2007, an updated version of the 2003 guidelines. The Guidelines covers qualifications, organizational structure as well as duties and responsibilities of Corporate Secretary, which among others are to organize the Board of Commissioners and Board of Directors' meetings, knowledge elaboration, communications, and so forth.

CORPORATE SECRETARY ORGANIZATION STRUCTURE

Pursuant to the Decree of the Board of Directors Nokep: 205-DIR/REN/04/2013, the Corporate Secretary is supported by:

- a. Public Relations Function;
- b. Investor Relations Function;
- c. Administration and Protocol Function;
- d. Internal Services Function;
- e. Corporate Social Responsibility Function.

Corporate Secretary



Description:

*) Led by Division Head

**) Led by Bureau Head / Head of Desk equal to Deputy Head of Division

— : Supervision/Mentoring Lines
 : Coordination Lines

APPOINTMENT AND/OR DISMISSAL OF CORPORATE SECRETARY

The appointment and/or dismissal of Corporate Secretary is enacted by BRI's Board of Directors, and reported to Financial Services Authority, and Indonesia Stock Exchange.

CLASSIFICATIONS AND TRAININGS OF CORPORATE SECRETARY

In accordance with the Corporate Secretary qualifications set forth in BRI's Corporate Secretary Guidelines, the Corporate Secretary shall possess adequate legal and/or economic competence or other relevant competencies in order to sufficiently implement the duties and responsibilities. Other criteria includes extensive experience, reliable and able to maintain confidentiality, capable to perform as a good communicator, a good listener, and capable to undertake the role as the first "gate of communications" in providing recommendations to Board of Commissioners, Board of Directors, and other senior executives in BRI. To meet these criteria, Corporate Secretary shall receive training in the fields of legal, accounting, and corporate secretary best practices.

CORPORATE SECRETARY FUNCTIONS

Pursuant to the SOEs Minister Regulation Number: PER-01/MBU/2011 dated 1 August 2011 concerning the Implementation of Good Corporate Governance, Corporate Secretary function includes:

1. To ensure compliance of transparency requirements by SOEs to be in line with GCG principles implementation;
2. To provide periodical and/or upon requests of any information required by the Board of Directors and Board of Commissioners;
3. As liaison officer; and
4. Administer and filing 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 Regulation of Financial Services Authority No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuers or Listed Companies, the duties of Corporate Secretary are at least covers the following:

- a. To update Capital Market development especially its prevailing regulations; ;

- b. To provide recommendation on compliance towards Capital Market regulations to the Board of Directors and Board of Commissioners of Issuers or Listed Companies;
- c. To support the Board of Directors and Board of Commissioners in the implementation of corporate governance, which covers: :
 1. Information transparency to public, including information availability in the Website of Issuers or Listed Companies;
 2. Timely submission of reports to the Financial Services Authority;
 3. Organization and documentation of 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 liaison officer between Issuers or Listed Companies with the shareholders of Issuers or Listed Companies, Financial Services Authority, and other stakeholders.

DUTIES AND RESPONSIBILITIES OF CORPORATE SECRETARY

As set forth in the regulations, the primary duties of BRI's Corporate Secretary is to build BRI's corporate image through public relations, investor relations, and secretariat functions including the Board of Directors and Board of Commissioners' Bureaus. The Corporate Secretary also manages relationship/information services to related operating units and stakeholders, to support the Bank's performance achievement in line with vision, mission, and business strategies.

Corporate Secretary is responsible to ensure good communication between the Bank and stakeholders, assure accessibility of information to stakeholders according to reasonable needs of stakeholders.

With strategic duties and responsibilities, BRI's Corporate Secretary is directly responsible to President Director and submits report of duties executions to the Board of Commissioners.

Corporate Secretary

DUTIES AND RESPONSIBILITIES IMPLEMENTATION

BRI's Corporate Secretary also holds the function as office of the board to ensure information availability as well as achievement of quorum during decision-making process by the Board of Directors and/or Board of Commissioners. In addition, Corporate Secretary is responsible to update information on important regulations and provide corporate actions report to relevant regulators. To implement compliance function, Corporate Secretary exercises government relations' function with the purpose to create and maintain the Bank's goodwill before the regulators. The following section presents details of Corporate Secretary duties implementation.

BRI Public Relations Implementation

The Corporate Secretary conducts proper public relations, to inform the Bank's programs in meeting its responsibilities as citizen of the country, part of the community, and to empower stakeholders.

Public Relations activities conducted by Corporate Secretary aims to build good corporate image, through publications medium such as print and electronics media, outdoor media, expo, or collaboration with third parties. To that end, the Corporate Secretary held the following public relations activities:

No.	Date	Activities
Exhibitions/Expo		
1.	7 – 22 June	Teras BRI Nusantara exhibition in conjunction with Jakarta Great Sale Festival at Emporium
2.	7 – 22 June	Teras BRI Nusantara exhibition in conjunction with Jakarta Great Sale Festival at Bay Walk
3.	8 – 22 June	Teras BRI Nusantara exhibition in conjunction with Jakarta Great Sale Festival at Pacific Place
4.	13 – 22 June	Teras BRI Nusantara exhibition in conjunction with Jakarta Great Sale Festival at Kota Kasablanka
5.	24 June – 7 July	Teras BRI Nusantara exhibition in conjunction with Jakarta Great Sale Festival at FX
6.	28 – 30 August	IBEX (Indonesian Bank Expo) Exhibition
7.	26 – 29 September	World Food SME Exhibition
8.	8 – 12 October	Trade Expo Indonesia 2014
9.	18 December	Launching of Micro Financial Service Product
10.	20 – 21 December	Communities Financial Market 2014 Exhibition
Ramadhan Activity		
11.	17 July	Break Fasting with Orphanages
12.	21 July	BRI provides food-staples at 15 underprivileged areas in Jakarta
13.	22 July	Break Fasting with Journalists
14.	24 Juli	BRI provides 125 Bus for 6.000 Customers for home coming program

Corporate Secretary

No.	Date	Activities
Banking Seminar with Journalists		
15.	23 November	BRI E-Banking Sharing Session
16.	28 April	Gathering of Editor in Chiefs at The Glass House, Ritz Carlton Pacific Place
17.	23 November	Press Gathering with fellow journalists at Cimacan, Bogor
Press Conference		
18.	22 January	Press Conference of Financial Performance Quarter IV of 2013
19.	23 April	Press Conference of Financial Performance Quarter I of 2014
20.	18 September	Press Conference of Financial Performance Quarter II of 2014
21.	22 October	Press Conference of Financial Performance Quarter III of 2014
22.	18 September	BRI Public Expose at Investor Summit 2014
BRI 119th Anniversary		
23.	November – December	PORSENI in conjunction with BRI 119 Anniversary Celebration
24.	21 December	Celebration of BRI 119th Anniversary, BRI held Charity Fun Walk
GMS Activity		
25.	26 March	Press Conference of Annual General Meeting of Shareholders 2014
26.	10 July	Press Conference of Extraordinary General Meeting of Shareholders

Investor Relations Implementation

The Bank established Investor Relations function under the Corporate Secretary structure. Investor Relations is the Bank's liaison with capital market community and other external parties. Investor Relations has the responsibility to ensure the fulfilment of all disclosure requirements, as one of GCG principles, to capital market community; builds relationship with shares, bonds, and other securities' investors, analysts, journalists, trustees, rating institutions, Self Regulatory Organization (SRO), and other relevant financial communities.

To carry out the responsibility, and to meet regulatory requirements as well as to improve effective communications, BRI's Investor Relations Desk organizes various activities, including: public expose and analyst meeting; receive company visits, field visits, and conference calls; published investor newsletters, provides information update on investor relations website, attending investor conferences, and non-deal road shows both domestic and overseas in financial centres in Asia, Europe, and America. BRI also provides information regarding the Bank's recent developments through GMS and Annual Report publication. In addition, BRI also utilizes internal communications channels to disseminate information to all employees. This is part of the Bank's commitment to ensure equality of access for all stakeholders

Corporate Secretary

BRI is committed to disseminate accurate and timely information in order to protect investors' interests, especially from risk of error in investments due to lack of information, insider trading, deliberate information misleading, or other unethical conducts with regards to information availability.

For the purpose of sufficient and accurate information, through Corporate Secretary function BRI forthrightly announced the resolutions of GMS held in 2014 as well as material information and other information related to other corporate actions, through Correspondence Forum with capital market authorities (OJK and Indonesia Stock Exchange), as well as through press releases (details of BRI's press release and correspondences with capital market authorities are attached to this Annual Report).

Moreover, in 2014 BRI has published its Annual Report in two languages, Indonesian and English. Shareholders and public at large may access information regarding the Bank's developments on website: www.bri.co.id dan www.ir-bri.com.

BRI also holds communication activities with capital market investors as follows.

a. Analyst Briefing

To comply with regulations and to improve communications effectiveness, BRI holds GMS, public expose and analyst meeting; receive company visits, field visits, and conference calls; investor newsletter publication, provide information updates on investor relations website, attend investor conferences and non-deal road shows both domestic and overseas (Asia, Europe, and America).

Communication Activities with Investors, 2014

No.	Activities	Total
1	Company Visits	191
2	Conference Calls	42
3	Field Visits	29
4	Analyst Meetings	4
5	Analyst Gatherings	0
6	Roadshows/Conferences (Domestic)	5
7	Roadshows/Conferences (Overseas)	11
8	Investor Newsletters	1
9	Public Expose	1
Total		284

In addition, Shareholders and public may access information on the Bank's development through website: www.ir-bri.com dan www.bri.co.id

Corporate Secretary

- b. The Bank's Financial and Non-Financial transparency that have not been disclosed in other reports

No.	Reports	Publications	
		Medium	Date
1.	BRI Annual Report 2013	Website, OJK, Indonesia Stock Exchange, YLKI, Rating Agency, Banking Associations, IBI, Economic & Financial Research Agency, Economic and Finance Magazine, Bank Indonesia	13 March 2014 28 May 2014 5 June 2014
2.	Publication of Financial Statements:	BI, OJK, Indonesia Stock Exchange,	23 January 2014
	– 2013 (As of 31 December 2013)	Website BRI, Newspapers,	27 April 2014
	– Quarter I of 2014 (As of 31 March 2014)	Website of Indonesia Stock Exchange	29 July 2014
	– Quarter II of 2014 (As of 30 June 2014)		31 October 2014
	– Quarter III of 2014 (As of 30 September 2014)		

In addition to publication in newspapers/print media, the Financial Statements is also published on:

BRI Website (www.bri.co.id) ; Indonesia Stock Exchange Website (www.idx.co.id) ; Bank Indonesia Website (www.bi.go.id) as well as OJK Website (www.ojk.go.id).

Corporate Secretary

Communication with Shareholders

One of Corporate Secretary activity of ensuring the dissemination of material information to the shareholders is by organizing GMS and providing Annual Reports, in which one of the GMS agenda are to submit the accountability of the Board of Directors and Board of Commissioners on the management of the Company to the shareholders.

Shareholders constitute as strategic stakeholders in which their decisions are depending on quality of and timely of information dissemination. Information received at an in-timely moment may bring inappropriate benefits to some parties and may be against the law, as it possibly enabled self dealings, insider tradings, deliberate information misleadings, and other unethical actions.

Corporate Secretary continuously builds good communications with the capital market communities, particularly with investors and analysts. Materials presented directly to investors or analysts are important to investments decision-making. To maintain intensive and effective communications with investors, BRI holds various activities involving investors under the coordination of Corporate Secretary, as outlined by the table above.

Activities of the Board of Directors Bureaus

BRI's Corporate Secretary also functions as office of the boards to ensure information availability and fulfilment of quorum requirement for decision making of the Board of Directors and/or Commissioners. In addition, Corporate Secretary is responsible to update information regarding regulations and to provide information on corporate actions to relevant regulators.

To carry out compliance function, Corporate Secretary exercises government relations' function with the purpose to create and maintain the Bank's goodwill before the regulators.

Corporate Secretary

INFORMATION ACCESS AND CORPORATE DATA

Bank BRI consistently provide integrated information, timely and on target through its website www.bri.co.id, to give easy access of the Bank's information to the stakeholders. The Website contains information on BRI products and services, financial information, career information, as well as other information on BRI.

For further information, customers may contact Call BRI at 14017 or (62-21) 57-987-400. Investors may directly contact the Investor Relations of the Bank through email to ir@bri.co.id or through telephone (62-21) 5751969.

Compliance Functions

BRI Conducts its compliance functions based on PBI No. 13/2/PBI/2011 dated 12 January 2011 concerning The Implementation of Compliance Functions in the Commercial Banks. BRI Compliance functions is operated by compliance elements comprises Compliance Director and Compliance Division.

In 2014, Randi Anto serves as Director of Compliance since 12 July 2011, whereas the Head of Compliance Division serves by M Jarot Eko Winarno. Both officials have passed the independence requirements and criteria as required by Bank Indonesia.

COMPLIANCE CHARTER

The compliance charter is stipulated based on the Decree of BRI's Board of Directors Nokep: S.223-DIR/DKP/10/2011 dated 25 October 2011 concerning BRI Compliance charter on Compliance functions covering independencies, authorities, composition, as well as duties and responsibilities of compliance division.

In strengthening the compliance functions, BRI has also concluded compliance policies, among others are: compliance culture application, prudence principles analysis, as well as Anti-Money Laundering (AML) and Counter-Terrorism Funding (CTF) program policies.

COMPLIANCE UNIT

Compliance unit is an independent working unit assigned to support duties of Compliance Director. Compliance Unit is a Compliance Division, comprises 3 groups: Credit Compliance group, Non-Credit Compliance group, and Know Your Customer group.

INDEPENDENCY

Compliance Functions referred to Bank Indonesia Regulation No. 13/2/PBI/2011 dated 12 January 2011 concerning the Implementation of Compliance Function in Commercial Banks. The Compliance Function in BRI is implemented by the Director of Compliance and Compliance Division. Director of Compliance and Head of Compliance Division have met the independency criteria set out by Bank Indonesia, and inter-relations with other operating units.

DUTIES AND RESPONSIBILITIES

As referred to Bank Indonesia Regulations, the duties and responsibilities of Corporate Functions are as follows:

1. To realize Compliance Culture across organization levels and business activities in BRI.

2. To manage Compliance Risk identified by BRI.
3. To ensure the policies, provisions, systems, procedures, and business activities of BRI are in accordance with Bank Indonesia regulations and prevailing laws and legislations.
4. To ensure BRI's compliance on the commitment made to Bank Indonesia and/or other relevant authorities.

COMPLIANCE FUNCTIONS IMPLEMENTATION

a. Compliance Culture

All employees of BRI are responsible to enact the Compliance Culture. In 2014, continuing the 2013 program, continuous socialization program across BRI's operating units were carried out to reinforce the Compliance Culture in BRI. In-class trainings were also conducted to enhance knowledge and internalize compliance, incorporated into BRI's staff development program.

Compliance Functions

b. Compliance Risk Monitoring

Related to this duty, the Compliance Division coordinates with Risk Management Division to identify, measure, monitoring, and control of compliance risks by referring to Bank Indonesia regulations concerning Risk Management Application for Commercial Banks. Compliance risk management effectiveness is presented in monthly Risk Profile Report.

c. Prudential Banking Principles Monitoring

Aims to ensure BRI's compliance to prudential banking principles enforced by Bank Indonesia and other relevant supervisory authorities. Activities in are as follows:

1. Prudential Principles Testing

Testing is performed on final drafts of policy and/ or decision which will be stipulated by BRI's Board of Directors concerning loans and non-loans. Test results in 2014 showed that, in general, the Board of Directors' policy and/or decision drafts that were tested have fulfilled prudential principles as described in prevailing external and internal regulations.

2. Testing Results Monitoring

A follow up of the foregoing testing activity, this activity aims to ensure the follow-up of policies and/or decisions remains consistent and in compliance with prudential principles.

3. Internal Policy Review

Conducted to ensure the policy stipulated by the Board of Directors and implemented internally, have conformed to the rules of prudential principles.

4. External Policy Resume

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 reference for operational units in their respective fields.

5. Gap Analysis of External Policy

The purpose of such analysis is 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 policies.

Compliance Functions

Activities	2014	
	Loans	Non Loans
Prudential Principles Testing	222	169
Monitoring	304	208
Response on Policy	8	42
Internal Policy Review	11	13
Resume & Dissemination of External Policy	44	54
Gap Analysis of External Policy	24	16

d. Monitoring of Bank's Commitment to Authorities

This activity aims to ensure fulfilment of BRI's commitment to Bank Indonesia, OJK, and other relevant authorities. The commitments may constitutes the audit findings or letters issued by Bank Indonesia, OJK, and/or other supervisory bodies. The monitoring results on the Bank's commitment fulfilment are reported in the Compliance Function Report submitted periodically to the Board of Directors, Board of Commissioners, and Bank Indonesia.

e. Refinement of Compliance System, Infrastructures and Policy

To ensure the effectiveness of existing compliance standards, Compliance Function consistently evaluates and, when necessary, updates the compliance toolkit.

Several updates carried out during 2014 were conceptions/updates on compliance checklist concerning review of the Board of Directors' policy/decision drafts on new products and activities, securities, counter guarantee, uncommitted credit line, Joint Vehicle Financing for consumer loans, and individual consumer loans.

Moreover, continuous enhancements and refinements of Compliance Dashboard are also conducted. The Dashboard is a tool developed by BRI to monitor BRI's compliance with regulatory requirements, and also to provide alert for related executive officers during decision or policy making. The dashboard monitors third party funds, derivatives, SID and LBU fines, NPL, CAR, Corporate Loans Portfolio, Medium, Retail, and Micro segments, and others.

Compliance Functions

AML-CTF Implementation

The Anti-Money Laundering (AML) and Counter-Terrorism Funding (CTF) activities in 2014 include:

1. Publication of Operational Handbook of AML and CTF Program Implementation at Operating Units, as stipulated in the Decree of BRI's Board of Directors Nokep S. 001-DIR/LYN/01/2014 dated 30 January 2014.
2. Enhancement of Anti Money Laundering (AML) and Countering Financing of Terrorism (CFT) system in BRI.
3. Monitoring and dissemination of AML and CFT Program Policy and Procedures:
 - a. On sites
 - i. Monitoring of AML and CFT Program Policy and Procedures in BRI's Operating Units based on sampling of each Regional Office.
 - ii. Specific material training of AML and CTF Program for instructors in BRI's Education and Training Centres (Pusdiklat) and Education Centres (Sendik), as well as on induction to new employees who will be associated with Know Your Customer principle, such as: Frontliners (Customer Service Officers and Tellers), FO (Funding Officers), and AO (Account Officers), and others.
 - b. Off sites
 - i. Material dissemination of AML and CTF Program through e-learning modules, to enable independent trainings by employees.
 - ii. Self Assessment of AML and CTF Program at BRI Operating Units through Bristars application.
 - iii. Assessment of AML and CTF Program at BRI's Operating Units sampling monitoring thorough e-diklat application.
4. Submission of updates plan and realization of BRI customers database, as well as Cross Border Correspondent Banking (CBCB).
5. Reporting obligations to PPATK on Suspicious Transaction Report (STR), Cash Transaction Report (CTR), and International Funds Transfer Instructions (IFTI).
6. Following up of external parties requests, among others from PPATK, KPK, BNN, Police, OJK, and others, on information/data, account freeze/opening, transaction delays, and temporary transaction freeze.

BANK'S COMPLIANCE LEVELS ON PREVAILING LAWS AND REGULATIONS

The Bank's compliance level is measured based on the compliance risk profile measurement conducted in 2014, with score 2 (low to moderate).

Compliance Functions

USA PATRIOT ACT

To fulfill the regulation of "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Act of 2001" (the "USA PATRIOT Act") established by the Government of the United States to prevent money-laundering and terrorism funding through foreign correspondent banks' accounts in US financial institutions. The Act requires all foreign banks that manage or plan to open correspondent accounts in the US to complete a standard form. To fulfil the USA Patriot Act requirement, BRI has completed foreign correspondent bank account certificate, which is accessible through BRI's website at www.bri.co.id. The certification applies for all accounts opened for BRI by Covered Financial Institutions.

EVALUATION OF COMPLIANCE FUNCTIONS EFFECTIVENESS

The compliance function report serves as one of the information media for the Board of Commissioners in conducting supervisory function on BRI's compliance. During 2014, the Board of Commissioners have evaluated BRI's compliance and submitted 9 recommendations to the Board of Directors.

COMPLIANCE FUNCTIONS QUALITY IMPROVEMENT

Going forward, to improve the quality of compliance functions and dissemination of Compliance culture across all levels of BRI's organizations, the Bank will continue to refine and complete compliance systems and policies, whilst intensively carries out the awareness regarding the importance of Compliance culture.

Participation in Compliance Director Communications Forum (FKDKP) of Bank BRI also serves as a communication tool with Compliance Function in other banks. Several activities under the forum are seminars, workshops, and trainings as well as other programs to promote Compliance function particularly in BRI.

Risk Management process is consistently implemented in all business activities and daily banking operations. Consistent risk management is a key factor to determine BRI's success in achieving its performance targets optimally in the pursuit to become a sound bank with sustainable growth. The Bank implements integrated enterprise-wide risk management that covers management of credit, liquidity, operational, market, strategic, compliance, reputational, and legal risks in accordance with Bank Indonesia regulations.

As stipulated in BI regulations, BRI applies three lines of defense concept. The first line of defense comprises business/operating units that undertake transaction activities with due observance to policies, limits and operating guidelines (BPO) applicable in their respective fields. The second line of defense comprises risk management unit that monitors the adequacy of BRI's risk management practices according to risk tolerance, and stipulates risk policies, guidelines, and limits of business/operating units independently. In addition, Risk Management Division carries out programs to raise risk awareness of the Operating Units, empowering them as the first line of defense, by promoting OPRA application that contains risk management process education and briefing leaders of operating units on risk management.

Internal Audit Unit forms the third line of defense that ensures adequate internal control exercised by the first and second line of defense. Internal Audit unit provides independent reports to President Director and Board of Commissioners.

Detailed discussion on Risk Management is presented in "Risk Management" sub-chapter under "Operational Review" chapter.

Internal Control System

REFERENCES

To implement effective and extensive internal control system, BRI refers to the following Bank Indonesia regulations:

1. Regulation of Bank Indonesia (PBI) No. 5/8/PBI/2003 dated 19 May 2003 concerning Risk Management Application for Commercial Banks, in lieu of PBI No 11/25/PBI/2009 dated 01 July 2009
2. Circular Letter of Bank Indonesia (SEBI) No 5/21/DPNP dated 29 September 2003 concerning Risk Management Application for Commercial Banks, in lieu of SEBI No 13/23/2011 dated 28 October 2011
3. Circular Letter of Bank Indonesia (SEBI) No 5/22/DPNP dated 29 September 2003 regarding Guidelines of Internal Control System Standards for Commercial Banks.

INTERNAL CONTROL SYSTEM FRAMEWORKS

BRI's internal control refers to international standard COSO ERM framework (Internal Environment, Objective Setting, Event Identification, Risk Assessment, Risk Response, Control Activities, Information & Communication, and Monitoring).

BRI applies internal control frameworks of COSO ERM standards to ensure the effectiveness of both operations and financial control

Through this effort, BRI aims to obtain adequate assurance in safeguarding the Bank's assets, ensure the availability of accurate reports, improve compliance on prevailing regulations, minimize impact of financial losses, breach including fraud, and violation of prudential banking principles. Internal control also enhances the organization's effectiveness and boost cost efficiency. Internal Control System is implemented in BRI to achieve the following objectives:

1. To ascertain the Bank's operational activities compliance with prevailing laws and regulations, including regulations from the government, banking supervisory authorities, and the Bank's internal policies, provisions, and rules.
2. To ensure the availability of accurate, complete, and timely financial and management information, especially relevant information required in decision-making.
3. To attain efficient and effective banking operations, by increasing effectiveness and efficiency of assets utilization and other resources, whilst protecting the Bank from risk of loss.
4. To enhance the effectiveness of risk culture that encompass all levels of the organization, particularly in terms of early identification of weakness and fraud, assessment of fairness, and improvement of relevant work procedures.
5. To minimize impact of loss, violations including fraud, and breach of prudential banking principles.

Internal Control System

INTERNAL CONTROL AND AUDIT

Internal audit implements assurances as well as independent and objective consultancies designed to generate added value and improve operations activities. Internal Audit supports the organization in its endeavours to realize its goals through systematic and regulated approaches to evaluate and increase risk management effectiveness, internal control, and governance process.

EVALUATION OF INTERNAL CONTROL SYSTEM EFFECTIVENESS

BRI continuously evaluates the effectiveness of internal control system implementation. Monitoring and mitigation of banking activities main risks are consistently a priority and part of Internal Control System daily activities, enacted both by operating units and Internal Audit Unit. BRI also continuously evaluates and monitors internal control system adequacy to accommodate the changing internal and external conditions related to business expansion and to improve effectiveness of Internal Control System.

Evaluation of internal control system implementation effectiveness primarily is implemented based on functional activities and core business processes. The evaluation is carried out on several interrelated control components, namely:

1. Control environment;
2. Identification, assessment, and Risk mitigation;
3. Control and separation of functions;
4. Information system, accounting and communications; and
5. Monitoring and correction on fraud/weaknesses.

The results of internal control system evaluation are then used as one of a basis for BRI's management to examine internal control implementation effectiveness and to determine improvement phases, system enhancements, or control policy that enables the Management to improve operations effectiveness while minimizing risks that may be detrimental to the Bank.

Monitoring and evaluation are further elaborated in various new policies such as Guidelines, Operating Manuals, or Work Instructions. Based on the examinations and discussions held during meetings of the Board of Commissioners, Committees, Internal Audit Unit, and several relevant divisions, BRI's internal control system was deemed adequate.

To respond to the rapid and complex business developments of Bank BRI, Internal Audit expanded its organizational structure by the establishment of audit functions in Branch Offices and BRI Units, called Resident Auditors. Resident Auditors carry out periodic and sustainable monitoring activities to ensure early risk detection in operating units.

Further, in order to minimize risk fraud, Bank BRI established Special Investigation operating unit that responsible to analyze red flags, analysing of risk fraud indicators regularly, as well as implemented investigation on fraud indications

Internal Audit

INTERNAL AUDIT FUNCTION

BRI's Internal Audit function is carried out by Internal Audit Unit (IAU) that responsible directly to the President Director. It also has direct communication line to the Audit Committee, to coordinate and administer any information relating to audit activities and audit results. Internal Audit Unit has a strategic role in supporting the aims and objectives of the Bank through systematic, orderly, and structured approaches in evaluating and improving the effectiveness of risk management, internal control, and governance process.

REFERENCES

Internal audit function implementation in BRI refers to the following prevailing regulations:

1. Decree of Chairman of Bapepam and Financial Institution No: KEP- 496/BL/2008 Dated 28 November 2008 Concerning the Establishment and Guidelines of Internal Audit Unit Charter Formulation.
2. Regulation of Bank Indonesia No.1/6/PBI/1999 Dated 20 September 1999 Concerning the Assignment of Compliance Director and the Application of Implementation Standard of Bank Internal Audit Function (SPFAIB).

3. Regulation of Bank Indonesia (PBI) Numver 5/8/PBI/2003 dated 19 May 2003 concerning Risk Management application for Commercial Banks, in lieu of PBI No 11/25/PBI/2009 dated 01 July 2009.

4. Circular Letter of Bank Indonesia (SEBI) No 5/21/DPNP dated 29 September 2003 concerning Risk Management Application of Commercial Banks, in lieu of SEBI No 13/23/2011 dated 28 October 2011.

5. Circular Letter of Bank Indonesia (SEBI) No 5/22/DPNP dated 29 September 2003 concerning the Guidelines of Internal Control System Standard for Commercial Banks.

6. Regulation of Bank Indonesia No.9/30/DPNP Dated 12 December 2007 Concerning Risk Management Application in Information Technology by Commercial Banks.

7. Regulation of Bank Indonesia Number 9/15/PBI/2007, dated 30 November 2007 and Circular Letter of Bank Indonesia Nomor 9/30/DPNP, dated 12 December 2007 concerning Risk Management Application in Information Technology by Commercial Banks.

8. Circular Letter of Bank Indonesia Number 13/28/DPNP, dated 9 December 2011, concerning Anti Fraud Strategy Implementation for Commercial Banks.

Including other related external regulations.

In addition, the following are best practices that also applied as the references:

1. The Internal Audit Function In Bank - Basel Committe On Banking Supervision;
2. International Standards For The Professional Practice of Internal Auditing of Internal Auditing (Standards);
3. Practice Advisories Under International Professional Practice Framework (IPPF);
4. Consortium of Indonesia Internal Audit Profession Organization 2004. Internal Audit Profession Standards, Jakarta. Internal Audit Education Foundation;
5. Final Document "The Internal Audit Function In Bank" Basel Committe On Banking Supervision, June 2012;
6. International Standards For The Professional Practice of Internal Auditing of Internal Auditing (Standards), Revised October 2010.

INTERNAL AUDIT CHARTER

BRI Internal Audit has the Internal Audit Charter which stated in the Decree of the Board of Directors Nokep.S.53-DIR/AIN/07/2008 dated 28 July 2008 Concerning Internal Audit Charter as well as Internal Audit Policy and Procedures of BRI and renewed in the Joint Decree

of the Board of Commissioners and Board of Directors Nokep.B.802-DIR/AIN/11/2013 Dated 22 November 2013 Concerning Internal Audit Charter of PT.Bank Rakyat Indonesia. The Internal Audit Charter is established to feature and provide guidelines on objectives, authorities, responsibilities and scopes of internal audit work in the organization.

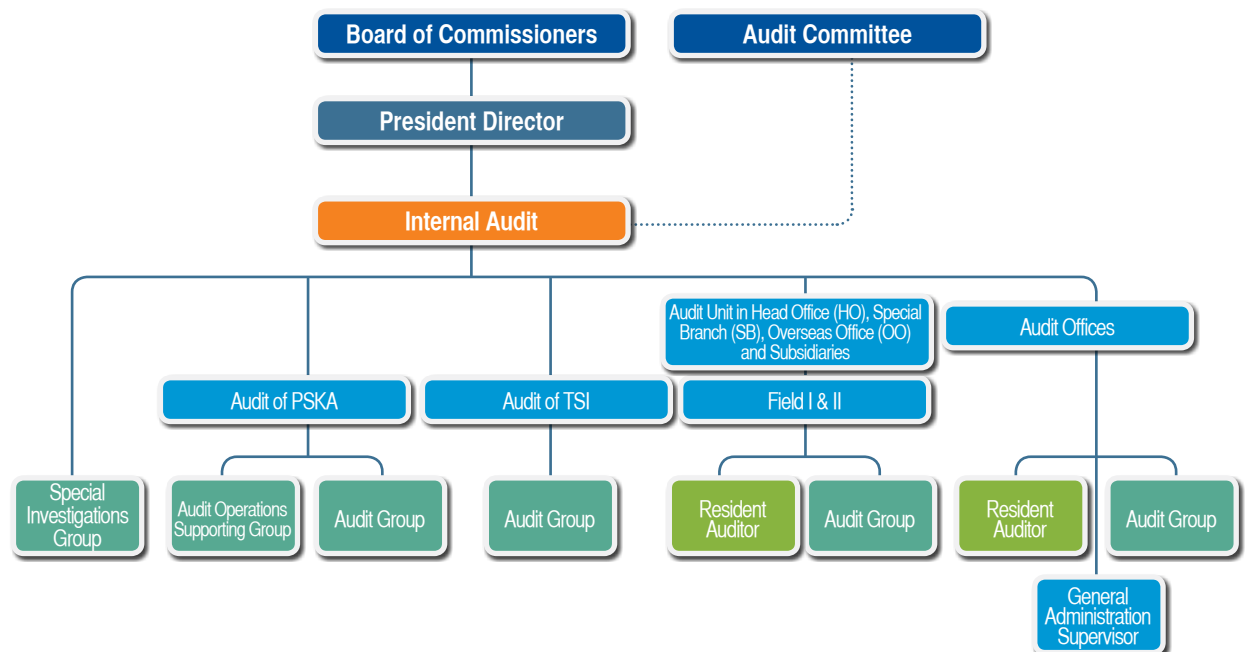
Internal Audit Charter consists of aspects related to the vision, mission, attributes, auditor code of conduct, structures, roles, functions, duties, responsibilities, authorities, audit scopes, independencies, objectivities, professional requirements, communications and reporting, and internal audit function implementation through outsourcing, quality assurance and improvement program, as well as policy and procedures applied by the Auditor as the reference in conducting its functions.

ORGANIZATIONAL STRUCTURE AND COMPOSITION

Organization Structure

Structure and composition of Internal Audit are regulated in:

1. Decree of BRI Internal Audit Organization Structure Nokep. S.129-DIR/REN/08/2012 dated 9 August 2012 concerning the Internal Audit Organization of PT. BRI (Persero) Tbk.
2. BRI Internal Audit Charter No.S 53-DIR/AIN/07/2008 dated 28 July 2008.



Internal Audit

BRI Internal Audit is structurally under direct supervision of the President Director and has the communication lines with the Audit Committee (Board of Commissioners). Internal Audit duties include independent and objective assurance and consultation designed to provide added value and improve operations activity. Internal Audit assists objectives achievement of organization, through systematic and regulated approaches to evaluate and improve the effectiveness of risk management, internal control and governance process.

Composition

Although structurally placed under the direct supervision of President Director, Compliance Director holds full responsibility for BRI's Internal Audit operations in accordance with the authority, and has communication line with the Audit Committee (Board of Commissioners). This enables the Head of Internal Audit Unit to communicate directly with the Audit Committee, presenting/reporting any issues relating to the audit activities.

The structure of BRI Internal Audit is composed of Delivery Audit Unit and Support Audit Unit, with the following details:

1. Delivery Audit Unit Functions are:

a. Information System Technology (IST) Audit Function

The function of IST Audit (Information System Technology - IST) covers audit scopes of operating units that involved in IST management process and utilization, operations of Core and Non Core Banking application, IST infrastructure operations on DC, DRC and all Operating Units, information security, applications, IST infrastructures, strategy, policy, risk management and supports, and others.

b. Audit Function in HO/SBO/ OO & Subsidiaries

The function of Audit in HO/ SBO/OO & Subsidiaries covers audit scopes on Operating Units at Head Office, Special Branch Offices, Overseas Offices, and Subsidiaries.

c. Inspection Offices Audit Function

The function of Inspection Offices Audit has audit scopes on Regional Offices, Branch Offices, Sub-Branch Offices, and BRI Units.

d. Investigations Audit Function

Specifically, the function of Investigations Audit are enacting unlimited scope of audit.

2. Support Audit Unit Function in PSKA

To review Internal Audit organization, development of audit policies, procedures and tools, enhancement of audit quality, as well as designing of both softwares and hardwares in accordance with Internal Audit rules and best practices.

To support these functions, Bank BRI has 19 Delivery Audit Unit (operating unit engages in audit activity) throughout Indonesia, with the duties to initiate audit in Regional Offices and its Operating Units.

NOMINATION HEAD OF INTERNAL AUDIT

Internal Audit is led by the Head of Internal Audit, which was appointed and terminated by the President Director following the approval of the Board of Commissioners, as stipulated in PBI No 1/6/PBI/1999 Concerning The Assignment of Compliance Director and The Application of Internal Audit Function Standard Implementaiton in Commercial Banks. In addition, BRI Internal Audit Charter is also stipulated in the Joint Decree of the Board of Commissioners and Board of Directors Nokep. B.802-DIR/ AIN/11/2013 Dated 22 November 2013 Concerning the Internal Audit Charter of PT Bank Rakyat Indonesia (Persero) Tbk, which firmly stated the appointment and dismissal of Head of Internal Audit by President Director following the approval of the Board of Commissioners and be reported to Bank Indonesia and Financial Services Authority.

Internal Audit

Up to the end of 2014, Ali Mudin holds the position of Head of Internal Audit. Complete profile can be viewed in the section of "Company Information".

BRI Internal Audit is supported by qualified auditors with competencies that are well-suited with requirements, scope of control, and knowledgeable risk profile of each audit field.

HUMAN RESOURCES AND INTERNAL AUDIT QUALIFICATIONS

Internal Audit Unit (IAU) continuously strives to provide services performed by skilled auditors with competencies that are well-suited with requirements, scope of control, and risk profile of each audit field.

Up to 31 December 2014, the composition of Internal Audit HR are consisted of 1 Head of Internal Audit, 19 Inspectors, 25 Deputy Inspectors, 2 Section Head, 80 Group Head, 687 Auditors (covering Senior Auditors, Auditors, Junior Auditors, and Associate Auditors). Internal Audit also has 445 Resident Auditors of Branch Offices, and 1,210 Resident Auditor Units.

Position	Total Employees
Head of Internal Audit	1
Section Head	2
Inspectors	19
Deputy Inspectors	25
Group Head	80
Section Head	1
Junior Staffs	1
SUB TOTAL	129
Senior Auditors	19
Auditors	61
Junior Auditors	85
Associate Auditors	522
SUB TOTAL	687
Resident Auditors of Branch Offices	445
Resident Auditors of Units	1,210
SUB TOTAL	1,655
TOTAL	2,471

Internal Audit

Certifications

To ensure excellent implementation of audit duties, several of professional auditors supporting BRI Internal Audit obtained the national and international certifications, as follows:

Certifications	Total Employees
Certified Fraud Examiner	9
Qualified Internal Auditor	12
Certified Information System Auditor	3
Certified Ethical Hacker	1
Certified Data Center Professional	1
Certified Forensic Security Specialist	1
IT Governance	1
Total	28

Meanwhile, the following are qualifications of formal education based on position level:

Qualifications of BRI Internal Auditors

Position	S3	S2	S1	D3/D2/D1	High Schools	TOTAL
Head of IAU	-	1	-	-	-	1
Inspectors	1	13	5	-	-	19
Deputy Inspectors	-	13	12	-	-	25
Section Head	-	2	-	-	-	2
Group Head/ Section Head	-	45	36	-	-	81
Junior Stafs	-	-	1	-	-	1
Auditors	-	27	655	4	1	687
Resident Auditors of Branch Offices	-	18	427	-	-	445
Resident Auditors of Units	-	18	897	93	202	1,210
Total	1	137	2,033	97	203	2,471

1. Expertise Requirements

BRI Auditors in general are required to have expertise in "Core Hard Competency" such as General Auditing, IT Auditing and Risk Management with deeper understanding as follows:

Internal Audit

Auditor Level	Core Competencies of General Auditor		Core Competencies of Auditor IT	
	General Auditing	Risk Management	General & IT Auditing	IT Risk Management
Group Head	4	4	4	4
Senior Auditors	4	4	4	4
Auditors	3	4	3	4
Junior Auditors	3	3	3	3
Associate Auditors	3	2	-	-
Senior Resident Auditors	3	3	-	-
Resident Auditors	3	3	-	-
Resident Auditor Units	3	3	-	-

Description of hard competency expertise level:

- a. Level C1 : Knowledge
- b. Level C2 : Comprehension
- c. Level C3 : Application
- d. Level C4 : Analysis
- e. Level C5 : Synthesis
- f. Level C6 : Evaluation

DUTIES AND RESPONSIBILITIES

Duties and responsibilities of Head of Internal Audit

1. Head of Internal Audit effectively and efficiently manages Internal Audit function, ensuring that internal audit is able to provide added value for BRI.
2. Head of Internal Audit is responsible to create audit plan, direct audit activities, implement audit, control and provide audit guidance, and evaluate existing procedures in order to generate assurance that BRI's goals and objectives will be optimally fulfilled.
3. Head of Internal Audit reports periodically to the President Director.

Duties and responsibilities of Internal Audit

The duties and responsibilities of BRI Internal Audit as stipulated in the Internal Audit Charter are as follows:

1. Internal Audit is directly responsible to the President Director.
2. To assist the President Director and President Commissioner in their supervisory duties by providing details in operations manner with regards to audit planning, execution, and findings.

Internal Audit

3. Analyze and assessment of finance, accounting, operations and other activities, through direct audit and indirect monitoring.
4. Identify possibilities for improvements and enhance efficiency of resources and fundings.
5. Recommendation on improvements and objective information on audit in all level of management.
6. In implementing its duties, Internal Audit shall submit reports to the President Director and President Commissioner.
7. Ensure the quality implementation of adequate and effective management duties on risk management, internal control system, and corporate governance.
8. Audit and evaluate Bank BRI Work Plan implementation to ensure BRI business activities are executed properly and pursuant to stakeholders' expectation.
9. Timely submission of audit findings to internal and external parties based on prevailing policies, regulations and procedures.
10. Maintain good relations with the Auditees, External Auditors and third parties in the Internal Audit work implementation.

AUDIT METHODOLOGY

BRI implements risk-based internal audit (RBIA) methodology with business process approach. RBIA is implemented in phases based on risk management maturity corporate-wide. The methodology identifies business processes and units projected to have more significant risks in the Bank's target achievement, thus are prioritized for audit. Therefore assuring that risk potentials are minimized according to the Bank's risk appetite. To ensure efficiency and effectiveness of risk-based audit, and to enhance audit role as Strategic Business Partner (SBP), IAU uses Computer Assisted Audit Techniques (CAATs) to perform data analysis.

AUDIT EVALUATION

To ascertain audit implementation quality, the quality assurance is implemented through both internal and external quality assurance reviews. The quality assurance by external party is done by PT. SGS Indonesia through surveillance ISO 9001. There were no major or minor surveillance findings on ISO 9001:2008 through visitation of 2/2012 by PT SGS Indonesia.

Implementation of work effectiveness and compliance to the Bank Internal Audit Function Standard (SPFAIB) is evaluated by External Auditor (in 2011, evaluation was conducted by PriceWaterHouseCoopers), with results that BRI's Internal Audit function has been able to perform its roles according to the set standards and received **"good practices"** predicate, compared with its peers.

AUDIT ACTIVITIES

BRI Internal Audit duties and responsibilities comprised the implementation of audit activities across BRI's line of management, as outlined in the audit scope under the Annual Audit Plan approved by President Director and President Commissioner. The Plan consisted of Regular Audit activities carried out in all Lines Management, as well as Special Audit, Surprise Audit, and Mandatory Audit. Scope of audit is established based on risk assessment results.

Regularly, Internal Audit monitors the enactment of management's commitment in order to improve internal control weaknesses within agreed schedule. Internal Audit also provides opinion on the adequacy of improvement follow-up by the management, by issuing statement letter of ADEQUATE or IN-ADEQUATE.

Monitoring of Control Improvement

Monitoring of control improvement on 549 operating units that has been audited during 2013, are as follows:

No	Monitoring on Control Improvement 2013	Operating Units	%
1	Adequate	527	95.99%
2	In-Adequate	7	1.28%
3	In Monitoring Process	15	2.73%
TOTAL		549	100%

Notes: The Bank has included 7 (seven) Operating Units with in-adequate results to the audit scope in 2014.

Monitoring of control improvement on 563 operating units that has been audited during 2014, are as follows:

No	Monitoring on Control Improvement 2014	Operating Units	%
1	Adequate	285	50.62%
2	In-Adequate	4	0.71%
3	In Monitoring Process	274	48.67%
TOTAL		563	100%

Notes: The Bank has re-reviewed 4 (four) Operating Units with in-adequate results, on the Management Improvement Plan which had been submitted to the Inspection Office.

Coordination with External Auditors

The audit of BRI financial data accuracy and operations also conducted by external auditors, namely Bank Indonesia (BI), the Audit Board of the Republic of Indonesia (BPK) and Public Accountant Firm. During the examination process by external auditors, Internal Audit undertakes the role as liaison officer to coordinate audit process and to monitor the corrective actions taken by related operating units as a follow up of external auditors' findings.

The purpose of the monitoring process is to ensure the follow up of management in improving the internal control weaknesses identified by external auditors.

Internal Audit

QUALITY ENHANCEMENT

To enhance audit quality and efficiency, BRI has developed strategic plan for Internal Audit, consisting of:

1. Internal Business Process Improvement

Efforts taken to improve internal business process encompass the following:

- a. Updating BRI Internal Audit strategy to align with BRI's vision, mission, and strategy as well as the maturity of risk management implementation.
- b. Preparing continuous review on Internal Audit practices as a basis to refine Internal Audit Guidelines through seminars, benchmarking, and other sources.
- c. Reviewing Internal Audit Guidelines according to regulations and best practices.
- d. Formulate and establish Operational Handbook for:
 - Audit Unit – Delivery Audit
 - Audit Unit – Non Delivery Audit
- e. Formulating and updating Audit Program (manual control outside of IT business process) to ensure availability of audit implementation technical guidelines that are consistent with prevailing regulations and targets.

f. Preparing parameter updates (Key Risk Indicators) on assessment units and developing new monitoring or anomaly data indicators (transactions) patterns to support continuous auditing through Electronic Data Centre.

g. Implementing quality assurance review (QAR) on audit in all Delivery Operating Units, to ascertain effective and efficient audit implementation and other organization activities by Internal Audit, and that in accordance with the Policy and Procedures of both Internal Audit and BRI as a whole.

h. Implementing ISO 9001:2008 surveillance visits 5 and Re-certification of ISO 9001:2008 for the fifth period from 2014 to 2017.

i. Compiling results of customer satisfaction survey (CSS) from auditees and report the end results to all Operating Units.

j. Reviewing the conformity of BRI Internal Audit function with SPFAIB and quality assurance review (QAR).

2. Information System & Technology Development

To improve Risk Based Audit quality and efficiency, through the following programs:

a. Audit Management System Application (BRISMA) development, which integrates audit process from Annual Audit Planning (PAT), individual audit planning, implementation of individual audit plan, reporting, and documentation. Enhancements include:

- BRISMA audit management system application evaluation
- BRISMA application development
- BRISMA data reference updates
- BRISMA User Forum implementation

b. Management of Users and Audit Application Operations

c. Implementation and Dissemination of Audit Intern Electronic Register (AER) Application. This application handles IT infrastructure (hardware) inventory available in each audit office.

d. Dissemination of BrideX 2.0 Application as analytical tools, to identify risk indicators improvement.

e. Continuous development of Electronic Data Centre (EDC) phase III for auditors. EDC handles centralized data processing for audit. The findings of EDC data processing can be accessed by each auditor according to each audit areas.

Internal Audit

Auditors with raw data that requires processing (ad hoc processing) may utilize BrideX, an offline application that handles data process with decentralized approach.

- f. Manual control formulation for IT infrastructure business process. Manual control serves as guidelines that provide minimum phases for audit implementation.

3. Learning & Growth

Programs with respect to Internal Audit staff's quantity and quality are:

- a. Periodically fulfil the Internal Audit structure in accordance with the established formation, through various HR fulfilment strategies.
- b. Improve auditors' competence through sustainable education that is expected to generate proportional guidance to auditors in their duty implementation.
- c. Career development for audit staff members.

4. Policies, Procedures and Guidelines to Support Internal Audit Implementation

- a. Letter of Internal Audit No. B.08-AIN/SKA/05/2014, dated 16 May 2014, concerning AIN Electronic Register (AER) Application.

- b. Letter of Internal Audit No. B.942-AIN/SKA/07/2014, dated 14 July 2014, concerning Standard Operating Procedures (SOP) of BRISMA's HO.

- c. Letter of Internal Audit No. B.1057-AIN/SKA/08/2014, dated 13 August 2014, concerning Laptop Maintenance Guidelines.

- d. Letter of Internal Audit No. B.1158-AIN/SKA/09/2014, dated 8 September 2014, concerning Supervision Guidelines of Auditor Team - Delivery Audit Function.

- e. Letter of Internal Audit No. B.1157-AIN/SKA/09/2014, dated 8 September 2014, concerning Supervision Guidelines of Resident Auditors of Branch Offices.

- f. Letter of Internal Audit No. B.1159-AIN/SKA/09/2014, dated 8 September 2014, Supervision Guidelines of Resident Auditors of Units.

- g. Letter of Internal Audit No. B.1273-AIN/SKA/10/2014, dated 3 October 2014, concerning Guidelines Manual of BrideX – BRI Data Extractor.

- h. Letter of Internal Audit No. B.1374-AIN/SKA/10/2014, dated 24 October 2014, concerning Implementation Guidelines of Quality Assurance Assessment of Resident Auditors of Branch Offices.

- i. Letter of Internal Audit No. B.1375-AIN/SKA/10/2014, dated 24 October 2014, concerning Implementation Guidelines of Quality Assurance Assessment Resident Auditors of Units.

EXTERNAL AUDITORS AND COMPANY ACCOUNTANTS

The monitoring on BRI is implemented by BRI's internal auditors as well as external auditors, such as Bank Indonesia, Indonesian Audit Board, and Public Accountant Firm.

Appointment of Public Accountants

Pursuant to GMS resolutions dated 26 March 2014, based on the Board of Commissioners' Decree No B.101- KOM/07/2013 dated 31 July 2013 regarding the Appointment of Public Accountant Firm for Financial Statements' General Audit, BRI has appointed Purwantono, Suherman dan Surja - Ernst and Young (PSS-EY) Public Accountant Firm, one of the big four Firms of international scale to audit BRI's 2014 financial statements. This was the fourth appointment Public Accountant Firm to carry out BRI's financial statements audit.

Internal Audit

The appointment was made after taking into consideration the Public Accountant Firm's evaluation results by the management and recommendation from the Audit Committee. Prior appointment of the Public Accountant Firm was for the fiscal years 2011, 2012 and 2013.

Firm		Audit Periods
Public Accountant Firm	KAP Purwantono, Suherman & Surja (Ernst & Young Global) Gedung Bursa Efek Indonesia Tower 2 Lt. 7 Jl. Jendral Sudirman Kav 52-53 Jakarta	4 year (2011-2014)

The appointment of Public Accountant Firm was conducted according to prevailing regulations and selected through limited auction/tender process based on the Firm's fulfilment of the following criteria:

1. Experienced as banking auditors.
2. Comprehension of Indonesian banking regulations, public companies regulations, as well as other relevant regulations.
3. Experienced and proper knowledge of banking application and technology systems.
4. Knowledge in banking products.
5. Experienced and proper knowledge of risk management.

Other internal regulation applied in reference to appoint the Public Accountant Firm is the threshold of maximum 5 (five) consecutive audit period, and with the same partner for 3 (three) consecutive financial years.

Service Fees

The service fee paid by BRI to PSS-EY Public Accountant Firm amounted to **Rp6,775,000,000** (Six Billion Seven Hundred Seventy Five Million Rupiah), including 10% (ten per cent) VAT and other related taxes. The fee has included out of pocket expenses (OPE), which covered expenses for branch visits in Indonesia and audit on financial statements of branch offices and overseas offices. The services rendered were solely financial auditing services.

The assignment has met the prevailing requirements and fulfilled Bank Indonesia Regulation No.3/22/ PBI/2001 dated 13 December 2001 in lieu of Bank Indonesia Regulation PBI No: 7/50/ PBI/2005 dated 29 November 2005 concerning the Financial Condition Transparency of Banks and BI Circular Letter No: 3/32/DPNP/IDPnP dated 14 November 2001 concerning the Relationship Between Banks, Public Accountants, and Bank Indonesia.

The appointed Public Accountant Firm has submitted audit findings and management letter to the Bank in timely manner. The Public Accountant has also performed its duties independently and has fulfilled all agreed criteria.

The opinion of Public Accountant Firm Purwantoro, Suherman & Surja - Ernst & Young during 3 (three) Year

NO	Year of Auditor Independent Reports	Opinion
1	2012	Pursuant to our audits and other auditor independent reports, which was presented fairly in all material respects, the comprehensive statements of financial position of BRI and subsidiaries for the years ended 31 December 2011 and 2010, and business performance as well as cash flows for the years ended at the said date, in accordance with Financial Accounting Standard in Indonesia.
2	2013	Pursuant to our audits and other auditor independent reports, which was presented fairly in all material respects, the comprehensive statements of financial position of BRI and subsidiaries for the years ended 31 December 2012, 2011 and 2010, and business performance as well as cash flows for the years ended at the said date, in accordance with Financial Accounting Standard in Indonesia.
3	2014	Consolidated financial statements, which was presented fairly in all material respects, consolidated of comprehensive statements of financial position of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries for the period of 31 December 2013, 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.

External Audit Findings

- Audit Findings of Financial Statements Fiscal Year 2011
From the total 34 (thirty four) audit findings, 31 (thirty one) findings are rendered COMPLETED (C) and 3 (three) with Monitoring (M) status, in which currently under settlement process by relevant operating units.
- Audit Findings of Financial Statements Fiscal Year 2012
From the total 38 (thirty eight) audit findings, 28 (twenty eight) findings are rendered COMPLETED (C) and 10 (ten) with Monitoring (M) status, in which currently under settlement process by relevant operating units.
- Audit Findings of Financial Statements Fiscal Year 2013
From the total 33 (thirty three) audit findings, 23 (twenty three) findings are rendered COMPLETED (C) and 10 (ten) with Monitoring (M) status, in which currently under settlement process and follow up by relevant operating units.

Code of Conducts

THE EXISTENCE OF CODE OF CONDUCTS

BRI Code of Conduct describes basic principles of personal and professional behaviour expected of BRI employees when carrying out their duties. This constituted as reasonable, appropriate, and trustworthy principles for all BRI employees. The Code of Conduct applies for all BRI employees in all levels of organization.

Every employee of BRI is responsible to uphold the Code of Conducts within each behaviour, therefore it would not be detrimental to the Bank's image, as it portays BRI's business ethic.

Since its conception in 2003, BRI's Code of Conduct policy has been updated in 2010 and refined in 2013 through Joint Decree of BRI's Board of Commissioners and Board of Directors Number 06-KOM/BRI/12/2013 and Number S.65-DIR/DKP/12/2013 dated 16 December 2013. The Code of Conduct implementation is accompanied by policies on gratifications, Whistleblowing System (WBS-BRI) mechanism as a reporting channel for code of conduct breach, and BRI Disciplinary Rules that stipulates types of breach and mechanism for resolution.

CODE OF CONDUCT COMMITMENT

BRI's Code of Conduct applies to all employees throughout the organization. The principles defined in the Code of Conduct are continuously and sustainably applied in the daily attitude, practice, commitment, and formal policies to support the company culture that promotes highest moral and integrity standards when carrying out the operations duties.

CODE OF CONDUCT ELEMENTS

Every employees of BRI are responsible to uphold the Code of Conduct in their behaviours that would not be detrimental towards each other or the Bank, as the employees' conducts are reflected on BRI business ethics. The elements of BRI's Code of Conduct are:

1. Compliance on Laws and Bank's Policy

In all of its business endeavours, the Bank is committed to comply with prevailing laws and regulations. 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's is committed to improve customers' satisfaction and loyalty by providing banking products and/or services that meet the customers' needs, with due observance to prevailing regulations.

BRI's employees uphold the values of honesty and transparency in providing services to customers. These are the underlying principles of the Bank's employees' dedication to customers and to ensure customers' loyalty to the banking products and/or services offered by the Bank.

- b. Code of Conduct towards Partners

BRI's is committed to conduct relationships with its Partners on the basis of legitimate and reasonable business practices, and providing optimum benefits for the Bank by highly adhering to prevailing legislations.

BRI's employees highly uphold professionalism by constantly prioritizing the Bank's interests over personal or other parties' interests.

BRI's employees ensure that all Partners comply with the Bank's policies and prevailing regulations, as well as agreed to safeguard any confidentiality in their relationship with Bank, unless a disclosure of confidentiality has been recognized and approved by the Bank.

Code of Conducts

c. Competitors

BRI strives to maintain sustainable business growth based on prudential banking principle by maintaining professionalism as well as sound and competitive competition.

The Bank's employees highly uphold the principle of fair competition in carrying out business activities, by positioning competitors as impetus to performance improvement.

d. Regulators

BRI is committed to fulfill obligations and requirements as established by banking regulators and other relevant authorities

The Bank's employees are committed to build proper communications with banking regulators and other relevant authorities, based on ethical standards and prevailing regulations.

e. Shareholders

BRI is committed to generate positive and optimum return for shareholders.

The Bank's employees highly adhere to transparency and accountability principles in reporting activities, thereby the reports are viable as a basis of considerations during decision-making processes.

3. Communities and Environment Relations

BRI is committed to uphold local wisdom, to generate benefit, and to contribute to environmental conservation in areas where the Bank operates. Maintain good rapport with local communities is fundamental to the Bank's success and key to maintaining customers' loyalty and trust.

BRI's employees are committed to be exemplary citizens in any areas where they are assigned. This is part of the endeavours to expand the Bank's business growth with respect to empowering people's economy

4. Employees Relations

a. Code of Conduct towards Employees

BRI is committed to provide equal opportunities to all employees, to take active participation in realizing the Bank's vision and mission without discrimination, based on equality and mutual trust.

BRI employees shall actively participate in realizing the Bank's vision and mission by duly performing their duties and responsibilities to increase productivity and performance.

b. Code of Conduct among Employee

BRI is committed to create a conducive environment to improve work productivity by outlining a set of ethics to interacting among peers.

The Bank's employees highly uphold ethics to care, value and respect each other.

5. Information Confidentiality

a. Customer Information Protection

BRI is committed to protect the public's trust in order to sustain the Bank's business.

The Bank's employees uphold the ethics and obligations to protect all customers' information from external parties.

b. Internal Information Policy

BRI's employees highly uphold the ethics in respect of dissemination of BRI's internal information that may only be disclosed to relevant parties in accordance with prevailing rules. The Bank's employees shall safeguard the Bank's internal information.

Code of Conducts

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 is committed to establish and to enact policies pertaining to conflicts of interests 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 themselves and the Bank, the Bank's customers, or any third parties, from which the Bank may incur losses or impaired gain.

During any decision-making processes, the Bank's employees must be free of personal or certain parties' influence, which may, knowingly or otherwise, impair their judgment to take decisions in the best interests of the Bank.

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 not to contribute their time, money, or personal resources for political activities.

9. Gratifications

The Bank is committed to prohibit the Bank's employees from seeking or receiving any forms of gratifications that are not in accordance with prevailing regulations.

The Bank's employees highly uphold the ethics to restrain from seeking or receiving any forms of gratifications for personal gains or for the advantage of employees' family members.

Gratifications referred to herein are provisions in general from any third parties or customers to the Bank's employees.

ENFORCEMENT CODE OF CONDUCT

Efforts to implement and enforce BRI's code of conduct are performed deliberately and continuously by means of the following actions, commitment, and policies:

1. Compliance Statements

For effective implementation of Code of Conduct, all BRI's employees shall read and understand well, and shall sign the "Compliance statement of BRI's employees on Code of Conduct".

2. Management Commitment

The affirmation of BRI's Management's commitment on the prohibition of receiving and or requesting gratifications or gifts in any shapes or reasons, from the customers, debtors, and partners or other third parties. The affirmation was published in mass media and BRI's website.

3. Anti Fraud Commitment

Anti Fraud Commitment serves as the basis in formulation of policies, rules, or applicable regulations in BRI operations activity, covering GCG principles application, Risk Management and Internal Control System.

Code of Conducts

The formulation of Anti Fraud statement is enacted by developing 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 unit shall made and/or renewed the employees' Anti Fraud Commitment, at minimum once a year at the Performance Improvement Forum (FPK).

4. Integrity Pact

In cooperation relations with partners for goods and/or services procurement, the parties shall made and signed the integrity pact as the commitment to enact GCG principles in the implementation of the cooperation.

The 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 Conflicts of Interests

Operating units shall disclose the transactions that contain conflicts of interests by detailing name and position of the person with conflicting interests, name and position of the decision-makers that approve transaction that contain conflicts of interests, types of transaction, value of transaction, and other description as required. In addition, every employees shall complete the Annual Disclosure with respect to conflicts of interests at every end of the year in accordance with BRI's internal policy.

6. Reward and Punishment Policy

BRI has formulated policies concerning compensation and benefits strategy, defined according to the Bank's policies and ability, with due observance to prevailing laws and regulations. Aside from providing compensation and benefits, the Bank also consistently applies disciplinary rules. Discipline enforcement is deemed necessary to encourage employees performance of duties and responsibilities and to create sound and conducive work environment.

7. Dissemination

BRI's Code of Conduct induction program is provided for all new BRI's employees through education program held in BRI's education centres, while policies are continually and consistently disseminated.

In addition, code of conduct dissemination are also promulgated across all BRI's operating units, among others encompassing anti-fraud strategy, work culture, risk awareness culture, compliance culture, and service culture.

Corporate Culture

BRI CORPORATE CULTURE

The implementation of BRI Work Culture Revitalization is formulated into 5 Core Values or work culture called BRILiaN. This is served as an important value that becomes the guidelines for employees' code of conducts, both in relations with customers, with fellow employees, the management, as well as other external parties. This value also served as BRI work culture covering the following group of values:

1. Integrity
2. Professionalism
3. Outstanding Role model
4. Customer Satisfaction
5. Awards to HR

Ten Principles of Employees Conducts

1. Honesty, trustworthy and obedient towards rules
2. Strives to maintain both personal and company's honor and good name
3. Excellent, prudent, discipline and responsible
4. Moving forward oriented
5. Act as a role model with big heart
6. Firm in following up frauds
7. Providing excellent services by remaining to take into account the company's interests
8. Skilfull, friendly, happy to serve
9. Treating employees in an open, fair and mutual respect
10. Develop teamwork in synergy creation for the company's interests

To support company plan as stipulated in "Corporate Planning" BRI, in 2014 BRI continues the Revitalization of Work Culture that has been enacted since 2013. The following are scopes of Work Culture Revitalization:

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 programs is in accordance with the corporate culture annual time schedule which became regular agenda of BRI Work Culture, and it is used to communicate the implementation of BRI work culture.

The work culture revitalization programs consist of two programs, namely BRI Work Culture Internalization Program to all BRI employees through performance improvement activities of the company and BRI work culture externalization program. The work culture internalization program is aimed to support the company's strategy achievement that was organized after the Forstra

(Strategic Forum) held in Head Office and Communication Forum in Regional Offices. The programs are as follows:

- a. Performance Improvement Forum (FPK)
- b. Focuss Group Discussion (FGD)
- c. Family Gathering (FG)
- d. Change Agent Forum (CAG)
- e. The Best Change Agent
- f. Mentoring of New Employee (PPB)
- g. Innovation Day (InnoDay)

BRI work culture externalization program aimed to introduce working culture to external parties through socialization and publication activities. The programs are as follows:

- a. BRI Communities (BRIComm)
- b. Bussiness Gathering
- c. Social Activity (BRI Peduli)
- d. Religious and Educational Activity

One of the new concept was 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 internalization and externalization are conducted annually, from Strategic Forum in head office, then Communication Forum in Regional Offices, to Performance Improvement Forum in every Operating Unit across Indonesia.

Corporate Culture

Currently BRI Work Culture Revitalization has been commencing at BRI Head Office and further will be organized in every BRI's operating unit throughout Indonesia.

In 2014, BRI conducted work Culture Revitalization among others were:

- a. Work Culture Internalization and Externalization Program implemented based on the Corporate Culture Annual Time Schedule
- b. Restipulation of Change Agent (CA) in all BRI's Operating Units with the ratio one CA is accountable for 8-10 employees (friends)
- c. Training of Trainers to all CA Coordinators in all operating units of BRI
- d. Innovation Day (InnoDay). The competition of innovation ideas for all BRI's employees to provide active contribution opportunity for the company's growth.
- e. Implementation of indicators and measuring tools of BRI Work Culture by BRI's CA, in every BRI's Operating Unit across Indonesia.
- f. Application of communication media and social media for BRI Work Culture internalization and externalization.

COMPLIANCE CULTURE

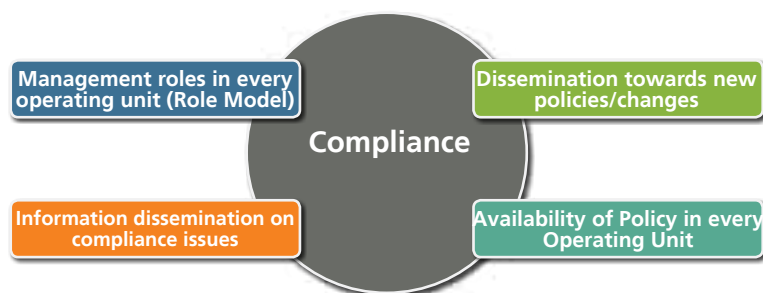
The compliance culture is stated in BRI's Board of Directors Policy, which binds all elements of BRI's employees. The statements are as follows:



The pillars of compliance culture development in every BRI's employee in all Operating Units throughout Indonesia, are as follows:

- a. Management roles in every working unit (Role Model)
- b. Dissemination towards new policies/changes
- c. Availability of Policy in every Operating Unit
- d. Information dissemination on compliance issues, as illustrated below.

Corporate Culture



As the continuation of previous year socialization program, every operating unit shall conduct continuous socialization on BRI compliance culture application. The roles of each employee are to ensure the alignment of values, behaviours and conducts with the external and internal policies, and commitment to regulators, as well as active in information dissemination on compliance issues. The head of operating unit shall have the commitment and be a role model in the application of compliance culture to all his/her elements. In addition, policy in every operating unit shall be available as the reference in supporting the duties implementation.

BRI SERVICE CULTURE

Service culture serves as important values which constituted as customers expectation for the guidelines of code of conduct in customers relations, both externally and internally.

Following the Kick Off of Service Culture in 2012 as part of BRI work culture revitalization, BRI re-enforced the joint commitment to provide excellent services as the point of culture in all operating units, through the following activities:

a. Service Culture Internalization

Service culture serves as important values which constituted as customers expectation for the guidelines of code of conduct in customers relations, both externally and internally. As the largest micro business player and in upholding the service culture, BRI organized Training and Motivation program for its Units. The Unit Heads, Unit Supervisors, Customer services, and Teller Officers were invited in the training to facilitate refreshment program to all micro officers so as to improve the services.

b. Service Quality Vaganza

BRI strives to provide best services to its customers. For the appreciation as well as commitment of BRI top management in providing services, the Bank created 2 annually competition called SQ Vaganza, which involved all Securities forces, Customer Services, and Teller Officers of BRI throughout Indonesia. The competition was held in Branch Offices, Regional and National Offices.

RISK AWARENESS CULTURE

The implementation of risk awareness culture is enacted through intensive communications to all elements of organization on the importance of effective risk control. This was realized among others through:

1. Top Risk Issue in the form of risk issue in operating units and risk control implementation. During 2014, the Bank has published 3 times of Top Risk issue by introducing different subjects. The first edition was studying on 50 Risk Issues, second edition on fraud mitigation, and third edition was discussing the e-banking risk awareness.

2. Existing Risk Management Function in all BRI operating units. Risk Management function serves as Operating Unit Head with the duties to implement risk awareness culture, disseminates anti fraud culture and risk management materials.
3. Risk Management Forum (FMR) implementation as a meeting forum between heads of operating units with its staffs to discuss risk issues encountered on business or operations activities. The results of risk discussion that required follow up and settlement from the decision makers can be escalated to the higher levels.
4. Risk Management dissemination to RM functions from Head Office, Regional Offices to Branch Offices.
5. Letters to operating units concerning internal control improvement on significant risk issues.
6. Improvement of performance quality of Head of RM in Regional Offices through mentoring to 19 BRI Regional Offices throughout Indonesia.
7. Buletin Business Continuity Management as socialization of risk culture awareness in all BRI Operating Units.

ANTI FRAUD CULTURE

BRI implements Anti Fraud Culture through Anti Fraud Awareness implementation in order to grow the 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 enacted through dissemination program and anti fraud statement formulation, employee awareness, and customer awareness. Following are the implementation of anti fraud awareness:

1. Formulation and dissemination of anti fraud statement. BRI Management stated a zero tolerance on every frauds encountered in BRI Units. The Anti Fraud statement is stipulated in the Anti Fraud Commitment signed by the Board of Commissioners, Board of Directors, and all BRI employees.
2. Employee Awareness, among others through the Publication of Top 50 Risk issue Book and Letters on control improvement for operating units. In addition, direct implementation of Risk Management Function Refreshment, Risk Mangement Socialization at BRI Operating Units, and Risk Management Forum implementation.
3. Customer Awareness is enacted through customers education to improve its engagement and monitoring on secured transactions. The educations include request to operating units to disseminate security measures to frontliners on extortion and other modes of fraud.

Corporate Culture

Anti Fraud Strategy is enacted based on Decree NOKEP : S.106 – DIR/DMR/05/2012. BRI Anti Fraud Strategy is elaborated through 4 (four) pillars of fraud control strategy, each are inter-connected, which are:

1. Preventions
2. Detections
3. Investigations, Reportings, and Sanctions
4. Monitoring, Evaluations and Follow Up. BRI Anti Fraud Strategy Policy is the manifestation of BRI's Board of Directors commitment in fraud control. The Board of Directors given zero tolerance on every frauds, both from BRI internally or externally.

During 2014, a total of 200 frauds were indicated which was caused by BRI internal sources as well as external, with common fraud cases, such as:

No.	Type of Frauds	Percentage
1	Misused of Customer Deposits	35%
2	Fabricated Loans ('Topengan')	14%
3	Brokering	9.5%
4	Fictitious Loans ('Tempilan')	8.5%
5	Others	33%

The application of Prevention Pillars are consist of three parts:

1. Anti fraud awareness: to enhance awareness of the importance of Fraud preventions by all related parties. The anti fraud awareness activity is enacted through formulation and dissemination of Anti Fraud Commitment, employee awareness program, and customer awareness program.
2. Vulnerability Identification: a process to identify, analyze, and measure the operations risks potential from internal and external frauds on BRI business operations. The identification results are submitted to the concerned parties and constantly updated especially on high risk value activities.
3. Know Your Employee (KYE): observation towards employees' conduct at the mentoring operating units.

Reporting Mechanism of State Officials Assets (LHKPN)



Pursuant to Decree Nokep: 654 -DIR/SDM/10/2009 concerning Stipulation of the Coordinator of Managers and Officials that are Mandated to Complete LHKPN and the Decree Nokep: 182- DIR/SDM/03/2011 on Additional of Officials that are Mandated to complete LHKPN are BRI echelons 1 and 2 of Permanent status, or Contract Employees of echelon 1. During 2014, a total of 29 reports were noted.

WHISTLEBLOWING SYSTEM

BRI has developed and implemented Whistleblowing System through internal regulations, which was stated in the Decree of BRI's Board of Directors No. B.144-DIR/AIN/03/2009 dated 12 March 2009. The system application are aimed to create conducive environment and to encourage reporting on matters that may resulted in financial and non-financial losses, including impairment of the organization's image.

Whistleblower's Management

Whistleblowing system (WBS) of Bank BRI is directly managed by the President Director.

The following are whistleblowing information that can be reported through WBS-BRI, among others:

1. Fraud;
2. Deliberate misconduct/wilful negligence by the management;
3. Illegal actions (violence against employees or leaders, blackmail, drug abuse, harassment, and other criminal actions);
4. Violations of prevailing laws;
5. Breach of Bank's SOP;
6. Breach of BRI's Code of Conduct; or
7. Actions that endanger the work safety and health or endanger the Bank's security and bring losses to the Bank.

Reports must be clear and accountable, and at minimum includes the following details:

1. Matter of breach;
2. Parties involved;
3. Period of breach;
4. Site of breach;
5. Description of breach; and
6. Supporting evidences.

Corporate Culture

Whistleblower's Reporting Mechanism

As of one the infrastructure in supporting BRI's anti-fraud system strategy, whistleblowing mechanism enables reports of breach to be lodged directly to President Director via phone call or short messaging service (SMS) or by written letter.



Whistleblower's Handling

The process to manage and follow up reports/disclosures is as follows:

1. The President Director receives and transfers all reports of breach to a dedicated WBS officer for data verification, initial collection of evidence, and start of procedure to process report.
2. The Board of Directors determines next step on reports. The follow up actions include:
 - a. Investigation by Internal Audit provided that, based on the substance of report, the Internal Audit team is capable to respond and initiate the investigation.
 - b. Investigation by external investigators if, based on the substance of report, follow up actions requires competence/knowledge/skills beyond the capacity of Internal Audit team.
3. Investigation team conducts thorough investigation and submit the results to the Board of Directors for further deliberation. The following decisions may be stipulated as follows:
 - a. To terminate and dismiss the report if investigation concludes the report as unfounded or unproven.

Corporate Culture

- b. To submit results of investigation to Breach Forum (PKP) if investigation concludes the report as valid.
- c. To submit any criminal breaches or corruption to investigators for further process in line with BRI's policies and applicable legal procedures. Communications and coordinations with Legal Division will be managed to ensure that evidences taken during investigation process are adequate to be submitted to relevant authorities.

Whistleblower's Protection

Bank BRI provides protection and confidentiality assurance to all whistleblowers in terms of:

1. Confidentiality of whistleblower's identity (name, address, contact number, fax, email, operating unit).
2. Protection from vengeful actions committed by the reported parties or institutions, including protection from pressures, delay of promotion, employment dismissal, legal suits, material threats, to physical violence. The protection applies not only for the whistleblowers, but may also be extended to the whistleblower's family members.

Whistleblower's Details through WBS

Reports are categorized by reporting sources (internal/external), availability of whistleblower's identity (available/not available), media channels (Mails/SMS), and reports classifications (complaint/report of breach), as follows:

Period	Reports Received	Reporting Sources		Media Channel			Resolved	Under-going Process	Classifications	
		Internal Parties	External Parties	SMS	Mails	Telp/ Direct			Complaints/ Feedbacks	Report of Breach
2009	50									
2010	111	634	138	626	140	6	646	126	541	231
2011	278									
2012	333									
2013	278	228	50	231	47	0	191	87	173	105
2014	267	221	46	237	25	5	178	89	146	121
Total	1,317	1,083	234	1,094	212	11	1,015	302	860	457

Corporate Culture

IMPROVEMENT PLANS

To improve the effectiveness of WBS-BRI, BRI has developed the following strategy:

1. Improvement of internal and external dissemination regarding WBS through all operating units and mass media.
2. Evaluation and refinement of policies and WBS-BRI reporting system.

GRATIFICATIONS

Every BRI employees are not allowed to receive/provide gratifications that associated to its positions, and are against its obligations or duties, which are not aligned with the prevailing laws, such as:

- a. Money/goods/other facilities, as intended to influence the policy/stipulation/handling of the authorities;
- b. Money/goods/other facilities, of any values in every services relevant to its duties, authorities or responsibilities;
- c. Money/goods/other facilities for employees/supervisors/guests during official visits; and
- d. Money/goods/other facilities in the process of officials/employees recruitment/promotion/mutation.

LITIGATION

The following are Litigation Recapitulations of BRI in the last three years:

1. Total significant cases

New litigations

2011	2012	2013	2014
336	309	270	309

2. Details of cases

Quarter 2014	Total	Loans	Try & invest	Ops & Service	Supports
Quarter 1	81	72	0	1	8
Quarter 2	53	50	0	2	1
Quarter 3	53	52	0	0	1
Quarter 4	72	68	0	2	2
Total	259	242	0	5	12

3. Legal cases and settlement status

Legal Cases	Total	
	Civil	Criminal
Resolved (has binding legal resolutions)	1036	0
In settlement process	1683	7
Total	2789	7

Corporate Culture

4. Legal claims and status of resolutions

Legal claims and status of resolutions

LEGAL CLAIMS

1. **Case Facts** Claim filed by PT MPPC (Case Lawsuit No: 539/ Pdt.G/2013/PN.Jkt. Pst.) against BRI and BRI Pension Fund to defer termination of BOT Agreement between PT MPPC and BRI as stated in the decision No. 157/Pdt.G/2010/PN.JKT/PST jo No. 203/G/PT.DKI jo No. 268/K/PDT/2011/MARI jo No. 247/PK/PDT/2013

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 contrary with Decision on BOT Agreement between PT MPPC and BRI.

Settlement Status BRI filed an Appeal

Impact on Bank's Financial Condition USD 64,002,373 or equal to Rp 780 Billion (1 USD = Rp 12,000)

2. **Case Facts** Legal remedy on the loss of gold collateralized under pawn scheme (Civil Case No: 187/Pdt.G/2013/PN.Jak.Sel)

Merits of the Case Penggugat Plaintiff obtained credit facility by pledging gold and fixed asset of premises as principal collaterals. Gold collateral was committed under Fiduciary scheme and kept in SDB. The commitment was later changed to Pawn and kept in the same SDB. Debtor later applied for credit limit increase; prior to approval, the gold collateral in SDB was re-examined, which revealed difference between gold weight measured and weight measurement in the Bank's records. Witnessed by debtor, the gold's genuineness was examined and declared as counterfeit. Upon the finding, Debtor filed civil claim through South Jakarta District Court. BRI suspected fraud committed by the Debtor and reported the Debtor to the Police Force on grounds of suspected fraud. Debtor has also reported a number of BRI's executives to the District Police for suspected fraud.

Settlement Status Civil Case: Currently in the process of appeal in the Supreme Court
Criminal Case: In the process of appeal in the Supreme Court through South Jakarta District Court

Impact on Bank's Financial Condition **Rp 31.86 Billion**

5. Administrative Sanctions from Authorities

During reporting year, no cases handled by the Bank that involved the Management or Executive Officers of Bank BRI. Thereby, no material administrative sanctions imposed by relevant authorities on BRI as an institution, or on individual members of the management or executive officers.

6. Legal Enforcement Commitment

BRI has high commitment towards legal enforcement and its violations. Legal sanctions as pursuant to laws will be imposed towards any employees involved. On the discipline violation cases indicated to involve internal sources with valid evidences, will be imposed with firm sanctions by BRI, including termination of employment status as well as legal procedures in accordance with prevailing regulations.

Other Material Information

CORPORATE SOCIAL RESPONSIBILITY

References

The corporate social responsibility programs, covering environmental responsibility, social and community development responsibility, consumers responsibility, and occupational, health, and work safety responsibility, referred to the prevailing laws, among others are:

1. Laws of RI No 8 year 1999 concerning Consumers Protection
2. Laws of RI No 13 year 2003 concerning Employment
3. Laws of RI No 40 year 2007 concerning Limited Liability Company
4. Regulation of Financial Services Authority No 1/POJK.07/2013 concerning Consumers Protection of Financial Services Sector
5. Regulation of SOEs Ministry No Per-05/MBU/2007 as lastly amended with Ministry Regulation No Per-08/MBU/2013 concerning Partnership Program of State-Owned Enterprises with Small Enterprises and Community Development Program.

ENVIRONMENTAL RESPONSIBILITY

Activities

The following among others are BRI programs on environmental responsibility:

- Forestation of coastal areas with mangrove tree planting as the participation on MECS program (Mangrove Ecosystem Conservation and Sustainable Use)
- Training of Mangrove potential utilization in Kaliwingi, Brebes to process into: food material, batik dyes, soaps, syrups and drinks.
- Simultaneous planting of 10,000 sea pine trees in the coastal areas of Tuban, East Java
- Realization of Forest School program in 27 High School location in 9 cities
- Supporting birds conservation by releasing to species of birds nature
- Forestation participation in Tourism Area of Bromo Tengger Semeru (TNBTS) National Park

Operations policies as the manifestation of BRI's environmental responsibilities:

- Paperless system in administration process
- Use of BBG for official vehicles
- Save electricity policy
- Vehicles pick-test policy
- Restoration of high-technology equipment policy
- Loans extension requirements related to environmentally friendly production process on borrowers
- Stipulation of water usage savings policy

Other Material Information

Financial impacts or Costs allocated for the environmental program, such as the usage of environmentally friendly and recycled materials, energy, and others

Fields	Rp. Milyar	
	Total Cost 2013 (re-stated)	Total Cost 2014
Nature conservation (including trees planting)	3.90	4.06
Public facilities construction	12.27	12.02

SOCIAL AND COMMUNITY DEVELOPMENT RESPONSIBILITY

Activities

The social and community development responsibility program in BRI is generally implemented through Partnership and Community Development Program (PKBL) and communicated as BRI Peduli Program. The activities of social responsibility program in BRI is generally directed for the empowerment and beneficiary programs to improve the quality of life of the communities around the BRI Operating Units. In this context, BRI strives to enhance the entrepreneurship competence of communities through financing support for the activities developed by the surrounding communities, so that they are able to meet their needs and ultimately support the economic growth in the areas. To improve the standard and quality of communities social life, BRI also implements programs in harmony with the potential of the areas.

The social and community development responsibility program is consisted of 2 (two) main programs, which are:

1. Loans Extension Program, including:
 - KUR
 - Other Loans Programs
2. Corporate Social Responsibility (CSR) activities, including:
 - BRI Peduli
 - Partnership Program

Comprehensive information on BRI Peduli activities can be viewed in the Corporate Social Responsibility Chapter.

Other Material Information

Financial impacts or Costs allocated for the social and community development program, such as the recruitment of local labor, community empowerment around the company, improvement of social infrastructures and other donations.

Rp Billion		
Fields	2014	Percentage
Community Development (BRI Peduli)		
Fields:		
- Public Facilities	12.02	11.57%
- Natural Disasters	6.09	5.86%
- Education	29.48	28.37%
- Health	22.70	21.85%
- Religious Facilities	16.86	16.23%
- Nature Conservations	4.06	3.91%
- Poverty alleviations	12.70	12.22%
TOTAL	103.91	100%
Political activities	No funds allocated for political activities	No funds allocated for political activities

RESPONSIBILITY TOWARDS CUSTOMERS

References

Responsibility towards customers in BRI is based on the following prevailing regulations:

1. Laws of RI No 7 year 1992 concerning Banking, as amended with Laws of Ri No 10 year 1998
2. Laws of RI No 8 year 1999 concerning Consumers Protections
3. Regulation of OJK No 1/POJK.07/2013 concerning Consumers Protections of Financial Services Sector
4. Regulation of Bank Indonesia No 7/7/PBI/2005 concerning Customer Complaint Settlements, as amended with PBI No 10/10/PBI/2008
5. Regulation of Bank Indonesia No 7/6/PBI/2005 concerning Banking Products Information Transparency and Use of Customers' Personal Data
6. Circular Letter of Bank Indonesia No 15/1/DPNP concerning Prime Lending Rate Information Transparency

Other Material Information

Customers' Service Improvement Programs

1. To ascertain services to customers' complaints, the Bank has stipulated service level agreement as regulated in the Decree of Bank BRI No. S.35 – DIR/LYN/05/2013 concerning Users Authority and SLA of Customer Complaint Settlements.
2. For customers who are still not satisfied with the complaint settlements, the customers can further submit to Banking Mediation Institution. This is regulated in the Decree of the Board of Directors of Bank BRI No. S. 49 –DIR/OPS/10/2006 concerning Policy and Procedures of Dispute Resolutions of BRI with Customers through Banking Mediation Institutions.
3. The settlement of customers' complaints has been regulated with the following functions:
 - a. Complaint Respond Function. This function is responsible to, among others, receive and record customers' complaints, including to explain the procedures of customer complaint settlements.
 - b. Complaint Handling and Resolution Function. This function is responsible to, among others, handle and provide resolution on the complaints, including administration of documents required during settlement process.
 - c. Complaint Monitoring Function. This function is responsible to, among others, monitor timely settlement process of the customer complaint. Monitoring activity is regularly conducted by submitting the list of outstanding settlements to related Divisions.
 - d. Complaint Settlement Reporting Function. This function is responsible to, among others, submit the customers' complaint settlement reporting every quarter to Bank Indonesia.

Implementation of Service Policy and Programs

The customers complaint settlement policy has been implemented through:

1. Implementation of Complaint Handling System (CHS) application, which have been conducted in all operating units on 13 February 2012, based on the letter of Service Division No. B. 131-LYN/KPO/02/2012.
2. Dissemination of policies in phases through Service Network Operations Division (OJL) in every Regional Office as well as employees education requests from Service Network Operations Division.

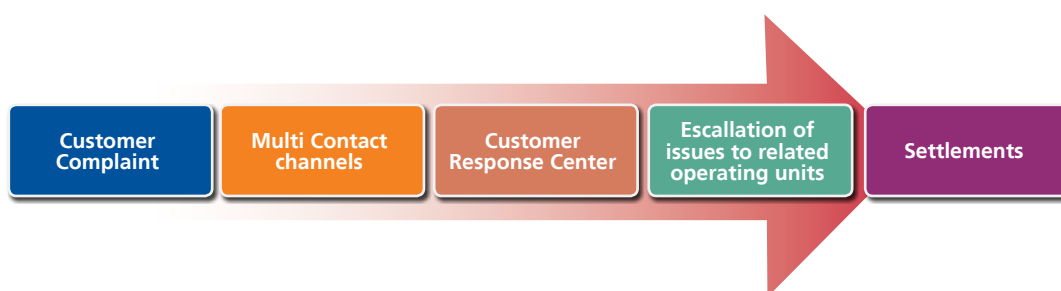
Complaint Handling Centre

Customers can lodge complaints through BRI multi channels, as follows:

1. Through Customer Services in all BRI Operating Units
2. Through telephone numbers: 14017, 500017, 021-57987400, 08001017017, 021-5758899, and 021-5751234 (the last three numbers are dedicated for premium customers).
3. Through emails: kartu_kredit@bri.co.id and contactcenter@bri.co.id
4. Through social media twitter at @kontak_bri
5. Through social media Facebook at BANK BRI Official
6. Through social media Youtube at BANK BRI

Other Material Information

Complaint Handling Procedures



Complaints Handling and Settlement

Complaint Settlements Report

Period	Complaints Received	Complaints Follow-Up	Complaints Resolved
2011	173,728	173,728	170,263
2012	168,672	168,672	165,192
2013	132,697	132,697	130,979
2014	146,774	146,774	124,564

* The settlements under process will be followed up at the next period

Certifications

The Operations of BRI Contact Centre Service Division received the certification of AS/ NZS ISO 9001:2008 dated 5 December 2011 up to 5 December 2014 (currently in the renewal process of GCI certification).

Evaluations

The evaluations of customer complaint settlements procedures is jointly conducted with relevant Divisions, with the following evaluation results:

1. Complaint settlement that submitted through social media (Twitter, Facebook, and Youtube). The follow up actions include coordination with Marketing Communication Division to process the complaints through social media to Customer Response Center in Service Division for follow up.
2. Consumer Loans customer complain settlements that submitted to the Consumer Loans Division. The follow up actions include process to the Consumer Card Division through the application of CHS/Proclamation in order to monitor the complaint settlements.

Other Material Information

OCCUPATIONAL, HEALTH, AND SAFETY (OHS) RESPONSIBILITY

References

The occupational, health, and work safety responsibility in BRI is based on the following prevailing regulations:

1. Laws of RI No 1 year 1970 concerning Work Safety
2. Laws of RI No 23 year 1992 concerning Health
3. Laws of RI No 13 year 2003 concerning Employment
4. Regulation of Manpower Minister No Per-05/Men/1996 concerning Occupational Health and Safety Management System

OHS Report

Description	2013	2014
Employees Recruitment	7,319	10,082
Employees Termination	779	651
Total employees at year's end	81,238	91,364
Turn over Ratio	1.86%	1.36%
Promotions	10,208	6,825
Rotations	29,279	33,820

Facilities	Permanent Employees	Non Permanent Employees
Wages	Available	Available
Overtime wages	Available	Available
Healthcare insurance	Available	Available
Life & Accident insurance	Available	Available
Defined Benefit Pension Plan (PPMP) and Defined Contribution Pension Plan (PPIP)	Available	Unavailable
Annual Leave	Available	Available
Grant Leave	Available	Unavailable
Short term incentives	Available	Available
Education and trainings	Available	Unavailable
Employees Loans Facility	Available	Available

Other Material Information

Position	Age	General Medical Check Up Facilities
- Executive Vice President - Vice President	Unlimited	1 year 1 time
- Assistant Vice President - Senior Manager - Manager - Assistant Manager - Officer - Assistant	> 50 years	1 year 1 time
- Assistant Vice President - Senior Manager - Manager	≤ 50 years	2 years 1 time
- Assistant Manager - Officer - Assistant	40- 50 years	2 years 1 time
- Assistant Manager - Officer - Assistant	< 40 years	Not yet provided

Education	Total Participants 2013	Total Participants 2014
Induction Education	24,565	27,090
Application Education	129,250	172,192
Development Education	4	729
Formal Education	29	39
Certification Education	1,500	763
Public Course Education	3,246	4,113
Dissemination	143,128	150,886
FGD/FPK	91,476	112,250
Total	393,198	468,062

Employment Expenses

Fields	Total Costs 2013 (Rp billion)	Total Costs 2014 (Rp billion)
Medical	177.2	230.1
Program of Employees Enhancement	544.7	663.6

Financial impacts or costs incurred from the activities of occupational, health, work safety practices, such as gender equality and work opportunity, work safety and facility, employee turnover levels, workplace accidents levels, trainings, and others.

Other Material Information

CONTACT

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Jakarta 10210, Indonesia
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Faks: (+62-21) 250 0065, 250 0077
Website: www.bri.co.id

Corporate Secretary

BRI I Building, 20th Floor
Jl. Jenderal Sudirman No. 44-46
Jakarta 10210, Indonesia
Telepon: (+62-21) 575 1966
Faks: (+62-21) 570 0916

Investor Relations

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Jl. Jenderal Sudirman No. 44-46
Jakarta 10210, Indonesia
Phone: (+62-21) 575 1969



Corporate Social Responsibility



BRI corporate social responsibility is implemented as a social investment by maintaining mutual relationship with surrounding communities and collaborating parties, such as the Government, NGOs, and other community organizations

500 CORPORATE SOCIAL RESPONSIBILITY

502 Principles and Commitment

506 Responsibility Towards Environment

508 Responsibility Towards Employees, Health and Safety at Work

510 Responsibility Towards the Community

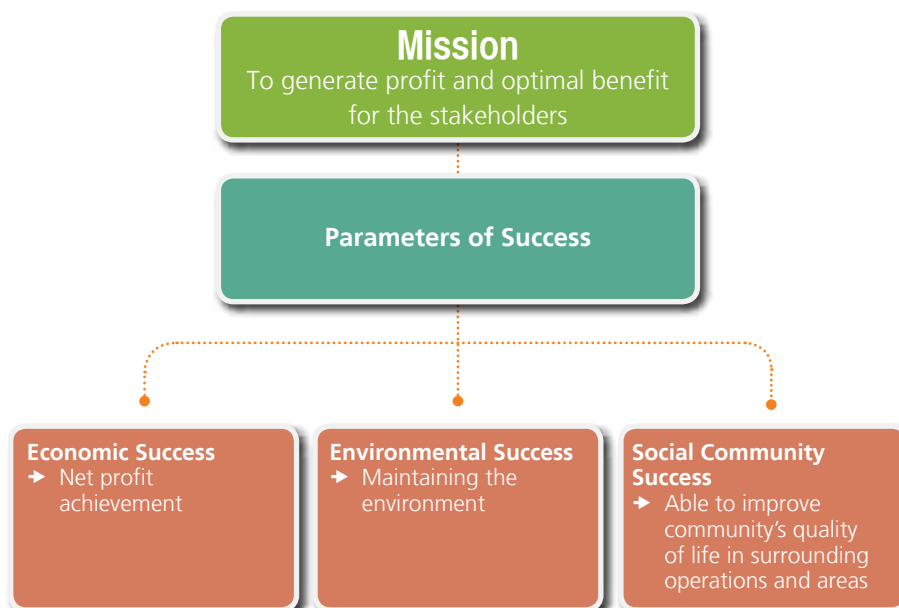
518 Responsibility Towards the Customers



Principles and Commitment

BRI consistently demonstrates strong commitment to continuously growing and evolving with the local community wherever its outlet is operating. We aim for a quality growth that able to balance successful performance which measured by profit, success in protecting the environment, and success in improving the quality of life of the communities located around our operational areas. To ensure quality growth, BRI has designed and implemented a range of programs which covers all aspects of operations, and is intended to fulfill all stakeholders' expectations, as described in the mission statement and its relation with the three basic aspects of the corporate social responsibility implementation, as follows:

BRI's Corporate Social Responsibility Mission Statement:



Principles and Commitment

BRI corporate social responsibility is implemented as a social investment by maintaining mutual relationship with surrounding communities and collaborating parties, such as the Government, NGOs, and other community organizations.

In this context, BRI demonstrated its commitment in achieving the mission of the Company related to corporate social responsibility through the implementation of various strategic programs, with the objectives of:

- Achieving a harmonious relationship between the company and the communities.
- Assisting the growth and development of small businesses and cooperatives to become independent, resilient and competitive in order to increase employment rate through professional management.
- Establishing small businesses and cooperatives development that can potentially provide mutual long-term relationships with the Company's business through the channeling of partnership funds and sustainable development, by concentrating in the aspects of equality, independence, professionalism and ethics.
- Participating in the environmental conservation program while, at the same time, helping to improve people's quality of life in the areas of education, health and welfare.

BRI continues to develop programs that focus on the positive impact for all stakeholders as well as its sustainability for the development of the surrounding communities.

Basic References

BRI's planning and implementation of corporate social responsibility programs have been prepared in accordance with the applied laws and regulations, which covered the environmental responsibility, social responsibility and community development, consumer responsibility and responsibility for manpower, health and safety. The laws and regulations are as follows:

1. Law of the Republic of Indonesia No 8 of 1999 regarding Consumer Protection (CPA)
2. Law of the Republic of Indonesia No 13 of 2003 regarding Manpower
3. Law of the Republic of Indonesia No 40 of 2007 regarding Limited Liabilities Company
4. The Indonesian Financial Services Authority Regulation No 1/POJK.07/2013 regarding Consumer Protection in the Financial Services Sector
5. Regulation of Minister of SOEs No Per-05/MBU/2007 in lieu of Regulation No Per-08/MBU/2013 concerning SOE's partnership program for Micro Business and Community Development Program.

The implementation of BRI corporate responsibility involves interaction with the stakeholders in every aspect of the company's operations. A thorough description of these interactions is presented in the BRI Sustainability Report, which contains a description of the Company's participation and programs in the efforts to preserve, conserve and care for the earth's resources. The goal of this is maintaining a balance of economic, social and community environment, including respecting workers' rights and the application of good governance.

In compliance with the the Capital Market Supervisory Agency and Financial Institution (Bapepam-LK) Regulation Number: KEP-431/BL/2012 dated 1 August 2012 regarding Submission of Issuer or Public Company Annual Report, BRI submits a corporate responsibility report of its activity implementation which comprises of four topics, covering the company's corporate responsibility on: (1) Environment (2) Manpower Practices (3) Social and Community Development (4) Product Responsibility. Detailed descriptions of each topic can be found in BRI's Sustainability Report and in this annual report description in each related chapter.



Responsibility Towards Environment

BRI has committed to participate in effort to improve and preserve the environment direct and indirect, although BRI's operational activities do not involve any material or physical processes that could directly impact to environment.

Active participation is conducted through several activities, among others are: green initiatives re-forestation, sponsorship of environment-related events, direct assistance in community development schemes focusing on environmental activities. Several activities that have been implemented in 2014 are:

- Reforestation of coastal areas by planting mangrove trees as the participation on MECS (Mangrove Ecosystem Conservation and Sustainable Use) program, with the objectives of mangrove forest conservation supported by sustainable funding. The forestation areas include: Kuri Caddi Beach (Maros Regency, South Sulawesi), Mempawah (Pontianak Regency), Muara Gembong (Bekasi Regency, West Java), Alam Indah Beach (Tegal, Central Java) and Brandan Barat (Langkat, North Sumatra).
- Training of Mangrove potential benefits at Kaliwingi, Brebes, for further process into: food materials, batik dye, soaps, syrups and drinks.

- Simultaneous planting of 10.000 sea pine trees in the coastal area of Tuban, East Java.
- Realization of the School Forest program in 27 High Schools in 9 cities, as a method of public education, especially in academic sector, about the significance of clean and healthy environment, cooperated with several prominent institutions including Kompas Daily.
- Supporting birds conservation by releasing them into nature, such as: perkutut, emprit, nuri, merpati, jalak, kutilang, and others, held in Cimacan area, Puncak, West Java.
- Forestation participation in National Tourism Park Bromo Tengger Semeru (TNBTS) and cleaning the Ciliwung River in Jakarta River Festival events.

(Further information can be viewed at Social Responsibility - Environmental Development - BRI Cares about Nature Conservation)

BRI's indirect participation toward environmental conservation through the adoption of policies that aim to reduce the negative impact of our operations on the environment. In addition to provide positive effect on environmental conservation efforts, these policies also have an impact on operational activities which effective and efficient.

Responsibility Towards Environment

Environmental Policy

Operational policies that indicate BRI's commitment toward the environment include:

- A paperless system for the administrative work in order to reduce the amount of paper consumed, supported by a fully integrated information technology system which includes:
 - E-office for correspondence
 - Loan Approval System
 - E-SPJ for electronic travel document administration
 - Human Resources Portal
 - Policy dissemination through public folder
 - SMK Online for employees performance monitoring
 - Changed of manual Attendance-paper with EDC
- Use of gas fuel for official vehicles.
- Electricity saving policy, including the use of energy saving lights and maintaining reasonable room temperatures in all offices.
- Operational vehicle pick test policy to reduce emissions.
- Policy to replace technical equipment in collaboration with an authorized, competent company that manages hi-tech waste products.
- Policy to save water by using recycled water as part of good governance at BRI Head Office.

Green Financing

Environmentally friendly practices as requirement on loan disbursement process, either for small, medium, or large enterprises, in accordance with green financing principles.

Financial Impact

Cost allocated for renovation and construction of public facilities as well as environmental conservation in 2014 was amounted to Rp16.07 billion, with following details:

(Rp Billion)			
Field	2013 (restated)	2014	
Development of public facilities	12.27	12.02	
Environmental conservation	3.90	4.06	
Total	16.17	16.07	



Responsibility Towards Employees, Health and Safety at Work

A description of corporate responsibility implementation toward our employees can be viewed in the Sub-Chapter, "Operational Review-Human Resource Management".

Health and Safety at Work

Name: BRI Medica
Location: BRI I Building, Jakarta
Operating Hours: 08.00 – 16.30 WIB
Doctors: 3 General Practitioners
Health services: medical examination, medicines delivery, and provide laboratory checks

Policy

Management realization and guarantee on Occupational, Health and Work Safety (OHS) is stated in the Collective Labour Agreement (CLA). The Occupational, Health and Work Safety program includes protection against safety and health of all Employees, Provision of Work Equipment and Accident Insurance, as regulated with the prevailing laws.

BRI Occupational, Health and Work Safety regulations further regulated in the Clause 29 to 31 of BRI CLA Period 2013-2015 and its regulation implementation as stated in the Clause 51 to 53 of the Decree of the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk Nokep: S.15-DIR/SDM/03/2003 dated 6 March 2003 concerning the Manpower Regulations of PT BRI (Persero).

The outline of OHS regulations is based on the stipulation of Laws No. 1 Year 1970 Concerning the Work Safety and Laws 13 Year 2003 including its regulation implementation. Currently, the Bank is in the process of formulating the Health and Work Safety in accordance with the prevailing regulations.

To ensure the health and safety (OHS) of all employees, customers, and other stakeholders within the operational unit area, BRI has developed and applied a Business Continuity Management Policy (MKU). This policy covers Disaster Management Plan, which in addition to ensure the application of OHS, it is also intended to maintain the sustainability of vital business/operational activities, safeguard BRI's assets, and as a precautionary measure in the events of disaster or disruption.

Activity

BRI applies the Business Continuity Management Policy to all operating units with the establishment of the Crisis Management Team, preparation or updating of Call Tree and the assignment of alternate sites. BRI's Operating Unit has also conducted the Threat and Disaster Risk Assessment (PRAB) which is aimed to map disaster-prone unit and to make an inventory of required resources as a preparation for disaster/threat in each operating unit.

BRI's capability in implementing its business continuity has been tested and proven during some of the disasters experienced by certain BRI operating units throughout 2014, such as the flood in Jakarta, and the volcanic eruption in Mount Sinabung, North Sumatera. To this end, BRI took advantage of its mobile outlets which is e-Buzz and Teras BRI Keliling spread throughout BRI's operational areas as alternate site during the disaster events, thus the operating units can operate as soon as possible after a disaster occurs

Responsibility Towards Employees, Health and Safety at Work

Furthermore, the Risk Management Division continuously coordinates the implementation of Business Continuity Management (BCM) with related operating units, including trials or testing of the Switch Over DC-DRC 2014 and evacuation in the event of disaster in several BRI office buildings, including BRI's Head Office Building and IT Building in Ragunan, South Jakarta.

All BRI operating units are also prepared for any incidents of workplace accidents as the majority of all BRI's operational activities take place in a confined space, either in high-rise buildings, soho, home office or mobile units.

With the majority of activities conducted inside closed spaces, the applied OHS programs are focused more on the implementation of basic program to mitigate the risk of workplace accidents and to protect the employees' health conditions. This basic program comprises of a minimum one disaster simulation per year and includes the following:

- Training in evacuation procedures from multi-story buildings.
- Basic training in the use of fire extinguishers.
- Exercises for security officers in rescuing victims from a building.
- Other relevant basic training.

In anticipating potential risk of workplace accidents, BRI has a strict policy which requires the employees to always follow the safety procedures detailed by their project officer, during a field visit review. Moreover, all BRI employees are also protected by work accident insurance during work visits

BRI also applies a work safety standard by equipping all of its operational facilities with adequate safety equipment, whether in mobile units, offices, or multi-story buildings. BRI also requires that information on evacuation routes in case of emergency to be provided at all events organized by external parties at the BRI Building.

In case of a health emergency occurring to an employee, the company provides healthcare facilities in the form of oxygen tubes and First Aid boxes, available at all BRI operating units.

All BRI employee receive a number of health and safety related facilities:

- BRI provides special benefit packages to employees to maintain their health and/or to receive medical treatment. The company covers all expenses, within reasonable limits.
- BRI also organizes annual General Medical Checkups (GMC) for its employees, which is a preventive measure to ensure good health among its employees.
- Subsidies are provided for eyeglasses so as to optimize employee performance.
- All BRI employees are included as beneficiaries of the Workers' Social Security (BPJS) scheme

In addition, BRI cooperates with BRIMedica (a subsidiary of the BRI Pension Fund) to provide medical health checks and ensuring quality health services for all BRI employees, especially in Head Office. In addition to that, we also have 2 (two) Ambulances on standby at BRI Head Office to offer first aid assistance in the event of an accident.

Financial Impact

Implementation of the training and provision of basic safety equipment does not result in any material impact on BRI finances.



Responsibility Towards the Community

BRI is determined to achieve business development results with the surrounding community. One implementation of this determination is to seek the local economic growth through increased entrepreneurial competence and financial resources. Thus it would support the surrounding community's business initiatives. In addition to economic support, BRI also seeks to aid community with a variety of social programs. Hence, BRI's programs in achieving corporate social responsibility for the community consists of two main programs:

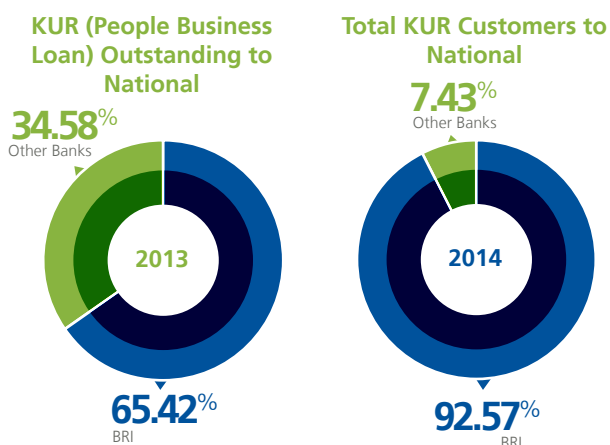
- Programs Loan distribution, including:
 - KUR (People Business Loan)
 - Other loans programs (KKPE, KUT, etc)
- Corporate Social Responsibility program, including:
 - BRI Peduli (BRI Cares)
 - Partnership programs

People Business Loan (KUR) Distribution

The People Business Loan, commonly referred as KUR, is loan or financing by banks to Micro and Small Enterprises that are considered feasible but not yet bankable; in other words, small businesses that have good business prospects and the ability to repay the loans. For BRI, the distribution of these loans is a way to improve the status of mentoring partners in Partnership and Community Development Program (PKBL), to become bankable small businesses that are ready to grow.

BRI has become one of the Government's strongholds in providing People Business Loan, due to the result of BRI's competitive advantage of having the largest banking network in real time online outlets, as well as significant experience in the micro business. When combined, these factors enable BRI to easily distribute loans, while also maintaining loan quality.

The proportion of BRI's People Business Loan market share nationally in 2014 was stood at 65.42% of the total KUR, and 92.57% of the total KUR customers.



Responsibility Towards the Community

Financial Impact of KUR

Up to the end of 2014, BRI has served more than 11 million KUR customers, with total People Business Loan amounting to more than Rp117 trillion. In December 2014, BRI's outstanding in KUR reached Rp30.9 trillion, grew 16.66% from Rp26.70 trillion in 2013. As of the end of 2014, the total debtors of KUR was recorded at 11.5 million, or 24.43% increase from the previous year of 9.3 million. BRI managed to maintain KUR quality, with 1.70% Non-performing Loans (NPL) recorded in 2014, improved compared with 1.61% in 2013.

These figures highlight the significant role of BRI in enhancing financial inclusion in Indonesia and BRI indirect provisions to improve the living standards of communities located around BRI operational areas.

To that end, BRI anticipates the moratorium of KUR provision implemented at the end of 2013 by launching new product, Kupedes Rakyat. With Kupedes Rakyat, BRI intended to continue its roles in communities' economic development.

Other Program Loans

In addition to micro-financing scheme extension through KUR, BRI also offers other loan programs with the objectives to improve the regional economy through the establishment of food and energy security, supported by its network and extensive experience in micro finance.

With regards to other loans programs, BRI provides loans of Food and Energy Security (KKP-E), Warehouse Receipt Subsidy Scheme (S-SRG) and the Bio-Energy Development and Plantation Revitalization programs (KPEN-RP) with a Non-Partnership Model. The Food and Energy Security loan scheme has helped many farmers, livestock farmers, fishermen, and fish farmers in increasing their production levels, due to the funding support according to business conditions.

Financial Impact of Programs Loans

By the end of 2014, BRI has disbursed the Food and Energy Security loan to 30.283 customers, which consisted of groups of Farmers, Livestock Farmers, Cultivators, Cooperatives to increase their production yields. The total outstanding loans reached Rp2.87 trillion at the end of 2014.

BRI's CSR/PKBL Programs

The Company's Corporate Social Responsibility program directed to empower and benefit the community at large, particularly for Micro and Small Enterprises (MSE) or in the category of economically disadvantaged. This program is the manifestation of corporate social responsibility implementation in social aid and community developments, carried out through the Partnership Program and Community Development (PKBL).

PKBL is a corporate social responsibility program conducted to comply with the Minister of State-Owned Enterprises Regulation No. PER-08/MBU/2013 dated 10 September 2013 on Amendments to Minister of SOEs Regulation No. 05/MBU/2007 regarding the SOEs Partnership Program with Small Businesses and Community Development Programs.

In reference to the above Minister regulations, BRI has internally stipulated a number of technical regulations through circular letters to Operating Units, including:

- Circular Letter Nose.S.19 – DIR/ADK/04/2006, dated 28 April 2006 on Partnership Program and Community Development of PT Bank Rakyat Indonesia (Persero) Tbk.
- Circular Letter Nose B.789 PRG/KBL/12/2010, dated 03 December 2010 on Community Development Program.
- Circular Letter Nose.B.257 SKP/CSR/07/2012, dated 09 July 2012 on Community Development Program.
- Circular Letter Nose.B.752 SKP/CSR/07/2013, dated 19 July 2013 on the Requirements for Community Development Program and Mechanism of the Community Development Aid Disbursement.
- Circular Letter Nose.S.32–DIR/SKP/11/2013, dated 29 November 2013 on the Implementation of the community Development Program of PT. Bank Rakyat Indonesia (Persero) Tbk.

Responsibility Towards the Community

Meanwhile, in 2014, BRI introduced new policy as part of corporate social responsibility program, namely BRI Peduli Teras Rumahku program as stated in the letter of SKP Division No. B.838-SKP/CSR/08/2014, dated 11 August 2014.

The policy was implemented through Inhabitable Home Improvement Program serves as social contribution towards poverty alleviation. The program is intended for economically disadvantaged communities based on recommendations from local governments.

The program is implemented as Community Partisipatory Programme concept, which in practice are involving the homeowners and or communities participation. The program was communicated to the public as **BRI Peduli Teras Rumahku**.

The objectives of BRI Peduli Teras Rumahku are:

- To extend home repair assistance to underprivileged communities.
- To motivate spirit of togetherness and and cooperativeness among fellow citizens.
- To support the Government program in the acceleration of poverty alleviation.
- To enhance BRI corporate image in the surrounding communities areas.

The CSR/PKBL activities funding allocation is stipulated in the Annual General Meeting of Shareholders (AGMS) and is considered as a cost, each amounting to a maximum of 2% from previous year's net profit. In 2014, the total allocation of fund for the PKBL program was taken from the program's fund balance sourced from the Company's profit allocated to the end of 2013.

The total realization of funds for the PKBL in 2014 reached Rp133.2 billion, which comprised of Partnership Fund disbursements of Rp29.3 billion and Community Development Fund disbursements of Rp103.91 billion.

Partnership Program

BRI Partnership Program is a financing and assistance program for micro and small businesses, including cooperatives that have business feasibility but has not yet been eligible for BRI's commercial loan scheme. In practice, BRI views the implementation of the partnership program as part of its efforts to achieve the company's mission, which is "To carry out best practices by prioritizing banking services to micro, small and medium enterprises (MSME) to bolster the local economy".

This program aims to increase productivity within micro and small businesses of mentoring partners, so they become sustainable businesses in the future. Partners within this Partnership program are expected to be BRI's commercial customers in the future.

BRI offers entrepreneurship development programs as well as financing facilities with accessible requirements. This development program is implemented in various forms, including assistance in basic entrepreneurial knowledge, basic product marketing, and product promotional activities by engaging mentoring partners in a variety of micro business product exhibitions at regional, national and international levels. Participation at these exhibitions not only allows mentoring partners to gain new insights but also gives them an opportunity to expand the awareness of their products.

The financing and the selection process are done selectively to comply with the Company's long-term plans. With consideration to the efficiency of assistance, control and ease of marketing, BRI now focuses more on channeling funds to clusters of specific businesses.

In 2014, BRI has disbursed limited Partnership Program fund, by extending revolving fund from the mentoring partners refund process. By following the business clusters formation, in 2014 BRI succeeded in channeling the partnership program fund to 668 new mentoring partners, bringing the total number of BRI mentoring partners to 24.371 business units from previous position of 23.703 business units in 2013. The total amount of partnership loan funds disbursed reached Rp29.15 billion. In addition to loans, in 2014 BRI also disbursed a partnership development fund of Rp172.5 million.

Responsibility Towards the Community

The following table details the disbursement of partnership loans during 2014, divided by economic sectors.

Business Sectors	2014 (Rp billion)	%
Industry	1.95	6.67
Trade	18.45	63.28
Agriculture	2.40	8.22
Livestock	2.01	6.90
Plantations	0.96	3.28
Fisheries	0.83	2.83
Services	2.57	8.82
Oters	0.00	0.00
Total	29.15	100.00

Community Development - BRI Peduli

BRI's corporate social responsibility program is generally implemented through PKBL and communicated as BRI Peduli Program. On quality point of view, BRI Peduli Program has developed sustainably throughout 2014, with a more focused programs and in accordance with the communities needs as well as the Bank's profiles.

To enhance quality corporate social responsibility implementation, BRI formulates the implementative programs with sustainable impacts. All are taken with consideration that quality implementations are more important than the quantity of the contributions.

BRI Peduli program aimed to improve the social conditions and quality of life of communities living around BRI operational areas by focusing on economic empowerment. In this context, the economically empowering aid is seen as a more beneficial because not only it supports the people's economic condition, it also helps them in sustaining their own livelihood.

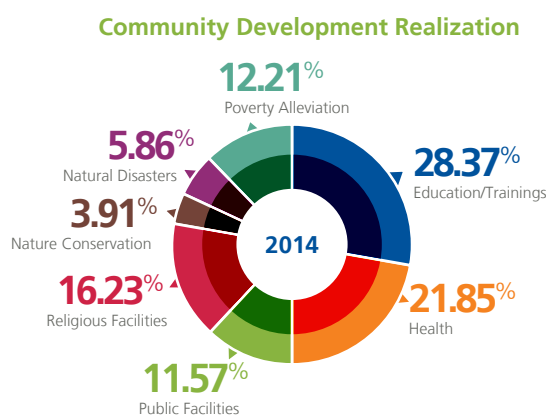
PKBL is aimed to supporting the community welfare by cultivating economic capacity, social condition, environmental condition and community development. The assistance was focused on improving the communities' living standards, enhance public knowledge and competence, while providing a synergy with the disbursement of Partnership Program Fund.

The realization of policy and corporate social responsibility program is carried out through Studentpreneur, Mangrovestation, and BRI Teras Business.

Responsibility Towards the Community

The following is recapitulation of BRI Peduli Community Development fund disbursement during 2014:

Contribution	2014 (Rp billion)	Percentage (%)
Community Development 2014		
Education/Trainings	29.48	28.37
Health	22.70	21.85
Public Facilities	12.02	11.57
Religious Facilities	16.86	16.23
Nature Conservation	4.06	3.91
Natural Disasters	6.09	5.86
Poverty Alleviation	12.70	12.21
Total	103.91	100.00



BRI Peduli Education

BRI Peduli Education is focused on education for economic empowerment, and is intended as a stimulus to encourage creative and innovative entrepreneurs in the community. The program is implemented through the BRI Studentpreneur Program in collaboration with universities in Indonesia, along with MSME training for the communities in collaboration with NGOs or government agencies.

Since 2014, to expand the scope of entrepreneurship development program, BRI also took some Islamic boarding school (pesantren) students to carry out a program of economic empowerment, through BRI Santripreneur program.

Total assistance disbursed for BRI Peduli Program for Education in 2014 reached Rp29.5 billion.

Responsibility Towards the Community

ECONOMIC EMPOWERMENT PROGRAM – BRI STUDENTPRENEUR AND BRI SANTRIPREUNEUR

BRI Studentpreneur

BRI consistently implements studentpreneur program, with the aim of generating qualified young entrepreneurs. The program is conducted in collaboration with universities, which in 2014, the cooperation is carried out with the Institute of Technology Sepuluh November with the theme Technopreneur.

The programs are designed and implemented through training and mentoring by professional trainers from both competent academia and practitioners. The training and mentoring in general will be using a minimum of 60% practices (through multiple simulations and mentoring), as the participants are mostly Technopreneurship ITS entrepreneurs, with concepted business activities that have been applied through several processes in the ITS campus environment, especially majoring in Technopreneurship.

BRI Santripreneur



This program is intended to increase the independence and foster entrepreneurship amongst the boarding school students. The Santripreneur Program is implemented through livestock farming training for students in the boarding schools. In addition to livestock farming training, BRI also supported the schools by providing the actual livestock.

As the initiation of this program, BRI selected a pilot project, the Al Bayan Boarding School in Lebak, Banten. BRI provided training and also 50 goats, which were granted as start-up capital for Al Bayan Boarding School.

Students who received training from the Santripreneur program are expected to be pioneers in the development of goat farming in boarding school. Al Bayan boarding school sent around 20 students to receive training in raising goats, who are expected to share their knowledge with other students on raising the livestock and waste processing into organic fertilizer.

Responsibility Towards the Community

BRI Peduli for Public Facility

BRI provides assistance of public facilities/ infrastructure renovation and construction, including: the construction of wells/water storage for drought areas in Purworedjo, in Central Java, construction of agrobusiness development center in Pasir Sarongge with IPB, provision of equipments for Tanah Abang G Block Culinary Centre, improvement of rural roads in Pesawahan Banyumas village, Central Java. The total distribution of BRI Peduli program for public facilities in 2014 was amounted to Rp12.02 billion.

BRI Peduli for Natural Disasters

As part of its efforts to help victims of natural disasters, BRI provides emergency response assistance through its operating units located closest to affected areas. In 2014, BRI distributed Rp6.09 billion to help with the natural disaster mitigation efforts, including Eruption of Mount Sinabung, Tanah Karo, North Sumatera; flood victims in Jakarta; and the eruption of Mount Kelud, East Java. The financial aid was distributed for food, clothing, medicine, blankets and other emergency needs.

BRI Peduli for Public Health

This program is a manifestation of BRI commitment in improving the community healthcare in Indonesia. The total funding disbursed in 2014 for health-related activities was Rp22.70 billion for various activities, including: the development of Rumah Sehat Amira 2, mouth and harelip surgeries in Pontianak, and Blood Donor by the BRI employees.

"BRI Peduli Teras Rumahku" – Creating Healthy Environment from a Healthy Home

BRI Peduli Teras Rumahku program is intended for economically disadvantaged communities. This program is a manifestation of BRI's engagement in the provision of homes improvement. As we know, currently many Indonesian are resided in inhabitable houses. Director General of Social Empowerment and Poverty Alleviation of Ministry of Social Affairs, Mr. Hartono Laras stated that total of inhabitable houses in Indonesia are reaching a total of 2.3 million houses. As it is unhealthy, the inhabitable houses without further improvement may endangered the homeowners as it may at anytime collapse.

From January to the end of 2014, BRI through BRI Peduli Teras Rumahku Program has renovated a total of 255 houses in several areas, namely: Bantul, Wates, Wonosobo, Temanggung, Palembang, Aceh and Belitung.

Responsibility Towards the Community

MANGROVESTASI PROGRAM

PRESERVING COASTAL ENVIRONMENT NURTURING MARITIME POTENTIAL



Destruction of nature and the environment is an issue that continues to grow in the world. The technology application and industry development also are instrumental in this destruction. Awareness of all parties are required to address this issue, including BRI. As the engagement in social responsibility towards the environment, BRI strives to maintain nature conservation through various activities, one of which is Mangrovestasi Program.

During 2014, BRI cooperated with local schools in conducting Mangrovestasi Program. This program has been well implemented in 6 (six) provinces, namely: DKI Jakarta, South Sulawesi, West Kalimantan, Yogyakarta, Central Java and East Java.

Mangrovestasi is carried out by planting the mangrove trees in coastal areas, especially in severe destruction areas. Mangrovestasi represents Mangrove as Investment.

BRI Peduli for Religious Facilities

Contributing to the wellbeing and the quality of religious aspects of the community, BRI strives to prepare and offer assistance to the renovation and construction of religious facilities such as mosque and mushola, islamic centres, churches, and other religious facilities. Total fund distributed for the improvement of religious facility through the BRI Peduli program for Religious Facilities in 2014 was Rp16.86 billion.

BRI Peduli for Nature Conservation

Activities carried out by BRI to protect the environment and air quality were carried out through several activities, including: equipments to clean lakes from water hyacinth, School Forest program, participation in forest conservation and mangrove planting in the north coast of Java. In 2014 Rp4.06 billion was disbursed to fund these activities.

Further, BRI also implements environmentally friendly technology, both carried out in the company's operational areas as well as community in general.



Responsibility Towards the Customers

The bank's customers are among the most vital stakeholders in ensuring BRI's sustainability over the long run. With their central role through savings, deposits, and other banking services, the customers' trust and satisfaction is an element that needs to be managed properly.

To maintain customers' trust and satisfaction, BRI offers a variety of banking products and services to suit the customers' needs, with quality, diverse product features, ease of access with the provision of network services and a conventional e-channel, and excellent customer services to handle customer complaints.

Detailed descriptions of the programs can be viewed in the following sections: "Products and Services", "Operational Review-Marketing", and "Management Discussion and Analysis-Business Review".

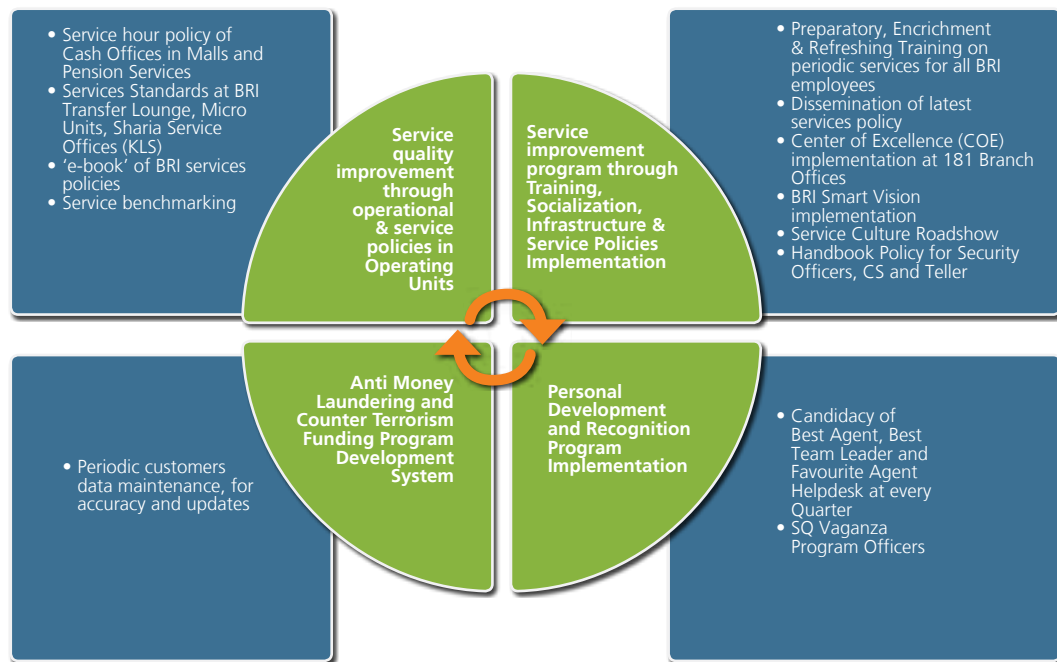
Customer Service Policy

Since 2010 BRI stipulated the Decree of BRI's Board of Directors No. S.46 –DIR/LYN/07/2010 regarding Policy and Procedures of Customer Complaint Settlement of PT Bank Rakyat Indonesia (Persero) Tbk. The policy of customer complaint settlement has consistently been applied through a series of steps including:

- Stipulation of service level agreement for the customer complaints settlement as regulated in BRI's Decree No. S.35 –DIR/LYN/05/2013 regarding User and SLA's Authority in Customer Complaint Settlement.
- Settlement through the Organization for Banking Mediation for unsatisfied customers with the settlement conducted by BRI, in compliance with BRI Director's Decree No. S. 49–DIR/OPS/10/2006 regarding BRI's Policy and Procedures of Dispute Settlement with Customer through the Organization for Banking Mediation.
- Determination of the customer complaints settlement function, including: Complaint Reception, Handling and Settlement of Complaint, Complaint Monitoring and Complaints Settlement Reporting.

To provide quality and responsible services for its customers, BRI service policy is set as illustrated in the following diagram:

Responsibility Towards the Customers



Policy Implementation

To improve customer satisfaction and trust, and as an implementation of its policies, BRI implements various programs including:

- Improve accessibility to its network, both conventional or e-channel:
 - Opening of 594 Operating Units, 2,500 ATMs and 45,268 EDCs (details can be viewed in "Network Expansion" section)
 - Investment in BRI's banking technology infrastructure (details can be viewed in "Information Technology" chapter)
- Improvements on the accessibility of BRI's product and services information:
 - Development of BRI's website, www.bri.co.id, where customers can find in-depth information about products and services offered.
 - BRI Contact Center.

Through BRI's Contact Center, customers can obtain further information on BRI including product information, marketing programs and the latest BRI services. They can also submit any complaints about BRI services.
 - BRI Mobile Banking

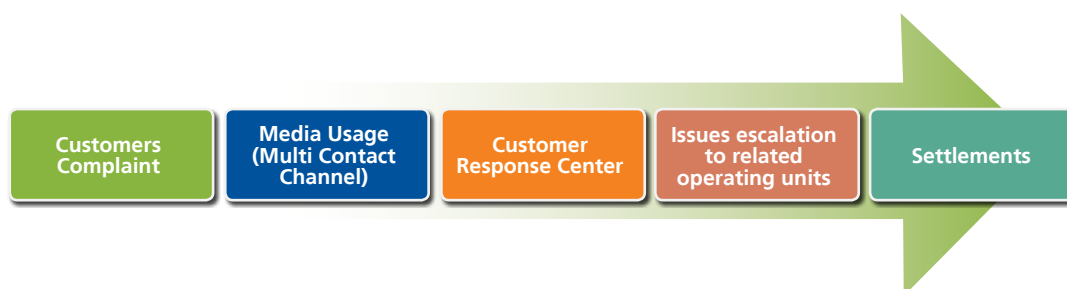
With this latest service, customers can enjoy easy access to BRI's banking services, obtaining products information, and ATMs network, including finding the nearest ATM location in real time on-line.
- Improvements on the service quality with the implementation of Service Level Agreement (SLA) in the settlement of customer complaints, including:
 - Implementation of the Complaint Handling System (CHS) application in all operating units.
 - Socialization of SLA policies in settlement of customer complaints.
 - Improve access through BRI's multi-channel contacts:

Responsibility Towards the Customers

1. Customer Service in all BRI's Operating Units
2. Telephone 14017, 500017, 021-57987400
3. Premium Call 08001017017, 021-5758899, and 021-5751234
4. Website www.bri.co.id
5. Email: kartu_kredit@bri.co.id and contactcenter@bri.co.id
6. Internet banking: <https://ib.bri.co.id>
7. Social media Twitter: @kontak_bri
8. Social media Facebook: BANK BRI Official
9. Social media Youtube: BANK BRI
10. Mails, address to: nearest BRI operating units; or Head Office Customer Services Contact Center
11. Print and electronic media
 - Dissemination of Customer Complaints Procedure:

Responsibility Towards the Customers

Complaint Handling Procedures



- Evaluation of complaints handling and settlements is summarized recapitulated as follows:

Complaints Handling and Settlement Report

Period	Complaints Received	Complaints Followed-up	Complaints Resolved
2012	168,672	168,672	165,192
2013	142,309	142,309	130,979
Quarter I - 2014	33,446	33,446	32,822
Quarter II - 2014	100,971	100,971	90,227
Quarter III - 2014	110,720	110,720	100,706
Quarter IV - 2014	146,774	146,774	124,564
* Complaints in process will be followed up in the next period			

Certification of Service Level

BRI's Contact Center Service has been certified with ISO 9001:2008 by the Verification New Zealand Limited. The certification has been extended valid from 5 December 2014 to 5 December 2017.

Financial Impact

BRI capital investment in 2014, which allocated specifically to further enhance the service quality and to expand BRI's network was amounted to Rp3.06 trillion. (See also a detailed of capital expenditure in the "Financial Review" section).



Corporate Information



Competency and
professionalism
enhancement program
to create skilled and
dedicated Human
Resources with strong
sense of integrity

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Profiles of the Board of Commissioners



Bunasor Sanim
President Commissioner /
Independent Commissioner

Indonesian citizen, 69 years. Attained Engineer in Agricultural Social Economics from Bogor Institute of Agriculture (IPB) in 1972, Master Degree in Agricultural Economics from the University of the Philippines, Los Banos (1982), and a Ph.D. in Resource Economics from the University of the Philippines, Los Banos (1986). Completed a Post Doctoral Programme in Harvard Institute of International Development (HIID), Harvard University, Cambridge, MA, USA (June-July 1994).

in 2005 was appointed as Independent Commissioner, and in 2006 was appointed as President Commissioner/Independent Commissioner. Reappointed as President Commissioner/Independent Commissioner PT BRI (Persero) Tbk on 28 April 2011.

Currently holds a teaching post as a regular Lecturer in Under Graduate and Postgraduate Programs of Bogor Agricultural University (IPB). Actively involved in numerous organizations, such as the Indonesia Muslim Scholars Association (ICMI), member of Indonesia Agricultural Economy Association (PERHEPI), member of Advisory Council, of International Center for Analysis of Finance and Economic (InterCAFE), Member of Advisory Council of Indonesia Sharia Bank Association (Asbisindo), Deputy of Indonesia Fertilizer Council (DPI), and Deputy of Indonesia Organic Agriculture Society (MAPORINA), and Chairman of Advisory Board of the Alumni Association of Bogor Institute of Agriculture (IPB).

Formerly served as Consortium Coordinator on Agriculture and Natural Resources in SEARCA-SEAMOE (1989-2002) and Senior Scientist Partnership, IPB-University of Gottingen.

Education and professional banking background, among others are Certification of Risk Management for Banks Level 1 and 2, International Conference "Revolutioning Internal Audit" in Boston, USA (2012), Risk Management Certification Refreshment Program in Tokyo, Japan (2012), Benchmarking of ISO 31000 based ERM Practices in Sydney, Australia (2013), Prevention of Hyper Corporate-Crime for SOE in Jakarta (2013), Financial Course "Implementing Basel III and Dodd Frank" in New York, USA (2014), Bank Risk Management Refreshment Program for Executive in Hong Kong (2014).

Profiles of the Board of Commissioners



Mustafa Abubakar
Vice President Commissioner /
Independent Commissioner

Indonesian Citizen, 65 years. Holds Engineer's degree in Water Resources Management (1977), M. Si in Marine Technology (2002), and Doctoral degree in Marine Technology (2004) from Bogor Institute of Agriculture (IPB).

Serves as Deputy President Commissioner of PT. BRI (Persero) Tbk since 28 March 2012 and as Independent Commissioner PT BRI (Persero) Tbk. since 19 November 2014.

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 Board of Trustees of Leuser International Foundation (YLI). As activity in education, currently he is actively involved as Academic Senate of Institute of Economic Science (STIE) Indonesia Banking School.

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

Education and professional banking background, among others are Work Place Competency Assessor, Certification of Risk Management for Banks Level 1 and 2, Lemhanas KSA IX in Jakarta (2001), Risk Management Certification Refreshment Program in Tokyo, Japan (2012), The 7th Jakarta Risk Management Convention in Jakarta (2013), Benchmarking of ISO 31000 based ERM Practices in Sydney, Australia (2013), 43rd ASEAN Banking Council Meeting in Yangon, Myanmar (2013), Prevention of Hyper Corporate-Crime for SOE in Jakarta (2013), The Institute of Internal Auditors International Conference & Benchmark Visit in London, England (2014), Enterprise Risk Governance in Jakarta (2014), ASEAN Banking Council Meeting and 20th ASEAN Banking Conference in Cebu, Filipina (2014), and Bank Risk Management Refreshment Program for Executive in Hongkong (2014).

Profiles of the Board of Commissioners



Hermanto Siregar
Independent Commissioner

Indonesian citizen, 51 years. He holds an Engineer degree from the Agriculture Faculty, Bogor Institute of Agriculture (1986), M.Ec in Agricultural Economics from the University of New England, Armidale, Australia (1991), and a Ph.D. in Economics from Lincoln University, New Zealand (2003).

Appointed as Commissioner PT. BRI (Persero) Tbk. since 28 April 2011 and as Independent Commissioner PT. BRI (Persero) Tbk. since 19 November 2014. Currently also serves as Deputy Rector of Resources and Strategic Research, and Professor of Economics in Bogor Institute of Agriculture (IPB), Chairman of Indonesia Agricultural Economy Association (PERHEPI), and Committee of Indonesia Economics Graduates Association (ISEI).

Previously served as Independent Commissioner, PT Permodalan Nasional Madani (PNM) (2007), President Commissioner, PT PNM (2008-2011), Secretary General, PERHEPI (2007-2011), Member of Statistics Society Forum (2007-2009), Secretary General Asia Pacific Agricultural Policy Forum (2007-2009), and Director of Management and Business Postgraduate Program, Bogor Institute of Agriculture (2005-2008).

Educations and professional banking background, among others are Certification of Risk Management for Banks Level 1 and 2, ESQ Leadership Training in Jakarta (2009), Human Capital Management Training in Bogor (2009), International Conference "Revolutionizing Internal Audit" in Boston, USA (2012), Risk Management Certification Refreshment Program in Tokyo, Japan (2012), Internal Capital Adequacy Assessment Process (ICAAP) & Supervisory Review & Evaluation Process (SREP) in Jakarta (2013), The Institute of Internal Auditors International Conference & Benchmark Visit in London, England (2014), and also Bank Risk Management Refreshment Program for Executive in Hong Kong (2014).



Vincentius Sonny Loho
Commissioner

Indonesian citizen, 57 years. Holds Diploma III from National Accounting Institute (STAN) in 1980, Diploma IV from STAN (1987), then Master of Public Management from Carnegie Mellon University, Pittsburgh (1998).

Appointed as Commissioner of PT. BRI (Persero) Tbk since 28 March 2012.

He had also served as Inspector General of Ministry of Finance, Secretary of Government Standard of Accounting Committee, Chairman of Government Internal Auditor Association (AAIPI), member of Consultative Board Indonesian Accountant Association (IAI) Accountant Compartment, Public Sector

Previously served as Head of Consolidation and Financial Reporting, Sub-Directorate of Treasury Directorate General (2004-2006), Director of Finance Supervisory on Public Service Agencies (BLU) (2006-2008), and Director of Accounting and Reporting of Ministry of Finance (2008-2011).

Educations and professional banking background, among others are Certification of Risk Management for Banks Level 1, Accounting and Treasury Development Comparative Study in Australia (2009), Accounting Development Comparative Study in South Korea (2010), European International Internal Audit Conference in Vienna, Austria (2013), The Institute of Internal Auditors International Conference & Benchmark Visit in London, England (2014), and also Financial Course "Implementing Basel III and Dodd Frank" in New York, USA (2014).

Profiles of the Board of Commissioners



Heru Lelono
Commissioner

Indonesian Citizen, 59 years. Holds Bachelor's degree in Architecture from Soegijapranata Chatolic University (1983).

Appointed as Commissioner of PT. BRI (Persero) Tbk since 20 May 2010.

Previously he served as a member of Presidential Staff of the Republic of Indonesia (2004-2014), Director of Business Development, PT Bukit Jaya Abadi Surabaya (1993-1995) and Managing Director, PT Telesera (Rajawali Corp.) (1995-1998).

Educations and professional banking background, among others are Certification of Risk Management for Banks Level 1, Workshop for Socialization PER-11/MBU/2012 and PER-21/MBU/2012 in Bali (2013), Risk Based Audit - Concept & Implementation in Bali (2014).



Adhyaksa Dault
Independent Commissioner

Indonesian citizen, 51 years. Holds Bachelor's degree in Law from Trisakti University Jakarta (1989), Master degree in Community Development from Indonesia University Jakarta (1999), and Doctor in Maritime Engineering from Bogor Institute of Agriculture (2007).

Appointed as Independent Commissioner of PT. BRI (Persero) Tbk since 20 May 2010.

Currently actively involve in several organizations, namely Chairman of Indonesia Youth National Committee (KNPI) and Chairman of National Scout Organization. In education area, he teaches Postgraduate Program in Universitas Negeri Jakarta and Postgraduate Program in Science of Marine and Fishery, Diponegoro University Semarang.

Had also served as Commissioner in several companies (1995-2002) and as State Minister of Youth and Sports Republic of Indonesia (2004-2009).

Educations and professional banking background, among others are Certification of Risk Management for Banks Level 1 and 2.



Ahmad Fuad
Independent Commissioner

Indonesian citizen, 60 years. Holds Bachelor's degree of Law from Indonesia University, Jakarta (1982) and MBA in Finance from University of Adelaide, Australia (1995).

Appointed as Independent Commissioner of PT. BRI (Persero) Tbk since 28 March 2012.

Previously served as Deputy Director of Legal in Bank Indonesia (2001-2005), Director of Banking Investigation and Mediation in Bank Indonesia (2005-2008), and Director of Legal in Bank Indonesia (2008-2012).

Educations and professional banking background, among others are Certification of Risk Management for Banks Directors Executives Programm (2006), Modern Corporate Governance in Paris, France (2012), Leadership and Strategic Management in Prague, Czech Republic (2013), The 7th Jakarta Risk Management Convention in Jakarta (2013), Certification of Risk Management Refreshment for Banks level 5 (2014), Small Medium Enterprise Banking Master Class in Johannesburg, South Africa (2014), Effective Risk Management Oversight for Board Members in London, England (2014), and Enterprise Risk Governance in Jakarta (2014).

Profiles of the Board of Directors



Sofyan Basir
President Director

Indonesian citizen, 56 years. Served as the President Director of PT. BRI (Persero) Tbk since 17 May 2005 and was re-appointed on 20 May 2010. Prior to joining BRI, he served as the President Director of Bank Bukopin. His banking career started in 1981 with Bank Duta. He joined Bank Bukopin in 1986 and has occupied managerial positions in Bank Bukopin, including Commercial Director, Group Head Line of Business, and Head of Branch Office in several major cities in Indonesia.

Holds Diploma's degree from Trisakti School of Management, Jakarta (1980), Bachelor's Degree in Economics from STIE Ganesha, Jakarta (2010), and Doctor Honoris Causa from Trisakti University, Jakarta (2012). He was granted Bintang Mahaputera Utama from the President of the Republic of Indonesia, Jakarta (2014). Attended various banking training and courses inside and outside the country, including CEO Networking, IDX (Denpasar); Risk Management Certification Refreshment Program, BARa (Frankfurt); Market Risk Management Refresher, ABN Amro (Switzerland); Risk Management Executive, ABN Amro (Denpasar); Islamic Finance Forum (Switzerland), Business Continuity Planning Seminar, Ernst & Young (Jakarta); and SESPIBANK (Jakarta) and World Hajj & Umrah Convention, London (2014).

Profiles of the Board of Directors



Sarwono Sudarto
Director of Operations

Indonesian citizen, 62 years. Served as Director of BRI since 30 May 2006 and was re-appointed for the second term on 28 April 2011. Started his career in BRI in 1976 and has occupied numerous managerial positions, such as Head of Treasury Division, Head of Strategic Planning Division, Head of Internal Audit Division, Head of Retail Business Division, Deputy Head of Accounting Management and Finance Division, Head of Palembang Sriwijaya Branch, Guest Officer Sanwa International Finance Ltd. Hongkong, Treasury Manager and Chief Dealer BRI Finance Ltd. Hongkong.

Holds Bachelor's Degree in Business Administration from Diponegoro University, Semarang (1975), MBA from Tulane University, the United States (1987), and Doctoral Degree in Education Management, Universitas Negeri Jakarta (2011). Attended training sessions and courses, among others Capital Market (Tokyo); Risk Management Certification, BSMR (Singapore); Assessor in Risk Management Competence Assessment BNSP; 5th World Islamic Economic Forum, Risk Management Certification Refreshment Program; LEMHANNAS RI, SESPIBANK, and Organization Management (Jakarta). Represented BRI as speaker on microfinance forum in Thailand and APEC Meeting in Chile (2004) as well as in investor roadshows and conferences in London, Hong Kong, and Singapore.



Asmawi Syam
Director of Institutional and SOE
Business

Indonesian Citizen, 59 years. Serves as Director of BRI since 5 September 2007 and was re-appointed for his second term on 28 March 2012. Started banking career in BRI in 1980 and has served in many 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.

Holds Bachelor's Degree in Economics from Hasanuddin University, Makassar (1979) and Master's Degree in Management from Padjadjaran University, Bandung (2003). Attended banking training sessions 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 (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 (Brussels); and SESPIBANK (Jakarta), and Executive International Conference "Key Risk Management Challenges in 2014" (Russia).

Profiles of the Board of Directors



Achmad Baiquni
Director of Finance

Indonesian citizen, 57 years. Serves as Director of BRI since 20 May 2010. Started his banking career in BNI in 1984 and has served a number of managerial positions, including Director of Small and Medium Enterprises and Sharia Business, Director of Corporate Banking, Director of Consumer Banking, Head of Personal Business Management Division, Head of Retail Marketing Division, Head of Bandung Regional Office, and Head of Manado Regional Office.

Holds Bachelor's Degree in Economics from Padjadjaran University, Bandung (1982) and Master of Business Management from Asian Institute of Management, Makati, the Philippines (1992). Attended banking training sessions, courses and seminars, including Executive International Conference, Growing with Confidence - BARa (London); Risk Management in Retail Banking - BSMR (the Netherlands); Executive Training for Director - The Wharton School of The University of Pennsylvania (United States); Bank Indonesia's Executive Risk Management Certification - BSMR (Singapore); Retail Banking Conference - LAFFERTY (Singapore); Asian Bankers Surveyor Program - Bank of New York (New York); SESPIBANK – IBI (Jakarta); Business Bank & Financial Service Conference - LAFFERTY (Singapore), Human Resources Banking Conference - LAFFERTY (Singapore) and Assesment of Bank Management Performance (University of Leicester, United Kingdom). Represented BRI in various investor roadshows and conferences in United States, Europe, and Singapore.



Sulaiman Arif Arianto
Director of Commercial Business

Indonesian citizen, 56 years. Served as Director of Micro, Small, and Medium Enterprises (MSME) Business in his first term on 30 May 2006, then served as Director of Commercial Business since 12 October 2009. He was re-appointed for a second term on 28 April 2011. His career in BRI started in 1983 and he has occupied a number of managerial positions, including Head of Medium Loan Division, Head of Agribusiness Division, Head of Denpasar Regional Office, and Head of Jakarta Regional Office.

Holds Bachelor's Degree from the Faculty of Animal Husbandry, Bogor Institute of Agriculture (1981) and MBA from the University of New Orleans, United States (1991). Represented BRI in various organizations such as APRACA, UN Advisors Group on Inclusive Financial Sectors and Micro Finance Network. Speakers in many MSME international seminars, including Asian Banking Forum (Jakarta); APEC SME Working Group (Bali); Financial Technology Conference (Singapore); Microfinance Sustainability, APRACA (Kunming, China); APO Forum, Micro Banking and Risk Management Workshop (Beijing); Asia Pacific Regional Microcredit Summit (Bali); Round Table on the Impact of the Global Crisis on SMEs (Turin, Italia); and International Microfinance Conference 2012 (Yogyakarta). Represented BRI in several Investor Conferences held inside and outside the country, such as in the United States, Europe, and Singapore.

Profiles of the Board of Directors



A. Toni Soetirto
Director of Consumer Business

Indonesian citizen, 56 years. Serves as Director of BRI since 30 May 2006 and was re-appointed for his second term on 28 April 2011. Started his banking career in Bank Duta in 1983 and joined Bank Bukopin in 1985. Previously occupied managerial positions as Director of Commercial Business, Risk Management and Compliance Director, and Group Head Credit and Marketing Financial Institutions.

In 1981 obtained Bachelor's Degree in Agribusiness from Bogor Institute of Agriculture. Attended a number of banking training sessions, 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 (Netherlands); Risk Management Certification Refreshment Program (Frankfurt); World Hajj & Umrah Convention 2013 (London); and Bancassurance Distribution and Channel Management (Hong Kong). and Enterprise Risk Management Benchmarking (Europe).



Lenny Sugihat
Director of Credit Risk
Management

Indonesian citizen, 58 years. Served as Director of BRI since 30 May 2006 and was re-appointed for her second term on 28 April 2011. Started her banking career in BRI in 1981 and has served in many managerial positions such as Head of Strategic Planning and Business Development Division, Head of Agribusiness Division, and Head of Loan Restructuring and Settlement Division.

Holds Bachelor's Degree in Fishery from Bogor Institute of Agriculture (1979) and MBA from the University of Houston, Texas, United States (1993). Attended training sessions and courses, among others at Loan Syndication (Hong Kong); Credit Risk Management BRI & Citibank (Jakarta); The Advanced Management Program for Overseas Bankers (Pennsylvania, US); Problem Loan and Loan Syndication Training (Sydney); SESPIBANK (Jakarta); Seminar World Bank "Rethinking The East Asia Miracle" (Jakarta); Seminar "Bank Risk Management and Basel II Capital Requirements" (Jakarta); World Bank/IMF 2002 Annual Meeting (Washington, USA); Strategic Management in Banking Programme (Fontainebleau, France); 33rd ASEAN Banking Council Meeting (Bali); Seminar "Program Management Office" (Jakarta); The World Bank Conference "Role of State-Owned Bank" (Washington, USA); Risk Management Certification – BSMR (Bali); BSMR Seminar "Market Risk Management Refresher" (Bali); and Assessor in BNSP's Competence Assessment Test (Jakarta).

Profiles of the Board of Directors



Randi Anto
Director of Compliance

Indonesian citizen, 53 years. Serves as Director of BRI since 28 April 2011. Has served in many managerial positions in BRI, such as Head of Human Resources Management Division, Head of Palembang Regional Office, Head of Credit Administration Division, and Head of Compliance and Risk Management Division.

Holds Bachelor's Degree in Economics from Diponegoro University, Semarang (1984) and MBA from St. Louis University, USA (1994). Attended banking training sessions and courses, among others, ProActive Operational Risk Management (Jakarta); SESPIBANK (Jakarta); World-class Leadership Mentoring Coaching (Jakarta); Credit Appraisal for Small Medium Individuals (Tokyo); The Asian Banker 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); and International Workshop Assessment of Bank Management Performance (University of Leicester, United Kingdom).



Suprajarto
Director of Network and Services

Indonesian citizen, 58 years. Serves as Director of BRI since 5 September 2007 and was re-appointed for his second term on 28 March 2012. Started banking career in BRI in 1983 and has served in many managerial positions, such as Head of Jakarta Regional Office, Head of Corporate Secretary Division, Deputy Head of Jakarta Regional Office, and Head of Branch in several major cities in Indonesia.

Holds Bachelor's Degree in Economics from University of Pembangunan Nasional, Yogyakarta (1982) and Master's Degree in Management from Padjadjaran University, Bandung (2001). Currently completing Dissertation in Business Management, Doctoral Program of Economics in the Postgraduate Program of Universitas Padjadjaran (2014). Attended a number of banking training sessions and courses, among others Customer Relationship Management (Paris); The Branch of the Future Seminar (Barcelona); The 5th Annual Asia Pacific Mobile Payments Seminar (Bangkok); SESPIBANK (Jakarta); Executive Management Development Program (Jakarta); Marketing Seminar (Sydney); Delivery Channel Strategy The Branch & Beyond Seminar (Kuala Lumpur); Branch of the Future Revamping the Branch for the Technology Driven World Seminar (London); 40th EFMA Congress Multichannel Coordination and Integration (Barcelona) Seminar; 41st EFMA Congress Multidistribution (Paris) Seminar; and BARa Executive International Conference (London); and Executive International Conference "Key Risk Management Challenges in 2014" (Russia).

Profiles of the Board of Directors



Djarot Kusumayakti
Director of Micro, Small, and
Medium Enterprises Business

Indonesian citizen, 57 years. Appointed as Director of BRI since 20 May 2010. Started banking career in BRI in 1983 and has served in many managerial positions, such as President Commissioner of PT BTMU BRI Finance, Head of Credit Risk Analysis Division, Deputy Head of Jakarta Regional Office, Deputy Head of Semarang Regional Office, and Deputy Head of Padang Regional Office.

Holds Bachelor's Degree in Corporate Economics from Indonesia Islamic University, Yogyakarta (1982) and a Master's Degree in Financial Management from Airlangga University, Surabaya (2000). Attended banking training sessions and courses, among others Senior Banker Development Program - Bank of America (Jakarta); Credit Risk Management Training (Semarang); SESPIBANK (Jakarta); and Banking Risk Management Certification (Jakarta).; Financial Lecture – Bisnis Indonesia (Jakarta); and Executive International Conference "Key Risk Management Challenges in 2014" (Russia). Represented BRI as a speaker on Microfinance in The Key Success on Sustainable Microfinance Program during Microfinance Network (MFN) 17th Meeting Conference Riviera Maya in Cancun (Mexico), and The Role of Microsaving on Sustainable Microfinancing at the Global Microcredit Summit in Valladolid (Spain).



Gatot Mardiwasisito
Director of Human Resources
Management

Indonesian citizen, 61 years. Serves as Director of BRI since 28 September 2011. Previously 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 in PT Bank Tabungan Negara (Persero) Tbk.

Holds Bachelor's Degree in Economics/Business Law from Indonesia University (1985) a Master's Degree in Management from Ecole Supérieure, Lyon, France (1989). Attended training sessions and courses, including 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).

Profiles of Committees under the Board of Commissioners

Profile of Audit Committee Members

Profile of Bunasor Sanim, Adhyaksa Dault, and Hermanto Siregar can be seen at Board of Commissioner Profiles.

H.C. Royke Singgih

Indonesia citizen, 54 years. Serves as a member of Audit Committee since October 2005. A registered accountant, he previously worked in PT Bank IFI Jakarta, PT PAN Indonesia Bank Jakarta, and PT Krakatau Steel Cilegon. Holds Bachelor's Degree in Accounting from Gadjah Mada University, Yogyakarta (1986), Master's Degree in Finance and Banking from Indonesia University, Jakarta (2000), Special Certification for Strategic Management in Pre-Doctoral Program of Indonesia University, Jakarta (2004), and holds a Doctoral Degree in Business Management from Bogor Institute of Agriculture (2012).

Syahrir Nasution

Indonesia citizen, 62 years. Serves as member of Audit Committee since November 2008. A registered accountant, he previously worked in the State Audit Bureau on Finance and Development (BPKP), Jakarta until 1990. Started his career in BRI as auditor, from 1990-2008, and last served as Inspector at BRI Jakarta Inspection Office. Holds a Bachelor's Degree in Accounting from Institut Ilmu Keuangan, Ministry of Finance, Jakarta (1981).

Dedi Budiman Hakim

Indonesia citizen, 50 years. Serves as a member of Audit Committee since November 2005. Currently also serves as Lecturer in Bogor Institute of Agriculture (IPB), Bogor and researcher in Center for Applied Economics and Finance IPB, Bogor. Holds Bachelor's Degree in Agricultural Economics from Bogor Institute of Agriculture (1988), a Master's Degree in Agricultural Economics from Massey University Palmerston North, New Zealand (1994), and a Doctoral Degree in Agricultural Economics from Georg-August-Universität Göttingen, Germany (2004).

Profiles of Committees under the Board of Commissioners

Profiles of Nomination and Remuneration Committee Members

Profile of Board of Commissioner who is a Member of the Nomination and Remuneration Committee can be seen in the Board of Commissioners Profiles.

Ganefi

Indonesia citizen, 51 years. Started his career in BRI in 1989 and has experience in many positions, currently serving as Head of Human Resources Policy and Development Division. Hold a Bachelor's Degree in Fiscal Administration from the Faculty of Social and Political Sciences, Indonesia University, Jakarta (1989) and Master of Business from Monash University, Australia (1994).

Profiles of Risk Management Supervisory Committee Members

Profile of Board of Commissioner who is a Member of Risk Management Supervisory Committee can be seen in the Board of Commissioners Profiles.

Indra Yetti

Indonesia citizen, 42 years. Appointed as member of Risk Management Supervisory Committee PT. BRI (Persero), Tbk since August 2014. Previously worked in Bank Mandiri as well as several foreign banks and nationals in various positions. Obtained Bachelor in Economy Accounting Science from Trisakti University, Jakarta (1995) and Master of Commerce from University of New South Wales, Australia.

I Gde Yadnya Kusuma

Indonesia citizen, 60 years. Serves as a member of BRI Risk Management Supervisory Committee since July 2010. He previously occupied various positions in Bank Indonesia and served as Director for Research and Analysis at the Center of Financial Transaction Reports and Analysis (PPATK). Bachelor's of Economics from Sekolah Tinggi Ilmu Ekonomi Swadaya, Jakarta (1993) and Master's of Economics from Indonesia University, Jakarta (2006).

Profiles of Corporate Secretary and Head of Internal Audit

Corporate Secretary



Budi Satria

Indonesian citizen, 51 years. Serve as Head of Corporate Secretary since 1 April 2014. Obtained Bachelor's degree in Law from Indonesia Islamic University (UII), and Magister of International Management from Indonesia University (UI), and started his career in BRI since 2 May 1988. In his career journey, he had serve as Inspector of BRI's in Inspection Office Banjarmasin in 2011 and BRI's Regional Head of Regional Office Palembang in 2012.

Appointed as Corporate Secretary by the Board of Directors and has been reported to Bank Indonesia in compliance with Bank Indonesia regulation No. 11/1/PBI/2009 dated 27 January 2009 on Commercial Bank, and also been reported to Bapepam-LK and Indonesia Stock Exchange by letter No: B.81-SKP/DHI/04/2014 dated 14 April 2014 regarding Changes on Corporate Secretary. He had joined several trainings in order to develop the competency, among others are Training ERM Benchmarking Europe 21 - 28 September 2014 by Center for Risk Management Studies.

Head of Internal Audit



Ali Mudin

Indonesian citizen, 57 years. Serves as Head of BRI Internal Audit since September 2008.

Began his career in BRI since 1990 and has occupied several positions, among others were Head of Logistic Division, Head of BRI Regional Office Banda Aceh, Head of Legal Division and Head of BRI's Branch office in several regions. Since 2006, he served various duties, including Commissioner of PT Beringin Karya Sejahtera (2006-2009), as well as President Commissioner of PT Asuransi Jiwa Beringin Jiwa Sejahtera (2009 - Present).

Holds Bachelor's of Law from Pajajaran University Bandung (1981) and a Master's Degree in Marketing Management from Padjadjaran University Bandung (2006). Has attended training sessions and courses inside and outside the country, including European Confederation of the Institute of Internal Auditor event & CEE Conference, in Budapest, Hungaria (2014), Workshop Penilaian Kerja Manajemen Perbankan in University of Leiceste UK (2014), European Conference Amsterdam: Internal Audit A'la Carte (2012), Intl Conference: Auditing through Leadership, Atlanta-USA (2010) and Workshop Enhancing Internal Audit's Role: Gaining Stakeholders' Confidence through the Global Economic Crisis.

Senior Executives

I. DIVISIONS			
No	Name	Position	Operational Unit
1	Irianto	Head of CM	Change Management
2	Zulhelfi Abidin	Coordinator of IST	Division of Information System & Technology
3	Priyastomo	Head of Division	Division of Retail and Medium Business
4	Teten Djaka Triana	Head of Division	Division of Program & Partnership Business
5	Agus Katon ES.	Head of Division	Division of Micro Business Development & Policy
6	Johanes Saragih	Head of Division	Division of Micro Business Supervision 1
7	Erdianto Sigit C.	Head of Division	Division of Micro Business Supervision 2
8	Catur Budi Harto	Head of Division	Division of Mass Banking
9	Mohamad Helmi	Head of Division	Division of Credit Card
10	Joice Farida Rosandi	Head of Division	Division of Consumer Loan
11	A.Firman Taufick	Head of Division	Division of Marketing Communication
12	Donsuwan Simatupang	Head of Division	Division of General Business
13	Zainuddin Mappa	Head of Division	Division of Agribusiness
14	Kurnia Chaerudin	Head of Division	Division of Institutional Business 1
15	Agus Noorsanto	Head of Division	Division of Institutional Business 2
16	M. Sodo Harisetyanto	Head of Division	Division of SOE's Business 1
17	I Komang Sudiarsa	Head of Division	Division of SOE's Business 2
18	Anita Retnani	Head of Division	Division of Retail Business Network
19	Heru Setyati	Head of Division	Division of Micro Business Network
20	Nurullah Akhsan	Head of Division	Division of E-Channel
21	Fahmi Subandi	Head of Division	Division of Finance & Accounting Management
22	Haru Koesmahargyo	Head of Division	Division of Treasury
23	Edi Masrianto	Head of Division	Division of International Business
24	Edy Priyono	Head of Division	Division of NPL Settlement & Restructuring
25	Susy Liestiwaty	Head of Division	Division of Credit Risk Analysis
26	Edy Utomo	Head of Division	Division of Operation Center
27	Surja	Head of Division	Division of Fixed Asset Management & Procurement
28	Djunia Satriawan	Head of Division	Division of Goods & Services Procurement
29	Ganefi	Head of Division	Division of HR Development & Policy
30	Rusli	Head of Division (acting)	Division of HR Operational
31	Rachmad Guntur Kristianto	Head of Division	Division of Outsourcing Contracts
32	Irwan Rinaldi	Head of Division	Division of Risk Management
33	M.Jarot Eko Winarno	Head of Division	Division of Compliance
34	Hexana Tri Sasongko	Head of Division	Division of Corporate Development & Strategy
35	Yana Soeprianan	Head of Division	Division of Legal
36	Abing Rabani	Head of Division	Division of Education & Training
37	Budi Satria	Head of Division	Division of Corporate Secretary
38	Anna Maria Ciadarma	Head of Division	Division of Investment Services
39	Andini Nauli Nasution	Head of Division (acting)	Division of E-Banking
40	Ninis Indriswari	Head of Division (acting)	Division of Services
41	Arief Tjatur Widodo	Head of Division	Division of Credit Administration
42	Catur Budi Harto	Head of Division (acting)	Division of Wealth Management
43	R.Sophia Alizsa	Special Branch Manager	Special Branch Offices

Senior Executives

II. REGIONAL OFFICE			
No	Name	Position	Operational Unit
1	M.Fankar Umran	Regional Manager	Banda Aceh Regional Office
2	Ebeneser Girsang	Regional Manager	Medan Regional Office
3	Supari	Regional Manager	Padang Regional Office
4	I Made Suprateka Y.	Regional Manager	Pekanbaru Regional Office
5	Khairullah	Regional Manager	Palembang Regional Office
6	Tri Wintarto	Regional Manager	Bandar Lampung Regional Office
7	Mohammad Irfan	Regional Manager	Jakarta 1 Regional Office
8	Sis Apik Wijayanto	Regional Manager	Jakarta 2 Regional Office
9	Achmad Chumaidi	Regional Manager	Jakarta 3 Regional Office
10	Pardiman	Regional Manager	Bandung Regional Office
11	Achmad Chairul Ganie	Regional Manager	Semarang Regional Office
12	Muhamad Ali	Regional Manager	Yogyakarta Regional Office
13	Adhy Kusnandar	Regional Manager	Surabaya Regional Office
14	Mardiwibawa	Regional Manager	Malang Regional Office
15	Ngatari	Regional Manager	Banjarmasin Regional Office
16	Widodo Januarso	Regional Manager	Denpasar Regional Office
17	Osbal Saragi Rumahorbo	Regional Manager	Manado Regional Office
18	Kuswiyoto	Regional Manager	Makassar Regional Office
19	F.Y.Hari Sistiyasta	Regional Manager	Jayapura Regional Office
III. AUDIT OFFICE			
No	Name	Position	Operational Unit
1	Ali Mudin	Head of Internal Audit	Audit Intern
2	Siswarin Dwi Hendarsapti	Inspector	Head Office
3	Abdul Salam	Inspector	Banda Aceh Audit Office
4	Denny Arsamanggala	Inspector	Medan Audit Office
5	Ruslan Wahyudi	Inspector	Padang Audit Office
6	Khairi Setiawan	Inspector	Pekanbaru Audit Office
7	Dedy Ihsan	Inspector	Palembang Audit Office
8	Saptono Siwi	Inspector	Jakarta 1 Audit Office
9	Hadi Susanto	Inspector	Jakarta 2 Audit Office
10	Sihar Moreno Hutabarat	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	Sutardjo	Inspector	Surabaya Audit Office
15	Suindiyo	Inspector	Malang Audit Office
16	Siswanto	Inspector	Banjarmasin Audit Office
17	Wahyu Waluyo	Inspector	Denpasar Audit Office
18	Bambang Widjanarko	Inspector	Manado Audit Office
19	Endra Sasmito Soengkowo	Inspector	Makassar Audit Office
20	Gatut Dwi Prihartoyo	Inspector	Jayapura Audit Office

Office Address

OFFICE	ADDRESS	CITY	PHONE NUMBER	FACSIMILE
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 Lt. 2, Jl. Gatot Subroto Kav. 9-11	Jakarta Selatan	(021) 52920581, 52920585	(021) 52920586, 52920587
Jakarta 3	Jl. Kapt Soebianto Djojokusumo Kav. CBD II No. I, Kel. Lengkong Gudang, Kec. Serpong, Tangerang Selatan	Tangerang Selatan	(021) 53653470, 53653467-69	(021) 5481766
Jayapura	BRI Building Lt. 3rd-5th, 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

Office Address

OFFICE	ADDRESS	CITY	PHONE NUMBER	FACSIMILE
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 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

Operating Units

BRI Regional Office of Banda Aceh	
Total	Type of Operating Unit
11	Branch Office
15	Sub-Branch Office
10	Cash Office
138	BRI Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
261	Teras BRI
37	Mobile Teras BRI

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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
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 Units
57	Teras BRI
41	Mobile Teras BRI

PT Bank Rakyat Indonesia (Persero) Tbk.

HEAD OFFICE

BRI I Building

Jl. Jenderal Sudirman No. 44-46
Jakarta 10210 - Indonesia
Telp. (62-21) 251 0244, 251 0254
Fax. (62-21) 250 0065, 250 0077

CORPORATE SECRETARY

BRI I Building 20th Floor

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

WEBSITE

www.bri.co.id

EMAIL

humas@bri.co.id

Press Release

No.	January	Date
1.	Bank BRI Share the Prizes, "Twist" Customer with billion Rupiah	07 Jan 2014
2.	Bank BRI Support Moslem Fashion Show	08 Jan 2014
3.	KUR BRI reach of Rp 87 Trillion in 2013	10 Jan 2014
4.	Succeed in BPJS, BRI Mobilized 9.800 outlet and 18.000 ATM	11 Jan 2014
5.	BRI Operating Outlets Among the Floods, BRI Services Remain Optimal	19 Jan 2014
6.	Exposed to Floods, BRI Committedly Send Out Supports	20 Jan 2014
7.	Reached Rp 21T net profit in 2013, BRI Remain to Focus on MSME	22 Jan 2014
8.	The Final Draw for Range Rover Sport and Mercedes Benz S-Class	25 Jan 2014
9.	China as the World's Strongest Economy in 2013, Export proceed Through BRI Reach 4 Billion RMB	30 Jan 2014
No.	February	Date
10.	BRI Preserve Tenun Ikat Nusantara	08 Feb 2014
11.	Succeed in BPJS Kesehatan, BRI's mobilized the entire networks	09 Feb 2014
12.	Superb! Realization of KUR BRI Keep Exceeding Government's Target	12 Feb 2014
13.	Support the Financial Literacy, OJK Team Up with BRI Operate 20 Units SIMOLEK Automobile	24 Feb 2014
14.	One More Step, Shares Capitalization of BBRI is the Biggest di Indonesia	25 Feb 2014
15.	Succeed in MPN G-2, BRI mobilized more than 110 thousand Banking Services Unit	27 Feb 2014
No.	March	Date
16.	The Most Profitable in the World, BRI Run Strong Vision and Good Corporate Governance	11 Mar 2014
17.	Driving Cashless Society to MSME. Here is the 6 Objectives of BRI Collaboration with Ministry of Trade	13 Mar 2014
18.	Targeting MSME, Bank BRI Ready to Serve 80 Million of NU's Community	18 Mar 2014
19.	E-Hospital BRI Servicing Hospitals and its Customers	20 Mar 2014
20.	113 Thousands Employee of BRI Fill out Tax Report by E-Filing	20 Mar 2014
21.	3 Medias Won Journalist Competition UBB BANK BRI	21 Mar 2014
22.	Ministry of Public Housing Choose BRI to Channel BSPS	25 Mar 2014
23.	Strengthening Capital for Business Expansion, BRI's Retained Earning Reached Rp 10,37 Trillion	26 Mar 2014

Press Release

No.	April	Date
24.	BRI's Presence in Kualanamu, BRI Lounge Become Holding Room for the State's Guest of Honour.	03 Apr 2014
25.	Biggest Contribution to the State. BRI Divident Contribute 15,87% of the State Revenue	04 Apr 2014
26.	BRI Peduli Distribute Books in Bogor	06 Apr 2014
27.	Increased 18% in net profit, BRI's Micro Loan Growth Remain Robust	23 Apr 2014
28.	Contract Signing between PT. Bank Rakyat Indonesia (Persero) Tbk., Space Systems/Loral, Llc And Arianespace on The BRI Satellite Program	28 Apr 2014
No.	May	Date
29.	E-Banking BRI one of the preffered service, Internet Banking User Jump to 218%	19 May 2014
30.	Jazz Up Jakarta Great Sale Festival, Bank BRI Presenting The Best Customers	21 May 2014
31.	By April 2014, KUR BRI Reach Rp 96,5 Trillion	30 May 2014
No.	June	Date
32.	Jazz Up Jakarta Great Sale 2014 Festival, BRI Send 27 Best Customers	01 June 2014
33.	BRI Disburse Bonus of Rp1 Billion	12 June 2014
34.	BANK BRI inaugurate Regional Office BRI Bandar Lampung	17 June 2014
35.	Micro Loan BRI Reach Rp 135 Trillion	20 June 2014
36.	E-Money of Bank BRI, Bank Mandiri and BNI Applicable Services KRL Commuter Line	25 June 2014
37.	Grab Fast, BRI Draw the Prize BRI Goes To Europe	25 June 2014
38.	Jakarta Great Sale Ala BRI, Shopping Together With Learning Entrepreneurship Skill	27 June 2014
39.	Within Three Months, BRIFAST Remittance Soaring to Rp 6,7 Trillion	28 June 2014
No.	July	Date
40.	Bhayangkara 68 th Anniversary, BRI's Innovation on POLRI's Member Card Functioning as ATM and BRIZZI	01 July 2014
41.	BRI Shareholders Agree on Strengthening The Board of Commissioner of BRI	10 July 2014
42.	Lebaran, BRI Have 776 Operating Outlets accross Indonesia Ready to Serve Banking Services	15 July 2014
43.	In BRI Peduli, President Break the Fast with 3.500 Orphans	17 July 2014
44.	Lebaran, BRI Standby With Rp 25,5 Trillion of Cash	18 July 2014
45.	BRI Distribute Food Staple In 15 Poor Area of Jakarta	21 July 2014
46.	Maintain the Growth Consistently, net profit BRI Reach Rp 11,72 Trillion	22 July 2014
47.	BRI Mobilize 125 Free Bus for Homecoming of 6.000 Customers	24 July 2014

Press Release

No.	August	Date
48.	Mal Ciputra Held Cullinary Festival, BRI Give Out Prizes	07 Aug 2014
49.	BRI Shows Its Latest Banking Technology in IBEX 2014	28 Aug 2014
50.	Ministry of Religion Entrust BRI To Issue Banknotes Hajj of Rp 750 Billion	31 Aug 2014
51.	BRI Support Independence Day Run 2014	31 Aug 2014
No.	September	Date
52.	Implement Financial Inclusion, BRI Collaborate with 3.569 Village Credit Institution (Badan Kredit Desa/BKD)	03 Sep 2014
53.	BRI Celebrate Customer Day in Branch Offices	04 Sep 2014
54.	BRI Support RNI Develop 'Waroeng Rajawali'	09 Sep 2014
55.	BRI Protect Micro Customer With Micro Insurance Covers Accident, Medical, and Death (AM-KKM)	10 Sep 2014
56.	Improve Service of SPBU Pertamina, BRI Launch Fuel Card	18 Sep 2014
57.	Net Income BRI Reach Rp. 11,725 Trillion, Market Capitalization BRI Reach Rp. 272,6 Trillion	18 Sep 2014
58.	BRI Won Best Domestic Bank 2014	25 Sep 2014
No.	October	Date
59.	BRI Embrace Visitor in Pacific Place Through Buongiorno Italian Festival	01 Oct 2014
60.	BRI Digital Financial Services, Support Government to Disbursing Assistance in Keluarga Harapan Program	08 Oct 2014
61.	Participate in the 29 th Trade Expo Indonesia 2014, BRI Bring Best MSME Customers	08 Oct 2014
62.	BRI Win The Best Annual Report 2014 in Annual Report Award 2014	16 Oct 2014
63.	Bank BRI Record Profit of Rp. 18,12 Trillion in the Third Quarter 2014	22 Oct 2014
64.	Indonesia Open Came With New Main Sponsorship, The Champion Gaganjeet Bhullar is Ready to Preserve the Title	23 Oct 2014
65.	BSD Economic Improving, BRI Inaugurate New Office Building	27 Oct 2014
66.	Promote APKOMINDO in The 22 nd Indocomtech 2014 "Digital Lifestyle", BRI Offers Attractive Products	29 Oct 2014

Press Release

No.	November	Date
67.	BRI Having Cooperation with PT KHI Pipe Industries and PT Krakatau Perbengkelen for fixed benefit pension plan management (PPIP) Program.	04 Nov 2014
68.	Floating Teras BRI, Ready to Serve Islands Throughout Indonesia	10 Nov 2014
69.	Serving Digital Money 2015, BRILink Targeted at 50.000 Agents	11 Nov 2014
70.	BRI Declares for not Conducting Monopoly Practices.	12 Nov 2014

No.	December	Date
71.	BRI Manages Retribution for PD Pasar Jaya, Through Cash Management System	08 Dec 2014
72.	BRI Succeed in the PKH 2014 Program in Kupang Area Through Digital Financial Services	11 Dec 2014
73.	Bank BRI Launch BRILink Branchless Banking	12 Dec 2014
74.	Christmas and New Year Holiday, BRI Prepare Rp 23,38 Trillion in Cash	22 Dec 2014

Correspondency with OJK and IDX

Month	No	Letter No.		Sent to	Regarding
		Number	Date		
January	1	B.05-SKP/DHI/01/14	10-Jan-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	1	B.06-SKP/DHI/01/14	10-Jan-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	2	B.07-SKP/DHI/01/14	10-Jan-14	Chairman of OJK	Data on Debt/Liabilities in Foreign Currency
	3	B.08-SKP/DHI/01/14	16-Jan-14	Director of Listing IDX, UP: Division Head of Assessment on Service Sector Company	Request of Explanation on Stock Transaction Volatility
	4	B.11-SKP/DHI/01/14	23-Jan-14	Director of Listing IDX, UP: Division Head of Assessment on Service Sector Company	Proof of BRI's Financial Statements Publication in 2013
	5	B.12-SKP/DHI/01/14	23-Jan-14	Director of Listing IDX, UP: Division Head of Assessment on Service Sector Company	BRI's Financial Statement of 2013
	6	B.13-SKP/DHI/01/14	23-Jan-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Proof of BRI's Financial Statements Publication in 2013
February	7	B.15-SKP/DHI/01/14	23-Jan-14	Director of Listing IDX, UP: Division of Securities Listing	BRI's Financial Statement of 2013
	8	B.23-SKP/DHI/02/14	7-Feb-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	9	B.24-SKP/DHI/02/14	10-Feb-14	Chairman of OJK	Data on Debt/Liabilities in Foreign Currency
	10	B.25-SKP/DHI/02/14	10-Feb-14	Directors of the Indonesia Stock Exchange (IDX)	Confirmation of compliance on IDX Regulation No. I-A
	11	B.26-SKP/DHI/02/14	11-Feb-14	Executive Head of Sekretariat BAPERTARUM-PNS	Analisis on Indonesia Macro Economy and Outlook on Interest Rate Trend for Time Deposit in 2014
	12	B.29-SKP/DHI/02/14	24-Feb-14	Chairman of OJK	Submission of Proof of Publication of BRI's AGMS in 2014
	13	B.30-SKP/DHI/02/14	24-Feb-14	Director of Listing IDX	Submission of Proof of Publication of BRI's AGMS in 2014
March	14	B.31-SKP/DHI/02/14	24-Feb-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Announcement of the 2014 BRI AGMS
	15	B.32-SKP/DHI/02/14	24-Feb-14	Director of Listing IDX	Announcement of the 2014 BRI AGMS
	16	B.42-SKP/DHI/03/14	10-Mar-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	17	B.43-SKP/DHI/03/14	10-Mar-14	Chairman of OJK	Data on Debt/Liabilities in Foreign Currency
	18	B.44-SKP/DHI/03/14	11-Mar-14	IDX	Monthly Report of Securities' Holders Registration
	19	B.45-SKP/DHI/03/14	11-Mar-14	Chairman of OJK	BRI's Annual Report of 2013
	20	B.46-SKP/DHI/03/14	11-Mar-14	Director of Listing IDX	BRI's Annual Report of 2013
	21	B.49-SKP/DHI/03/14	11-Mar-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Submission of Proof of Publication of BRI's AGMS in 2014

Correspondency with OJK and IDX

Month	No	Letter No.		Sent to	Regarding
		Number	Date		
	22	B.50-SKP/ DHI/03/14	11-Mar-14	Director of Listing IDX	Submission of Proof of Publication of BRI's AGMS in 2014
	23	B.51-SKP/ DHI/03/14	11-Mar-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Invitation of BRI AGMS 2014
	24	B.52-SKP/ DHI/03/14	11-Mar-14	Director of Listing IDX	Invitation of BRI AGMS 2014
	25	B.66-SKP/ DHI/03/14	27-Mar-14	Director of Listing IDX	Submission of Publication Proof for BRI AGMS Announcement 2014
	26	B.67-SKP/ DHI/03/14	27-Mar-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Submission of Publication Proof for BRI AGMS Announcement 2014
	27	B.68-SKP/ DHI/03/14	27-Mar-14	Director of Listing IDX	Report of the Implementation of 2014 BRI AGMS
	28	B.69-SKP/ DHI/03/14	27-Mar-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Report of the Implementation of 2014 BRI AGMS
	29	B.71-SKP/ DHI/03/14	27-Mar-14	Director of Listing IDX	Information of Schedule and Procedure of Dividen Distribution
	30	B.72-SKP/ DHI/03/14	27-Mar-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Information of Schedule and Procedure of Dividen Distribution
April	31	B.77-SKP/ DHI/04/14	10-Apr-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	32	B.78-SKP/ DHI/04/14	10-Apr-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	33	B.79-SKP/ DHI/04/14	10-Apr-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Data on Debt/Liabilities in Foreign Currency
	34	B.81-SKP/ DHI/04/14	14-Apr-14	Director of Listing IDX	Changes on Corporate Secretary
	35	B.82-SKP/ DHI/04/14	14-Apr-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Publication Proof for the Changes on Corporate Secretary
	36	B.83-SKP/ DHI/04/14	14-Apr-14	Director of Listing IDX	Publication Proof for the Changes on Corporate Secretary
	37	B.84-SKP/ DHI/04/14	14-Apr-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Changes on Corporate Secretary
	38	B.87-SKp/ DHI/04/14	24-Apr-14	Director of Listing IDX, UP; Division of Securities Listing	Financial Statement BRI Quarter 1 2014
	39	B.88-SKp/ DHI/04/14	24-Apr-14	Director of Listing IDX, UP: Division of Service Sector Listing	Financial Statement BRI Quarter 1 2014
	40	B.89-SKp/ DHI/04/14	24-Apr-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Financial Statement BRI Quarter 1 2014
	41	B.91-SKp/ DHI/04/14	24-Apr-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Proof of Publication of Financial Statement BRI Quarter 1 2014
	42	B.92-SKp/ DHI/04/14	24-Apr-14	Director of Listing IDX, UP: Division of Service Sector Listing	Proof of Publication of Financial Statement BRI Quarter 1 2014

Correspondency with OJK and IDX

Month	No	Letter No.		Sent to	Regarding
		Number	Date		
	43	B.94-SKP/DHI/04/14	28-Apr-14	Division Head of Corporate Assessment Group 1 IDX	Disclosure of Information regarding the Contract Signing of BRI Satellite (BRISat) Provision and Launch with SSL and Arianespace
	44	B.95-SKP/DHI/04/14	28-Apr-14	Division Head of Corporate Assessment Group 1 IDX	Disclosure of Information
May	45	B.96/SKP/DHI/05/14	5-May-14	Division Head of Corporate Assessment Group 1 IDX	Disclosure of Information
	46	B.97/SKP/DHI/05/14	9-May-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	47	B.98/SKP/DHI/05/14	9-May-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	48	B.100/SKP/DHI/05/14	9-May-14	Chairman of OJK	Data on Debt/Liabilities in Foreign Currency
	49	B.103/SKP/DHI/05/14	22-May-14	Division Head of Corporate Assessment Group 1 IDX	Disclosure of Information
	50	B.104/SKP/DHI/05/14	26-May-14	Chairman of OJK	Disclosure of Information
	51	B.105/SKP/DHI/05/14	26-May-14	Director of Listing IDX	Disclosure of Information
June	52	B.112/SKP/DHI/06/14	10-Jun-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	53	B.113/SKP/DHI/06/14	10-Jun-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	54	B.115/SKP/DHI/06/14	10-Jun-14	Director of Service Sector Listing IDX	Announcement of BRI EGMS 2014
	55	B.116/SKP/DHI/06/14	10-Jun-14	Chairman of OJK	Announcement of BRI EGMS 2014
	56	B.117/SKP/DHI/06/14	10-Jun-14	Chairman of OJK	Data on Debt/Liabilities in Foreign Currency
	57	B.118/SKP/DHI/06/14	10-Jun-14	Chairman of OJK	Submission of Publication Proof
	58	B.119/SKP/DHI/06/14	10-Jun-14	Director of Listing IDX	Submission of Publication Proof
	59	B.120/SKP/DHI/06/14	13-Jun-14	Chairman of OJK	Confirmation of Mass Media News Coverage
	60	B.124-SKP/DHI/06/2014	25-Jun-14	Director of Listing IDX	Submission of Publication Proof of EGMS BRI
	61	B.125-SKP/DHI/06/2014	25-Jun-14	Chairman of OJK	Submission of Publication Proof of EGMS BRI
	62	B.126-SKP/DHI/06/2014	25-Jun-14	Chairman of OJK	Submission of Invitation of EGMS BRI 2014
	63	B.127-SKP/DHI/06/2014	25-Jun-14	Director of Listing IDX	Submission of Invitation of EGMS BRI 2014
July	64	B.135-SKP/DHI/07/2014	7-Jul-14	National Committee on Governance Policy (KNKG)	Submission of Annual Report Award 2013
	65	B.138-SKP/DHI/07/2014	7-Jul-14	Board of the Director IDX	Monthly Report of Securities' Holders Registration
	66	B.139-SKP/DHI/07/2014	7-Jul-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments

Correspondency with OJK and IDX

Month	No	Letter No.		Sent to	Regarding
		Number	Date		
	67	B.142-SKP/DHI/07/2014	11-Jul-14	Chairman of OJK	Submission of Publication Proof
	68	B.143-SKP/DHI/07/2014	11-Jul-14	Director of Listing IDX	Submission of Publication Proof
	69	B.144-SKP/DHI/07/2014	11-Jul-14	Director of Listing IDX	Report of the Result of 2014 BRI AGMS
	70	B.145-SKP/DHI/07/2014	11-Jul-14	Chairman of OJK	Report of the Result of 2014 BRI AGMS
	71	B.147-SKP/DHI/07/2014	21-Jul-14	Division Head of Corporate Assesment IDX	Disclosure of Information
	72	B.153-SKP/DHI/07/2014	23-Jul-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Submission of Financial Statement BRI Quarter II 2014
	73	B.154-SKP/DHI/07/2014	23-Jul-14	Director of Listing IDX, UP: Division of Service Sector Listing	Submission of Financial Statement BRI Quarter II 2014
	74	B.155-SKP/DHI/07/2014	23-Jul-14	Director of Listing IDX, UP: Division of Securities Listing	Submission of Financial Statement BRI Quarter II 2014
	75	B.156-SKP/DHI/07/2014	23-Jul-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Proof of Publication of Financial Statement BRI Quarter II 2014
	76	B.157-SKP/DHI/07/2014	23-Jul-14	Director of Listing IDX, UP: Division of Service Sector Listing	Proof of Publication of Financial Statement BRI Quarter II 2014
August	77	B.160-SKP/DHI/08/2014	11-Aug-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Data on Debt/Liabilities in Foreign Currency
	78	B.161-SKP/DHI/08/2014	11-Aug-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	79	B.162-SKP/DHI/08/14	11-Aug-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	80	B.170-SKP/DHI/08/14	18-Aug-14	Division Head of Corporate Assesment Group IDX	Disclosure of Information
	81	B.176-SKP/DHI/08/14	28-Aug-14	Director of Corporate Assesment , UP: Division Head of Corporate Assesment Group IDX	Independent Commissioner and Independent Director
September	82	B.181-SKP/DHI/09/14	3-Sep-14	Director of Listing IDX	Submission of Public Expose Plans
	83	B.183-SKP/DHI/09/14	8-Sep-14	Directorate of Banks Supervisory I, OJK	Share Ownership Structural Report Based on Business Segments
	84	B.184-SKP/DHI/09/14	8-Sep-14	Directors of Indonesia Stock Exchange (IDX)	Monthly Report of Securities' Holders Registration
	85	B.185-SKP/DHI/09/14	8-Sep-14	Director of Corporate Assesment Group BEI	Confirmation upon a requested Explanation
	86	B.186-SKP/DHI/09/14	10-Sep-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Data on Debt/Liabilities in Foreign Currency
	87	B.187-SKP/DHI/09/14	15-Sep-14	Director of Listing IDX	Submission of Public Expose Materials
	88	B.194-SKP/DHI/09/14	23-Sep-14	Director of Listing IDX	Reports of Public Expose Activities
	89	B.195-SKP/DHI/09/14	23-Sep-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Rating of PT. Bank BRI

Correspondency with OJK and IDX

Month	No	Letter No.		Sent to	Regarding
		Number	Date		
Oktober	90	B.198-SKP/DHI/09/14	8-Oct-14	Directorate of Banks Supervisory, Team 1-3 OJK	Share Ownership Structural Report Based on Business Segments
	91	B.199-SKP/DHI/09/14	8-Oct-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Reports on Securities Holder Registration
	92	B.200-SKP/DHI/09/14	8-Oct-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Debts/Liabilities in Foreign Currency
	93	B.201-SKP/DHI/09/14	8-Oct-14	Director of Corporate Assessment Group IDX	Changes in Composition of Audit Committee
	94	B.201-SKP/DHI/09/14	8-Oct-14	OJK, Executive Head of Capital Market Supervisory	Changes in Composition of Audit Committee
	95	B.205-SKP/DHI/09/14	13-Oct-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Disclosure of Information
	96	B.207-SKP/DHI/10/14	23-Oct-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Proof of Publication of Financial Statement BRI Quarter III 2014
	97	B.208-SKP/DHI/10/14	23-Oct-14	Director of Listing IDX, UP: Division of Service Sector Listing	Proof of Publication of Financial Statement BRI Quarter III 2014
	98	B.209-SKP/DHI/10/14	23-Oct-14	Director of Listing IDX, UP: Division of Securities Listing	Financial Statement BRI Quarter III 2014
	99	B.210-SKP/DHI/10/14	23-Oct-14	Chairman of OJK, UP: Executive Head of Capital Market Supervisory	Financial Statement BRI Quarter III 2014
November	100	B.211-SKP/DHI/10/14	23-Oct-14	Director of Listing IDX, UP: Division of Service Sector Listing	Financial Statement BRI Quarter III 2014
	101	B.219-SKP/DHI/11/14	7-Nov-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities Holders Registration
	102	B.220-SKP/DHI/11/14	7-Nov-14	Chairman of OJK, Up: Executive Head of Capital Market Supervisory	Data on Debt/Liabilities in Foreign Currency
	103	B.221-SKP/DHI/11/14	7-Nov-14	Directorate of Banks Supervisory I Team 1-3 OJK	Share Ownership Structural Report Based on Business Segments
	104	B.222-SKP/DHI/11/14	7-Nov-14	Division Head of Corporate Assessment Group 1 IDX	Explanation on IPO proceeds utilization
December	105	B.224-SKP/DHI/11/14	13-Nov-14	Division Head of Corporate Assessment Group 1 IDX	Report of Preparation on Settlement Fund Subordinated Bonds II 2009 Bank BRI
	106	B.230-SKP/DHI/12/14	8-Dec-14	Directors of the Indonesia Stock Exchange (IDX)	Monthly Report of Securities Holders Registration
	107	B.232-SKP/DHI/12/14	8-Dec-14	Chairman of OJK	Data on Debt/Liabilities in Foreign Currency
	108	B.235-SKP/DHI/12/14	12-Dec-14	Director of Corporate Assessment Group IDX	Data of Bank BRI's Tax Id

Correspondency with Other Institution

Month	No	Letter No.		Sent to	Regarding
		Number	Date		
Letter to Ministry of SOE and Ministry of Finance					
July	1	B.150-SKP/DHI/07/2014	22-Jul-14	Deputy Minister of SOE	Invitation to NDR
Letter to Bank Indonesia					
January	1	B.06-SKP/DHI/01/14	10-Jan-14	BI	BRI Share Ownership Structural Report Based on Business Segments
February	2	B.22-SKP/DHI/02/14	7-Feb-14	Directorate BI	BRI Share Ownership Structural Report Based on Business Segments
March	3	B.42-SKP/DHI/03/14	10-Mar-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
April	4	B.78-SKP/DHI/04/14	10-Apr-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
May	5	B.98/SKP/DHI/05/14	9-May-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
June	6	B.109/SKP/DHI/06/14	9-Jun-14	Directorate of Banks Supervisory I, BI	Submission of BRI 2013 Annual Report
	7	B.110/SKP/DHI/06/14	9-Jun-14	Bank Indonesia	Submission of BRI 2013 Annual Report
	8	B.112/SKP/DHI/06/14	10-Jun-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
July	9	B.139-SKP/DHI/07/2014	7-Jul-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
August	10	B.162-SKP/DHI/08/14	8-Aug-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
September	11	B.183-SKP/DHI/09/14	8-Sep-14	Directorate of Banks Supervisory I, OJK	BRI Share Ownership Structural Report Based on Business Segments
Oktober	12	B.198-SKP/DHI/09/14	8-Oct-14	Directorate of Banks Supervisory I, Team 1-3 OJK	BRI Share Ownership Structural Report Based on Business Segments
November	13	B.221-SKP/DHI/11/14	7-Nov-14	Directorate of Banks Supervisory I, Team 1-3 OJK	BRI Share Ownership Structural Report Based on Business Segments
December	14	B.231-SKP/DHI/12/14	8-Dec-14	Directorate of Banks Supervisory I, Team 1-3 OJK	BRI Share Ownership Structural Report Based on Business Segments

OJK References

I.	General	Page
1	The annual report is presented in proper Bahasa Indonesia with recommendation to also be presented in English.	✓
2	The annual report is printed on brightly colored paper for readability and clarity.	✓
3	The annual report clearly publishes the company's identity.	The Name of Company and Year of Annual Report are displayed on the: 1. Cover; 2. Side; 3. Back Cover; and 4. Every Page ✓
4	Annual report is displayed on the Company's website	Covering the current and previous years annual report ✓
II	Financial Highlights	Page
1	Information on Company's results of operations in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years.	Information includes, among others: 1. Sales / revenue 2. Income (loss) 3. Total comprehensive income (loss) 4. Earnings (loss) per share 16
2	Information on Company's financial position in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years.	Information includes, among others: 1. Total investments in associates and/or joint ventures 2. Total Assets 3. Total Liabilities, and 4. Total equity 16-17
3	Financial ratio in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years.	Information includes five (5) financial ratios that are general and relevant to the company. 16-17
4	Stock price information in tables and charts.	1. Information with tables and charts which expose: a. Total shares outstanding; b. Market Capitalization; c. Highest, lowest, and closing price of stock; and d. Quarterly trading volume for the last 2 (two) financial years (when available). 2. Information in the form of graphs that contains at least the closing price and trading volume of the stock 85 84

OJK References

II	Financial Highlights	Page
5	Information on outstanding bonds, sukuk or convertible bonds in the last two (2) financial years The information includes: 1. Total of bonds/sukuk/convertible bonds outstanding 2. Interest Rate/Return 3. Expiry date 4. Bonds/sukuk rating	85, 93
III	Report of the Board of Commissioners and Board of Directors	Page
1	Report of the Board of Commissioners Includes the following: 1. Assessment on the Board of Directors' Performance in Managing the Company 2. View on the Company's business prospect prepared by the Board of Directors 3. Assessment on the performance of committees under the Board of Commissioners; and 4. Changes in the Board of Commissioners' composition and its reasons (when available)	32-43
2	Report of the Board of Directors Includes the following: 1. The Company's performance that include strategic policy, achieved results to target ratio, obstacles that the Company faced. 2. Description on business prospects 3. Implementation of good corporate governance 4. Changes in the Board of Directors' composition and its reasons (when available)	46-57
3	Signatures of the Board of Directors and Board of Commissioners Include the following: 1. Signatures are placed in a separate page 2. A statement that the Board of Directors and Board of Commissioners are fully responsible for the accuracy of the Annual Report's content. 3. Signed by all members of the Board of Commissioners and the Board of Directors, with name and title 4. Written explanation in a separate letter in by any member of the Board of Commissioners or Directors who did not sign the annual report, or, written explanation in a separate letter by the other members should the written explanation is not available.	60-61

OJK References

IV	Company Profile		Page
1	The Company's name and full address	Information which contain name and address, zip code, telephone & fax number, email, and website	64
2	A brief history of the Company	Including: date/year of establishment, name, and change(s) to the Company's name (if any). Note : please disclose if the company has never conducted the company name changes	66-69
3	Business	Descriptions on, among others: 1. The Company's business activities according to the latest Articles of Association; 2. Business activities; and 3. Description of products and/or services;	64-65 72-73
4	Organizational structure	With chart, including the name and position of at least up to one level below the Board of Directors	78-79
5	Company's vision and mission	Includes: 1. The Company's vision; 2. The Company's mission; and 3. A statement declaring that the vision and mission has been approved by the Board of Directors/Board of Commissioners	70
6	Brief background information of the Board of Commissioners	Information includes, among others: 1. Name 2. Positions (including position(s) in other companies or institutions) 3. Age 4. Education 5. Working experience 6. Date of first appointment as a member of the Board of Commissioners	524-527
7	Brief background information of the Board of Directors	Information includes, among others: 1. Name 2. Positions (including position(s) in other companies or institutions) 3. Age 4. Education 5. Working experience 6. Date of first appointment as a member of the Board of Directors	528-533

OJK References

IV	Company Profile	Page
8	Number of Employees (2 years comparison) and a description of competence development (eg. Employees' education and training)	Information includes, among others: 1. The number of employees for each level of the organization 105 2. The number of employees for each level of education 105 3. The number of employees based on employment status; 105 4. Employee trainings that have been conducted to reflect equal opportunities to all employees 100-102 5. Incurred costs 104
9	Composition of Shareholders	Includes, among others: 1. Names of shareholders with 5% or more shares 89 2. Directors and Commissioners who own shares a. Shareholders' name with 5% shares ownership 88 b. Commissioners and Directors' name with ownership, and 378, 397 c. Group of public shareholders with less than 5% ownership 88 3. Groups of community stakeholders share ownership of of less than 5% each, along with the ownership percentages 88
10	List of Subsidiaries and/or Associates	Information includes, among others: 1. Name of Subsidiaries and/or Associates 80, 2. Percentage of share ownership 312-317 3. Description of the Subsidiaries and/or Associates' business 4. Information on Subsidiaries and/or Associates operational status (has yet operated or not)
11	Company's group structure	Company's group structure which describes the structure of subsidiaries, associates, joint ventures and special purpose vehicle (SPV), or a statement of no ownership of group. 80

OJK References

IV	Company Profile	Page
12	Share Listing Chronology	86
	Includes the following:	
	1. Share listing chronology	
	2. Types of corporate actions that prompt changes in the number of shares	
	3. Changes to number of shares from the start of bookkeeping to the end of fiscal year	
	4. Names of stock markets where the shares are listed	
13	Listing chronology of other securities	85
	Includes the following:	
	1. Listing chronology of other securities	
	2. Types of corporate actions that prompt changes in the number of other securities	
	3. Changes of other total securities from the beginning of listing to the end of fiscal year	
	4. Names of stock markets where the securities are listed	
	5. Securities rating	
14	Name and address of capital market institutions and/or professionals	81
	Includes the following:	
	1. Name and address of the Securities Administration Agency	
	2. Name and address of the Public Accounting Firm	
	3. Name and address of rating agency	
15	Awards and/or certification received, both national and international	22-29
	Includes the following:	
	1. Name of awards and/or certificates	
	2. Year received	
	3. Award and/or certification issuer	
	4. Validity period (for certification)	
16	Name and address of subsidiaries and/or branches or representative (if any)	80, 317, 539-540
	Covering information among others :	
	1. Name and address of subsidiary; and	
	2. Name and address of branch offices/ representatives	

OJK References

V	Management's Discussion and Analysis on the Company's Performance		Page
1	Review of operations per operational segment	Contains a description of: 1. Production/operations; 2. The increase/decrease in production capacity; a. Sales / revenue; b. Profitability; of each business segments, exposed in the form of financial statement (if any)	232-275 312-317
2	Description of the Company's financial performance	Financial performance analysis that includes a comparison between the financial performance of the relevant year and with previous years (both in narrative and tables), which covers the following: 1. Current assets, non-current assets, and total assets; 2. Short-term liabilities, long term liabilities and total liabilities 3. Equity 4. Sales/revenues, expenses, and net income (loss), other comprehensive income, and total Comprehensive Income (loss) 5. Cash Flow	284-288 288-289 290-291 278-283 293
3	Discussion and analysis of the Company's solvability and receivable collectability level, by presenting the calculation of relevant ratios.	With details on: 1. Short and long term solvability 2. Receivable Collectability Level	285, 294 285-286
4	Discussion on capital structure and capital structure policy	With details on: 1. Capital structure, 2. Capital structure policies	290-292 290-292
5	Discussion on capital goods investment material commitment	Explanation on: 1. The purpose of the commitment 2. Expected source of fund to fulfil the respective commitments 3. Currency of denomination 4. Steps taken by the company to protect the risk against related foreign currency position. Note: Should be disclosed if the company has no material ties in investments in capital goods	297

OJK References

V	Management's Discussion and Analysis on the Company's Performance	Page
6	Discussion of capital investments that were realized in the last financial year	297
7	Comparative information between target at the beginning of fiscal year with realization, and target or projection for next one year regarding revenue, income, capital structure, or other aspects considered significant for the Company	298-299
8	Material Information and facts subsequent to the accountant's reporting date	311
9	Description on Company's business prospect	230-231
10	Marketing aspect description	110-117
11	Description regarding the dividend policy as well as date and amount of cash dividend per share and amount of dividend per year as announced or paid during the past two (2) years	92, 311
12	Share Ownership by Employees Program, and/or management conducted by the company (ESOP/MSOP)	87

OJK References

V	Management's Discussion and Analysis on the Company's Performance	Page
13	IPO Proceeds realization (regarding the Company is obligated to disclose IPO proceeds realization report)	Contains information on: 1. Total funds acquired. 2. IPO Proceeds plan. 3. Details of IPO Proceeds 4. Exercise value 5. Outstanding Proceeds. 6. Date of GMS Approval on IPO Proceeds amendment (if any) Irrelevant
14	Material information, regarding investment, expansion, divestment, acquisition, debt/capital restructuring.	Contains information on: 1. The purpose of respective transaction; 2. The transactions value or amount of fund restructurized; 3. Source of funds Note: if there are no such transactions, should be disclosed 304
15	Information on material transactions with conflict of interest and/or transactions with related parties.	Contains information on: 1. Name of person performing the transaction and nature of affiliated transaction; 2. Transaction fairness statement 3. Reason of the transaction 4. Transaction realization in current period 5. Company's policy related with transaction review mechanism; 6. Compliance with regulation and related provision Note: if there is no respective transaction, should be disclosed 311
16	Explanation regarding changes in regulation that holds significant impact to the company	Description should contain, among others: any changes in regulation and its impact on the Company Note: If there is no change in regulation which have a significant effect, should be disclosed 304-311
17	Explanation regarding changes in accounting policy applied by the Company on the last fiscal year	Description should contain among others: changes in accounting policy as well as its reason and impact to the financial statement Note: if there is no change in accounting policy, should be disclosed 304

OJK References

VI	Good Corporate Governance		Page
1	Board of Commissioners description	Description includes, as follows: 1. Description of the Board of Directors’ duties 2. Remuneration policy disclosure 3. Remuneration structure indicating remuneration component for every Board of Commissioners member and per component nominal value for each Board of Commissioners member 4. Board of Commissioners meeting frequency and attendance level in the meeting 5. Training program to enhance Board of Commissioners’ competency 6. Disclosure of the Board Charter (Board of Commissioners Manual) disclosure	361-363 375-376 377 368-373 373-374 361
2	Information on Independent Commissioners	Includes the following: 1. Criteria for the assignment of an independent commissioner; and 2. Statement of independence of each Independent Commissioner.	365-366
3	Board of Directors description	Description includes: 1. Scope of works and responsibilities of each member of the Board of Directors 2. Meeting frequency and Board of Directors attendance level in the Board of Directors meeting; 3. Meeting frequency and Board of Directors attendance level in the joint meeting of Board of Directors and Commissioners; 4. Training program to enhance Board of Directors’ competency or orientation program for new Directors; 5. Disclosure of the Board Charter (Board of Directors Manual);	380-384 387-391 399-402 391-392 380
4	Board of Commissioners and/or Board of Directors members assessment	The information should include: 1. Board of Commissioners and/or Board of Directors members’ performance assessment implementation process. 2. Criteria used in carrying the assessment of Board of Commissioners and/or Board of Directors’ members’ performance. 3. Related party who performed the assessment	375, 393

OJK References

VI	Good Corporate Governance		Page
5	Board of Directors remuneration policy	Description includes, as follows: 1. Remuneration policy disclosure 2. Remuneration structure indicating short-term remuneration, post employment and/other long term Remuneration type and amount for every member of Board of Directors 3. Key performance indicators disclosure to assess Board of Directors' performance	393, 394 396 394-395
6	Information regarding majority and controlling Shareholders both directly or indirectly, to individual ownership	In the form of scheme or diagram unless for SOE that wholly owned by the Government of Indonesia	80
7	Disclosure of affiliated relationship between members Board of Directors, members of Board of Commissionees and/or Majority/Controlling Shareholders	Includes the following: 1. Affiliated relationship between Board of Directors and Board of Commissioners members 2. Affiliated relationship between Board of Commissioners members 3. Affiliated relationship between Board of Directors members with Majority and/or Controlling Shareholders 4. Affiliated relationship between Board of Commissioners members 5. Affiliated relations between members of the Board of Commissioners with the Major Shareholders and/or Controlling Shareholders Note: should be disclosed if there is no respective affiliated relationship	398-399
8	Audit Committee	Includes the following: 1. Name and position of Audit Committee members 2. Educational qualification and employment history of Audit Committee members 3. Audit committee members independency 4. Duties and responsibilities description 5. Audit Committee implementation report 6. Audit Committee meeting frequency and attendance level	404-405, 534 406 406 406-407 407-408 408-409

OJK References

VI	Good Corporate Governance	Page
9	Remuneration and Nomination Committee	Includes the following: 1. Name, position, and brief profile of Nomination and/or Remuneration Committee members 409-411,535 2. Nomination and/or remuneration committee members' independency 412 3. Description of duties and responsibilities 412-413 4. Nomination and/or remuneration committee duties implementation report 415 5. Nomination and/or remuneration committee meeting frequency and attendance level 413 6. The Board of Directors' succession policy 385
10	Other committees under the Board of Commissioners	Includes the following: 1. Name, title, and brief profile of the members of the committees 415 2. Independency of other committees' members 417 3. Duties and responsibilities description 418 4. Other committees' duties implementation report 420-421 5. Other committees' meeting frequency and attendance level. 419-420
11	Corporate Secretary duties and function description	Includes the following: 1. Name and brief profile of Corporate Secretary officer 536 2. Corporate Secretary duties implementation report 449-450 3. Training program for competence development of corporate secretary 536
12	Description of the previous year's General Meeting of Shareholders (GMS)	Includes, among others: 1. The previous year's GMS resolution; 2. Realization of the GMS in fiscal year; and 3. Reasons for any decisions of GMS that has not yet been realized. 353-360
13	Description regarding internal audit unit in the Company	Includes among others: 1. Name of the Head of internal audit 464 2. Number of internal audit employees 536 3. Qualification/certification as an internal audit professional 467 4. Organizational structure or position of the internal audit 468 5. Duties implementation report 465 6. Respective party that appoints or dismisses the Head of Internal Audit 469-471 466-467

OJK References

VI	Good Corporate Governance		Page
14	Corporate Accountant	Information discloses, as follows: 1. Number of audit periods that the accountant has audited the Company's financial statements. 2. Total period of Public Accounting Firm in conducting the audit of annual financial report 3. The amount of audit or other attestation fee 4. Other service provided by the accountant apart from financial audit service Notes: if there is no other service, should be disclosed	473-475
15	Description regarding the Company's Risk Management	Includes the following: 1. Explanation on Risk Management System 2. Explanation on Evaluation of Risk Management Processes 3. Explanation of the risks faced by the company 4. Efforts to manage those risks	130-135 220 138-219 165, 197, 201
16	Explanation on Internal Controlling System	Includes the following: 1. Brief explanation regarding internal audit system, including operational and financial audit 2. Explanation of internal audit system conformity with international recognized framework/COSO (control environment, risk assessment, control activities, information and communication, and monitoring activities) 3. Explanation regarding evaluation on internal audit system effectiveness	462 462 463
17	Description regarding Corporate Social Responsibility on environment.	Information should include: 1. Policy determined by the management 2. Activities performed related to the environmental program that related with Company's operational, such as environmentally friendly and recyclable materials, energy utilization, Company's waste management system and so forth. 3. Certification on environmental sector (if any)	506-507

OJK References

VI	Good Corporate Governance		Page
18	Description regarding corporate social responsibility on workforce and occupational health and safety.	Information should include: 1. Policy determined by the management; 2. Activities performed; related to employment practice, occupational health and safety such as gender equality and job opportunity, occupational infrastructure and safety, employee turnover rate, occupational accident rate and so forth.	508-509
19	Description regarding corporate social responsibility on social and community empowerment.	Information should include: 1. Policy determined by the management 2. Activities performed 3. Costs incurred related to social and community empowerment activities such as employment of locals, surrounding community empowerment, social infrastructure improvement, donations and so forth	510-517
20	Description regarding corporate social responsibility on customer.	Information should include: 1. Policy determined by the management; 2. Activities performed; related to product responsibility, customer's health and safety, product information, facility, numbers of and response to customer's complaints, and so forth	518-521
21	Litigation or legal cases faced by the Company, subsidiaries, members of Board of Directors and/or Board of Commissioners serving on the Annual Report period	Information should include: 1. Description of case/litigation 2. Case/litigation settlement status 3. Impacts on the Company's financial condition 4. Administration sanctions that have been applied to the entity, Board of Commissioners, Board of Directors, by relevant authorities (capital market, banking, or others) on the last fiscal year (or a statement of no administration sanction applied) Notes: Should be disclosed if there's no litigations occurred	489-491
22	Information access and corporate data	Description on access to corporate information and data to the public, for example through website, mass media, mailing list, bulletin etc	64,499, 543

OJK References

VI	Good Corporate Governance	Page
23	Discussion on the Company's Code of Conduct	Containing descriptions, as follows: 1. Code of Conduct content 476-478 2. Disclosure that the Code of Conduct's is applicable for all organizational level 476 3. Dissemination of Code of Conduct 478-479 4. Code of Conduct enforcement effort and sanction on the violations of the code of ethics 478-479 5. Corporate Culture statement 480-485
24	Disclosures of the whistleblowing system	Includes the whistleblowing system mechanism of: 1. Violation reporting 485 2. Protection for the whistleblower 486 3. Report handling 487 4. Report management 486 5. Result of report handling and report being processed at the last fiscal year and its follow-up 487
25	Composisiton diversity of the Board of Commissioners and the Board of Directors	Description of the company policy on the composition diveristy of the Board of Commissioners and the Board of Directors in education (field study), working experience, age, and gender 365, 387 Note: if there is no policy as stated above, pease disclose the reasons and considerations

VII	Financial Information	Page
1	Board of Directors' statement regarding responsibility on the financial statement	Financial Statement compliance with related regulation 575
2	Independent auditor's opinion on the financial statement.	577-578
3	Independent auditor's opinion on the financial statement.	Description should contains: 1. Name & Signature 2. Date of Audit Statement 3. Registered Number of Audit Firm and Registered Number of CPA 578

OJK References

VII	Financial Information	Page
4	Comprehensive financial statements	Completely contains the elements of Financial Statement: 1. Statement of Financial Position 579-580 2. Statement of Comprehensive Income 581-583 3. Statement of Changes in Equity 584-585 4. Statement of Cash Flow 586-587 5. Notes to the Financial Statement 588-765 6. Statement of Financial Statement for the beginning for comparative period which presents when an entity applies a certain accounting policy restropectively or restatement the postings of financia statemen, or when an entity reclassified the postings in the financial statement (if relevant) Irrelevant
5	Profitability ratio comparison	Comparison of current year's profit/loss with previous year 581-583
6	Cash flow report	Should comply with the following provisions: 586-587 1. Categorization of three activities: operating, investing, and financing activities 2. Using direct method to present cash flow from operating activity 3. Separating the presentation between cash acquisition and or cash expenses on operating, investing and financing activities in current year 4. Non-cash activity disclosure has to be presented in financial statement notes
7	Accounting policy highlights	Should include at least: 1. Compliance with FAS 597 2. Financial statement measurement and preparation foundation 597-623 3. Income and expense recognition 601 4. Fixed Asset 618-619 5. Financial Instrument 598-610
8	Affiliated Party transaction disclosure	Several aspects disclosed, as follows: 1. Name of the affiliated parties, along with the nature and relations with the affiliated parties; 743-751 2. Value of transactions with its percentage to total revenue and related expenses; and 747-751 3. The balance with its presentage to total assets and liability 750

OJK References

VII	Financial Information	Page
9	Disclosure on any aspects related with Taxes	Several aspects that shall be disclosed, as follows:
	1. Fiscal reconciliation and calculation of current tax	692-698
	2. Statement on the relation between Tax expense (income) and accounting income	693-696 619
	3. Taxable Profit as calculated through reconciliation is in accordance with the Tax Return statement	692-696
	4. Details of deferred tax assets and liabilities presented in the balance sheet in each period of presentation, and amount of deferred tax expense (income) recognized in the profit loss statement if the said amount is not evident in the asset or liability of deferred tax recognized in the financial position report	697
	5. Tax dispute disclosure or lack thereof	696-697
10	Disclosure related to fixed assets	Must include disclosures on:
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11	Disclosure related to segments of operations	Must include disclosures on:
	1. General information which includes the factors used to identify the reported segments	728
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	4. Disclosure in entity level, which covers information on product and/or services, geographical location, and major customers	728-730

OJK References

VII	Financial Information	Page
12	Disclosure regarding the Financial Instruments	Should disclose the following: 1. Accounting policy, requirement and condition for every financial instrument group 2. Financial instrument classification 3. Fair value for every financial instrument group 4. Explanation of financial instrument inherent risk: market risk, credit risk and liquidity risk 5. Quantitative analysis on every risk related to financial instrument
		628-661 622, 723-725 698-724
13	Issuance of Financial Statements	Several aspects shall be disclosed, as follows: 1. Date of financial statements issuance 2. Responsible parties in authorizing financial statements
		575 575

OJK References

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Financial Report



PT Bank Rakyat Indonesia (Persero) Tbk and its Subsidiaries

Consolidated financial statements
as of December 31, 2014
and for the year then ended
with independent auditors' report



PT BANK RAKYAT INDONESIA (PERSERO)

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44 - 46 Tanah Abang 10110 Jakarta 10210
 Telepon: 021 2510244, 2510254, 2510264, 2510269, 2510279
 Faksimili: 021 2500077 Kawat: KANPUSBIII
 Teleks: 00203, 00400, 00409, 00401

BOARD OF DIRECTORS' STATEMENT REGARDING THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014 AND FOR THE YEAR THEN ENDED PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARIES

We, the undersigned:

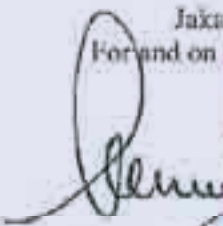
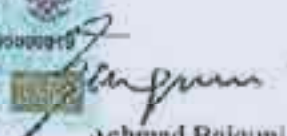
1. Name : Amawi Syam
 Office Address : Jl. Jenderal Sudirman No.44-46 Jakarta 10210
 Residential Address : Jl. Cilandak Dalam Raya No. 4E Cilandak South Jakarta
 Telephone : 021 - 575 1756
 Title : Acting President Director
2. Name : Achmad Baiquni
 Office Address : Jl. Jenderal Sudirman No. 44-46 Jakarta 10210
 Residential Address : Jl. Taman Wijaya Kusuma III/21C South Jakarta
 Telephone : 021 - 575 1741
 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 16, 2015
 For and on behalf of the Board of Directors



Amawi Syam
Act. President Director

Achmad Baiquni
Director

Integritas, Profesionalisme, Kepuasan Nasabah, Keteladanan, Penghargaan Kepada SDM

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, 2014 AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

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This report is originally issued in the Indonesian language.

Independent Auditors' Report

Report No. RBC-6591/PSS/2015

**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, 2014, and the consolidated statements of 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 consolidated 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 the 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-6591/PSS/2015 (continued)

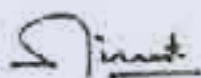
Opinion

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, 2014, 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, 2014 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, 2014, and the statement of comprehensive income, statement of changes in equity, and statement of 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, Suherman & Surja



Sinarta

Public Accountant Registration No. AP.0701

January 16, 2015

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2014	December 31, 2013
ASSETS			
Cash	2a,2c,3	22,469,167	19,171,778
Current Accounts With Bank Indonesia	2a,2c,2f,4	51,184,429	40,718,495
Current Accounts With Other Banks	2a,2c,2d,2e, 2f,5,43	10,580,440	9,435,197
Allowance for impairment losses		-	(77)
		<u>10,580,440</u>	<u>9,435,120</u>
Placements With Bank Indonesia and Other Banks	2a,2c,2d,2e, 2g,6,43	62,035,442	36,306,883
Securities	2a,2c,2d,2e,2h, 7,43	84,168,460	42,674,437
Allowance for impairment losses		-	(772)
		<u>84,168,460</u>	<u>42,673,665</u>
Export Bills	2c,2d,2e,2i,8, 43	10,527,985	8,926,072
Government Recapitalization Bonds	2c,2d,2h,9, 43	4,303,596	4,511,419
Securities Purchased Under Agreement to Resell	2c,2d,2t,10, 43	39,003,595	14,440,063
Derivatives Receivable	2c,2e,2ah,11	536	4,981
Loans	2c,2d,2e, 2j,12,43	495,097,288	434,316,466
Allowance for impairment losses		(15,886,145)	(15,171,736)
		<u>479,211,143</u>	<u>419,144,730</u>
Sharia Receivables and Financing	2d,2e,2k,13,43	15,599,553	14,028,390
Allowance for impairment losses		(276,650)	(246,360)
		<u>15,322,903</u>	<u>13,782,030</u>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2014	December 31, 2013
ASSETS (continued)			
Acceptances Receivable	2c,2d,2e,2l, 14,43	6,525,688	3,679,684
Investment in Associated Entities	2c,2d,2e, 2m,15,43	251,573	222,851
Premises and Equipment	2n,2o,16		
Cost		11,583,301	8,817,641
Accumulated depreciation		(5,665,831)	(4,845,029)
Net book value		5,917,470	3,972,612
Deferred Tax Assets - net	2ai,37c	1,659,705	2,188,506
Other Assets - net	2c,2e,2o,2p,2q, 17	8,792,889	7,004,037
TOTAL ASSETS		801,955,021	626,182,926

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities Due Immediately	2c,2r,18	7,043,772	5,065,527
Deposits From Customers	2c,2d,2s,43		
Demand Deposits	19	89,430,267	78,666,064
<i>Wadiah</i> Demand Deposits		621,913	670,887
Saving Deposits	20	232,722,519	210,234,683
<i>Wadiah</i> Saving Deposits		3,298,659	2,480,554
<i>Mudharabah</i> Saving Deposits		373,816	281,388
Time Deposits	21	283,457,544	201,585,766
<i>Mudharabah</i> Time Deposits		12,417,128	10,362,040
Total Deposits From Customers		622,321,846	504,281,382
Deposits From Other Banks and Financial Institutions	2c,2d,2s,22,43	8,655,392	3,691,220
Securities Sold Under Agreement to Repurchase	2c,2d,2t,7,23,43	15,456,701	-
Derivatives Payable	2c,2ah,7,11	717,523	1,565,102
Acceptances Payable	2c,2d,2l,14,43	6,525,688	3,679,684
Taxes Payable	2aj,37a	59,805	1,266,018
Marketable Securities Issued	2c,2u,24	8,257,990	6,023,133
Fund Borrowings	2c,2d,2v,25,43	24,986,862	9,084,913
Estimated Losses on Commitments and Contingencies	2d,2al,26,43	398	223
Liabilities for Employee Benefits	2d,2ac,27,4143	6,626,772	6,858,932
Other Liabilities	2c,2x,2y,28,44b	3,487,261	3,242,346
Subordinated Loans	2c,2w,29	77,582	2,097,024
TOTAL LIABILITIES		704,217,592	546,855,504

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY (continued)			
EQUITY			
Capital stock - par value Rp250 (full Rupiah) per share as of December 31, 2014 and 2013			
Authorized capital - 60,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 59,999,999,999 Series B shares) as of December 31, 2014 and 2013			
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) as of December 31, 2014 and 2013	1,30a	6,167,291	6,167,291
Additional paid-in capital	30b	2,773,858	2,773,858
Differences arising from the translation of foreign currency financial statements	2ag,30c	56,468	82,083
Unrealized loss on available for sale securities and Government Recapitalization Bonds - net of deferred tax	2h	(198,888)	(727,644)
Retained earnings - (accumulated losses of Rp24,699,387 was eliminated as a result of quasi-reorganization as of June 30, 2003)	30d		
Appropriated		15,449,160	11,005,528
Unappropriated		73,312,528	59,862,555
Total Retained Earnings		88,761,688	70,868,083
Total Equity Attributable to Equity Holders of the Parent Entity		97,560,417	79,163,671
Non-controlling interest		177,012	163,751
TOTAL EQUITY		97,737,429	79,327,422
TOTAL LIABILITIES AND EQUITY		801,955,021	626,182,926

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

		Year ended December 31	
	Notes	2014	2013
INCOME AND EXPENSES FROM OPERATIONS			
Interest, Investment and Sharia Income			
Interest and investment	2z,31	73,065,777	57,720,831
Sharia income	2k,2ab	2,056,436	1,740,253
Total Interest, Investment and Sharia Income		75,122,213	59,461,084
Interest, Other Financing and Sharia Expense			
Interest and other financing expense	2z,32	(22,684,979)	(14,590,223)
Sharia expense	2ab	(994,824)	(764,590)
Total Interest, Other Financing and Sharia Expense		(23,679,803)	(15,354,813)
Interest Income - net		51,442,410	44,106,271
Other Operating Income			
Other fees and commissions	2aa	6,072,460	4,862,438
Recovery of assets written-off		2,100,676	1,948,158
Gain on foreign exchange - net	2af,2ah	237,304	477,524
Gain on sale of securities and Government Recapitalization Bonds - net	2h,7,9	121,575	78,252
Unrealized gain on changes in fair value of securities and Government Recapitalization Bonds - net	2h,7,9	6,400	-
Others		760,725	982,087
Total Other Operating Income		9,299,140	8,348,459
Provision for impairment losses on financial assets - net	2e,33	(5,721,905)	(3,947,875)
(Provision for) reversal of allowance for estimated losses on commitments and contingencies - net	2al,26b	(175)	191
Reversal of allowance for impairment losses on non-financial assets - net	2o	2,721	1,309

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31	
		2014	2013
Other Operating Expenses			
Salaries and employee benefits	2d,2ac, 34,41,43	(14,111,461)	(12,231,994)
General and administrative	2n,35	(9,184,155)	(7,518,886)
Premium paid to Government			
Guarantee Program	45	(1,030,657)	(911,957)
Unrealized loss on changes in fair value of securities and Government Recapitalization Bonds - net	2h,7,9	-	(13,208)
Others		(2,334,041)	(1,704,733)
Total Other Operating Expenses		(26,660,314)	(22,380,778)
OPERATING INCOME		28,361,877	26,127,577
NON OPERATING INCOME - NET	36	2,497,196	1,782,489
INCOME BEFORE TAX EXPENSE		30,859,073	27,910,066
TAX EXPENSE	2ai,37b,37c	(6,605,228)	(6,555,736)
INCOME FOR THE YEAR		24,253,845	21,354,330
Other comprehensive income:			
Exchange rate differences on translation of foreign currency financial statements		(25,615)	37,171
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds - net, including the amounts transferred to profit or loss in respect of fair value changes of available for sale securities and Government Recapitalization Bonds		709,619	(1,966,470)
Deferred tax relating to components of other comprehensive income		(177,850)	491,623
Other Comprehensive Income for the Year After Deferred Taxes		506,154	(1,437,676)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		24,759,999	19,916,654

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 COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31	
		2014	2013
INCOME FOR THE YEAR			
ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		24,241,650	21,344,130
Non-controlling interest		12,195	10,200
TOTAL		24,253,845	21,354,330
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		24,744,791	19,913,198
Non-controlling interest		15,208	3,456
TOTAL		24,759,999	19,916,654
BASIC EARNINGS PER SHARE			
ATTRIBUTABLE TO EQUITY			
HOLDERS OF THE PARENT ENTITY			
(full Rupiah)	2ae,48	982.67	865.22

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, 2014
(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	Retained Earnings		Total Equity Attributable To Equity Holders of the Parent Entity ^{*)}	Non-controlling Interest	Total Equity
						Appropriated	Unappropriated			
Balance as of December 31, 2012		6,167,291	2,773,858	44,912	740,459	8,412,595	46,667,643	64,806,758	75,021	64,881,779
Income for the year		-	-	-	-	-	21,344,130	21,344,130	10,200	21,354,330
Other comprehensive income	2ag,2h	-	-	37,171	(1,468,103)	-	-	(1,430,932)	(6,744)	(1,437,676)
Total comprehensive income for the year		-	-	37,171	(1,468,103)	-	21,344,130	19,913,198	3,456	19,916,654
Additional paid-in capital		-	-	-	-	-	-	-	87,495	87,495
Distribution of income	30d	-	-	-	-	-	(5,556,285)	(5,556,285)	-	(5,556,285)
Dividends		-	-	-	-	-	(2,592,933)	-	-	-
Addition to general and specific reserves		-	-	-	-	2,592,933	(2,592,933)	-	-	-
Adjustment on non-controlling interest transaction		-	-	-	-	-	-	-	(2,221)	(2,221)
Balance as of December 31, 2013		6,167,291	2,773,858	82,083	(727,644)	11,005,528	59,862,555	79,163,671	163,751	79,327,422

*) Accumulated losses of Rp24,699,387 had been eliminated against additional paid-in capital as a result of quasi-reorganization as of June 30, 2003.

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, 2014
(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	Retained Earnings		Total Equity Attributable To Equity Holders of the Parent Entity ^{*)}	Non-controlling Interest	Total Equity
					Appropriated	Unappropriated			
Balance as of December 31, 2013	6,167,291	2,773,858	82,083	(727,644)	11,005,528	59,862,555	79,163,671	163,751	79,327,422
Income for the year	-	-	-	-	-	24,241,850	24,241,650	12,195	24,253,845
Other comprehensive income	-	-	(25,615)	528,756	-	-	503,141	3,013	506,154
Total comprehensive income for the year	-	-	(25,615)	528,756	-	24,241,850	24,744,791	15,208	24,759,999
Distribution of income	-	-	-	-	-	(6,348,045)	(6,348,045)	(2,217)	(6,350,262)
Dividends	-	-	-	-	-	(4,443,632)	-	270	270
Addition to general and specific reserves	-	-	-	-	4,443,632	(4,443,632)	-	-	-
Balance as of December 31, 2014	6,167,291	2,773,858	56,468	(198,888)	15,449,160	73,312,528	97,560,417	177,012	97,737,429

*) Accumulated losses of Rp24,699,387 had been eliminated against additional paid-in capital as a result of quasi-reorganization as of June 30, 2003.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

		Year ended December 31	
	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, investment, fees and commissions and Sharia income received		75,112,561	59,350,676
Interest, Sharia expenses and other charges paid		(23,186,044)	(14,883,697)
Recoveries of assets written-off		2,112,320	1,959,521
Other operating income		6,640,745	6,842,840
Other operating expenses		(31,213,381)	(25,225,142)
Non-operating income - net		2,966,877	2,147,065
Cash flows before changes in operating assets and liabilities		32,433,078	30,191,263
Changes in operating assets and liabilities:			
(Increase) decrease in operating assets:			
Placements with Bank Indonesia and other banks		2,796	14,164,442
Securities and Government Recapitalization Bonds at fair value through profit or loss		882,059	(397,415)
Export bills		(1,601,913)	(2,991,300)
Derivatives receivable		4,445	23,869
Loans		(66,400,256)	(87,876,065)
Sharia receivables and financing		(1,616,217)	(2,785,166)
Other assets		(1,487,503)	(981,813)
Increase (decrease) in operating liabilities:			
Liabilities due immediately		1,928,408	143,863
Deposits:			
Demand deposits		10,764,203	(385,250)
Wadiah demand deposits		(48,974)	(913)
Saving deposits		22,487,836	27,401,097
Wadiah saving deposits		818,105	792,076
Mudharabah saving deposits		92,428	86,103
Time deposits		81,871,778	24,318,529
Mudharabah time deposits		2,055,088	1,903,357
Deposits from other banks and financial institutions		4,964,172	912,602
Derivatives payable		(847,579)	1,412,909
Other liabilities		(1,371,878)	(1,533,102)
Net Cash Provided by Operating Activities		84,930,076	4,399,086
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of premises and equipment	36	14,059	108,193
Receipt of dividends	15	21	382
Increase in securities purchased under agreement to resell		(24,563,532)	(4,889,542)
Acquisition of premises and equipment	16	(3,064,718)	(1,947,985)
Increase in available for sale and held to maturity securities and Government Recapitalization Bonds		(21,598,976)	(2,416,019)
Net Cash Used in Investing Activities		(49,213,146)	(9,144,971)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31	
		2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments of) fund borrowings		15,767,824	(1,803,842)
Proceeds from securities sold under agreement to repurchase		15,456,092	-
Dividends		(6,350,262)	(5,556,285)
Payments of subordinated loans		(2,019,442)	(19,538)
Proceeds from marketable securities issued		2,106,529	4,800,584
Net Cash Provided by (Used in) Financing Activities		24,960,741	(2,579,081)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		60,677,671	(7,324,966)
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES		2,775	4,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		112,050,809	119,371,406
CASH AND CASH EQUIVALENTS AT END OF YEAR		172,731,255	112,050,809
Cash and cash equivalents at end of year consist of:	2a		
Cash	3	22,469,167	19,171,778
Current accounts with Bank Indonesia	4	51,184,429	40,718,495
Current accounts with other banks	5	10,580,440	9,435,197
Placements with other banks - maturing within three months or less since the acquisition date	6	62,035,442	36,304,087
Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia - maturing within three months or less since the acquisition date		26,461,777	6,421,252
Total Cash and Cash Equivalents		172,731,255	112,050,809

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2014 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 Government Regulation 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 latest amendment was documented in notarial deed No. 8 dated July 10, 2014 of notary Fathiah Helmi, S.H., and was approved and recorded in Legal Administration System in accordance with the Ministry of Laws and Human Rights Decision Letter No. AHU-04154.40.21.2014 dated July 11, 2014. According to Article 3 of BRI's Articles of Association, BRI's scope of business is to conduct business in the banking sector, in accordance with the prevailing laws and regulations, by implementing the principles of the Limited Liability Company.

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.

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1. GENERAL (continued)

b. Recapitalization Program (continued)

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 (Note 9). Therefore, BRI 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 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.

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1. GENERAL (continued)

d. Structure and Management

BRI's head office is located at BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of December 31, 2014 and 2013, BRI has the following networks of working units (unaudited):

	2014	2013
Regional Offices	19	18
Head Inspection Office	1	1
Regional Inspection Offices	18	17
Domestic Branch Offices	457	449
Special Branch Office	1	1
Overseas Branch/Representative Offices	3	3
Sub-branch Offices	584	565
Cash Offices	971	950
BRI Units	5,293	5,144
Teras	3,067	2,671

As of December 31, 2014 and 2013, BRI has 1 (one) overseas branch office located in Cayman Islands and 2 (two) representative offices located in New York and Hong Kong, and has 3 (three) Subsidiaries, namely, PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk (formerly PT Bank Agroniaga Tbk) and BRI Remittance Co. Ltd. Hong Kong.

Based on BRI's accounting policies, the coverage of BRI's key management is boards of commissioners, directors, audit committee, remuneration committee, head of divisions, head of internal audits and inspectors, head of regionals and head of special branch. The number of BRI's employees as of December 31, 2014 and 2013 amounted to 48,814 and 41,841 employees (unaudited), respectively.

The composition of the Boards of Commissioners of BRI as of December 31, 2014 and 2013 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. and BRI's Annual Shareholders' General Meeting held on March 28, 2012, as stated under the notarial deed No. 41 of notary Fathiah Helmi, S.H. are as follows:

	2014	2013
President/Independent Commissioner	Bunasor Sanim	Bunasor Sanim
Vice President/Independent Commissioner	Mustafa Abubakar	Mustafa Abubakar
Independent Commissioner	Adhyaksa Dault	Adhyaksa Dault
Independent Commissioner	Ahmad Fuad	Ahmad Fuad
Independent Commissioner	Hermanto Siregar	Aviliani ^{*)}
Commissioner	Vincentius Sonny Loho	Vincentius Sonny Loho
Commissioner	Heru Lelono	Heru Lelono
Commissioner	Dwijanti Tjahjaningsih ^{*)}	Hermanto Siregar

^{*)} Effective upon approval from OJK based on the Fit and Proper Test and compliance with the prevailing laws and regulations.

^{**)} Extraordinary Shareholders' General Meeting Year 2014 held on July 10, 2014 has approved the resignation of Mrs. Aviliani, Independent Commissioner, effective since May 21, 2014.

The composition of the Boards of Directors of BRI as of December 31, 2014 and 2013 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:

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1. GENERAL (continued)

d. Structure and Management (continued)

	2014 and 2013
President Director	: Sofyan Basir*)
Director of Operations	: Sarwono Sudarto*)
Director of Finance	: Achmad Baiquni
Director of Commercial Business	: Sulaiman Arif Arianto
Director of Compliance	: Randi Anto
Director of Consumer Business	: Agus Toni Soetirto
Director of Credit Risk Management	: Lenny Sugihat*)
Director of Micro, Small and Medium Enterprises (UMKM)	: Djarot Kusumayakti
Director of Institutional and State Owned Business Enterprise (BUMN)	: Asmawi Syam
Director of Network and Services	: Suprajarto
Director of Human Resources Management (MSDM)	: Gatot Mardiwasisito

*) As of January 2, 2015 no longer effective in BRI

The compositions of BRI's Audit Committee 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, and as of December 31, 2013 appointed based on BRI's Directors' Decision Letter No. Kep. 649-DIR/SDM/06/2012 dated June 29, 2012 and Commissioners' Decision Letter No. B.61-KOM/06/2012 dated June 1, 2012 are as follows:

	2014	2013
Chairman	: Bunasor Sanim	Bunasor Sanim
Member	: Adhyaksa Dault	Adhyaksa Dault
Member	: Hermanto Siregar	Hermanto Siregar
Member	: H. C. Royke Singgih	H. C. Royke Singgih
Member	: Dedi Budiman Hakim	Dedi Budiman Hakim
Member	: Syahrir Nasution	Syahrir Nasution
Member	: -	Ahmad Fuad
Member	: -	Vincentius Sonny Loho

As of December 31, 2014 and 2013, the Corporate Secretary of BRI are Budi Satria and Muhammad Ali, respectively, based on Directors' Decision Letter No. Kep. 250-DIR/KPS/05/2014 dated May 8, 2014 and Directors' Decision Letter No. Kep. 20-DIR/SDM/12/2009 dated January 14, 2010, respectively.

As of December 31, 2014 and 2014, the Internal Audit Task Force Head is Ali Mudin, based on BRI's Director Decision Letter No. Kpts.18/Dir.01.03/VII/2011 dated July 5, 2011.

e. 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).

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1. GENERAL (continued)

e. Subsidiaries (continued)

PT Bank BRISyariah (continued)

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.
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 the notarial deed of Decision of PT Bank BRI Syariah's Annual Shareholders' General Meeting Statement No. 113 dated June 26, 2013 of Notary Fathiah Helmi, S.H., notary in Jakarta, regarding the addition of the issued and fully paid capital. The amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-40622.AH.01.02.Tahun 2013 dated July 25, 2013.

According to Article 3 of BRIS's latest Articles of Association, the scope of BRIS's business is to conduct banking business based on Sharia principles.

Total assets of BRIS as of December 31, 2014 and 2013 is amounted to Rp20,349,120 and Rp17,400,914, or 2.54 % and 2.78%, respectively, of the consolidated total assets. Total Sharia income for the years ended December 31, 2014 and 2013 is amounted to Rp2,056,436 and Rp1,737,511, or 2.74% and 2.92%, respectively, of the consolidated interest income.

BRISyariah has 2,749 and 2,361 employees (unaudited) as of December 31, 2014 and 2013, respectively.

BRISyariah's Head Office is located at Jl. Abdul Muis No. 2-4, Jakarta Pusat, and has 51 domestic branch offices and 195 sub-branch offices.

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1. GENERAL (continued)

e. Subsidiaries (continued)

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/Rahasia 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.

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, 2012, 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%.

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.

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1. GENERAL (continued)

e. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

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 Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0074249.AH.01.09.Tahun 2013 dated August 1, 2013.

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 23, 2013 could not be met due to BRI Agro's inactive share prices in the stock market.

Total assets of BRI Agro as of December 31, 2014 and 2013 is amounted to Rp6,387,726 and Rp5,124,070 or 0.80% and 0.82%, respectively, of the consolidated total assets. Total interest income for the years ended December 31, 2014 and 2013 is amounted to Rp599,959 and Rp420,623 or 0.80% and 0.71%, respectively, of the consolidated total interest income.

In accordance with Article 3 of its Articles of Association, BRI Agro's scope of bussiness 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 366 and 356 employees (unaudited) as of December 31, 2014 and 2013, respectively.

BRI Agro's head office is located at Plaza Great River, Jl. H.R. Rasuna Said Blok X2 No. 1, Jakarta, and has 15 branch offices and 16 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 Co. Ltd Hong Kong as of December 31, 2014 and 2013 is amounted to Rp4,946 or 0.0006% and Rp4,124 or 0.0007%, respectively, of the consolidated total assets.

BRI Remittance's scope of bussiness is to conduct commercial remittance activities.

BRI Remittance has 4 employees (unaudited) as of December 31, 2014 and 2013, respectively.

BRI Remittance's head office is located at Lippo Centre, Tower II, 89 Queensway, Admiralty, Hong Kong.

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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, 2014 and 2013 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", and the prevailing banking industry practices.

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 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 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 reporting 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. Consolidation principles

The consolidated financial statements include the financial statements of BRI and its Subsidiaries whose majority shares are owned or controlled by BRI.

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.

Control over a Subsidiary is presumed to exist where more than 50% of the Subsidiary's voting power is controlled by BRI, or BRI has the ability to control the financial and operating policies of a Subsidiary, or has the ability to remove or appoint majority of the Subsidiary's Board of Directors, or control the majority vote during management meeting.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Consolidation principles (continued)

The purchase method of accounting is used to account for the acquisition of Subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the Subsidiaries acquired is recorded as goodwill.

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 income for the year and equity of the Subsidiaries based on the percentage of ownership of the non-controlling shareholders in the Subsidiaries.

c. Financial assets and financial liabilities

Financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, export bills, Government Recapitalization Bonds, securities purchased under agreement to resell, derivatives receivable, loans, acceptances receivable, investment in associated entities at cost method and other assets.

Financial liabilities consist of liabilities due immediately, deposits from customers, deposits from other banks and financial institutions, securities sold under agreement to repurchase, derivatives payable, acceptances payable, marketable securities issued, fund borrowings, other liabilities and subordinated loans.

(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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification (continued)

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.

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 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 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition (continued)

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.

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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition (continued)

a. Financial assets are derecognized when (continued):

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.

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 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 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 comprehensive income.

Gains and losses arising from changes in the fair value of available for sale financial assets are recognized directly in equity (other comprehensive income), 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 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(vi) Reclassification of financial assets (continued)

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.

(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

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date, which includes the fair value obtained from IDMA's (Interdealer Market Association) quoted market prices or broker's quoted price from Bloomberg and Reuters on the measurement date.

When available, BRI measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transaction on an arm's length basis.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

If a market for a financial instrument is inactive, BRI establishes fair value using valuation technique. BRI uses its own credit risk spreads in determining the fair value for its derivatives liability and all other liabilities for which it has elected the fair value option. When BRI's credit spread increases, BRI recognizes a gain on these liabilities, because the value of the liabilities has decreased. When BRI's credit spread decreases, BRI recognizes loss on those liabilities as an impact of the increase in liability.

BRI uses several commonly applied valuation techniques for determining fair values of financial instruments of lower complexity, such as exchange value options and currency swap. For these financial instruments, inputs into models are observable market data.

For more complex instruments, BRI uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value derivatives transacted in the market, over-the-counter, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on certain assumptions.

For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by reference to the fair value of other instruments with equal substance or calculated based on the expected cash flows of the underlying net asset of those securities.

The output of a valuation technique is an estimate or approximation of a value that cannot be precisely determined and the valuation technique employed may not fully reflect all factors relevant to the positions that BRI holds. Valuations are therefore adjusted, with additional factors such as model risks, liquidity risk and counterparty credit risk. Based on the established fair value valuation technique policy, related controls and procedures applied, BRI's management believes that these valuation adjustments are necessary and considered appropriate to fairly state the values of financial instruments measured at fair value in the consolidated statements of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary, particularly in view of the current market developments.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment value. The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

Financial assets and assets held or liabilities to be issued are measured at bid price; financial liabilities and liabilities held or liabilities to be acquired are measured at ask price. Where BRI has consolidated assets and liabilities positions with off-setting market risk, middle-market prices can be used to measure the off-setting risk positions and bid or ask price adjustment is applied to the net open positions as appropriate.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(x) Sukuk Financial Asset

BRI and Subsidiaries adopted SFAS No. 110 "Accounting for *Sukuk*" which regulate the recognition, measurement, presentation and disclosure of *Ijarah Sukuk* and *Mudharabah Sukuk* transactions.

Before initial recognition, the entity determines the classification of investments in *sukuk* either 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 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 price quotations in an active market.
 - Fair value of similar instrument, if there is no available price quotations in an 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 comprehensive income.

All investment in *sukuk* of BRI and Subsidiaries was done under *ijarah* contracts.

(xi) Murabahah Financial Asset

For *murabahah* financial asset transactions, the subsidiary (BRIS), referred to SFAS No. 50 (Revised 2010), "Financial Instruments: Presentation", SFAS No. 55 (Revised 2011), "Financial Instruments: Recognition and Measurement", and SFAS No. 60, "Financial Instruments: Disclosures", related to financial assets in loans and receivables category, which in practice adapted to the principles, characteristics, and term of sharia transactions.

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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 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 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 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 comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

For financial assets classified as available for sale, BRI assesses on each 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 marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statement of comprehensive income. The cumulative loss that has been removed from equity and recognized in the statement of 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 comprehensive income.

Impairment losses recognized in the consolidated statement of 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 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 statement of comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in the consolidated statement of 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 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" as a guidance to calculate the minimum allowance for impairment losses that should be provided in accordance with Bank Indonesia Regulation. BRI's Subsidiary which is engaged in Sharia Banking (BRIS), applies Bank Indonesia Regulation No. 13/13/PBI/2011 dated March 24, 2011 on "Asset Quality Assessment for Sharia Commercial Banks and Business Units".

The minimum allowance to be provided in accordance with Bank Indonesia 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

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 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 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, 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.

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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Securities and Government Recapitalization Bonds (continued)

The value of securities and Government Recapitalization Bonds is stated based on the classification as follows (continued):

- 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 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 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 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 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.

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 statement of 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

k. Sharia receivables and financing

Sharia receivables are receivables resulting from sale or purchase transactions based on *murabahah*, *istishna* and *ijarah* contracts. Sharia financing consists of *mudharabah* and *musyarakah* financing.

Murabahah is a sale or purchase contract between the customer and BRIS, whereby BRIS finances the investment and working capital needs of the customer sold with a principal 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 directly attributable transaction cost as additional cost to obtain the respected financial assets, and, after the initial recognition, *murabahah* receivables are measured at amortized cost using the effective margin method less any allowance for impairment losses.

Istishna is a sale contract between *al-mustashni* (buyer) and *al-shani* (producer who also acts as seller). Based on the contract, the buyer orders the producer to make or produce *al-mashnu* (ordered goods) according to the specifications required by the buyer and to sell them at the agreed price. *Istishna* receivables are presented based on the outstanding billings less allowance for impairment losses.

Ijarah is a leasing agreement between the *muajjir* (lessor) and the *musta'jir* (lessee) on *ma'jur* (leased items) to obtain benefits on the items being leased.

Mudharabah financing is a joint financing made between BRIS, as the capital provider (*shahibul maal*) and the customer, who manages the business (*mudharib*), during a certain period. The profit sharing from such project or business is distributed according to agreed *nisbah* (pre-determined ratio). *Mudharabah* financing is stated at the outstanding balance of the financing less allowance for impairment losses. Allowance for impairment losses is provided based on the quality of the financing as determined by a review of each individual account.

Musyarakah financing is an agreement between the investors (*musyarakah* partners) to combine their capital and conduct a joint business in a partnership with the profit or loss sharing based on an agreement or proportionate to the capital contribution. *Musyarakah* financing is stated at the outstanding balance of the financing less allowance for impairment losses. BRIS provides allowance for impairment losses based on the quality of the financing as determined by a review of each individual account.

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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

m. Investment in associated entities

BRI's investment in its associated companies are measured using the equity method. An associated entities is an entity in which BRI has significant influence or share ownership of 20% up to 50%. Under the equity method, the cost of investment is increased or decreased by BRI's share in net earnings or losses of, and dividends received from the investee since the date of acquisition.

The consolidated statement of 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 statement of comprehensive income.

BRI's investment in its associated entities with no significant influence or share ownership under 20% are recorded in accordance with SFAS No. 55 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

n. Premises and equipment (continued)

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 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.

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

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 (CGU)'s fair value less costs to sell 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. Where 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 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Impairment of Non-Financial Assets (continued)

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used by BRI and Subsidiaries to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations, if any, are recognized in the consolidated statement of comprehensive income under expense categories that are consistent with the functions of the impaired assets.

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 other 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 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

s. Deposits from customers and other banks and other financial institutions (continued)

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.

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 customer and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the deposit holder and BRIS.

Deposits from other banks and other 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 other 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 Bank's 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 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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

t. Securities purchased under agreement to resell and securities sold under agreement to repurchase (continued)

Securities sold under agreement to repurchase (continued)

Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

y. Allowance and on time 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".

z. Interest income and interest expense

Interest income and expense for all interest bearing financial instruments are recognized in the consolidated statement of 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 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.

Prior to January 1, 2014, income and expenses on *murabahah* receivables are recognized using accrual basis, except for margin income on *murabahah* receivables classified as non-performing (substandard, doubtful and loss), which is recognized when the cash is received (cash basis). Margin receivables that have accrued is reversed when the *murabahah* receivables classified as non-performing and charged to current year. Margin income from non-performing

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ab. Sharia income and expense (continued)

murabahah receivables that have not been received (margin receivables in progress) is disclosed in information on commitments and contingencies.

After January 1, 2014, 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, but the loss of receivables in the future. 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.

ac. Employee benefits

Short-term employee benefits

Short-term employee benefits such as salaries, social security contributions, short-term leaves, bonuses and other non-monetary benefits are recognized during the period when 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*.

Provisions made pertaining to past service costs are deferred and amortized over the expected average remaining service years of the qualified employees. Furthermore, provisions for current service costs are directly charged to operations of the current year/period. Actuarial gains or losses arising from adjustments and changes in actuarial assumptions are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses at the end of the previous reporting period exceed 10% of the present value of the defined benefit obligations or 10% of the fair value of plan assets, at that date. The actuarial gains or losses in excess of the aforementioned 10% threshold are recognized on a straight-line method over the expected average remaining service years of the qualified employees.

Actuarial gains or losses and past service costs from other long-term employee benefits are recognized directly in the consolidated statement of comprehensive income of the current 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 on the date of the transactions. As of December 31, 2014 and 2013, 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 credited or charged to the current consolidated statement of comprehensive income.

The exchange rates used in the translation of foreign currency amounts into Rupiah are as follows (full Rupiah):

	2014	2013
1 United States Dollar	12,385.00	12,170.00
1 Great Britain Pound Sterling	19,288.40	20,110.93
1 Japanese Yen	103.56	115.75
1 European Euro	15,053.35	16,759.31
1 Hong Kong Dollar	1,596.98	1,569.54
1 Saudi Arabian Riyal	3,299.59	3,244.81
1 Singapore Dollar	9,376.19	9,622.08
1 Malaysian Ringgit	3,542.12	3,715.47
1 Australian Dollar	10,148.27	10,855.65
1 Renminbi	1,995.62	2,010.28
1 Thailand Baht	376.56	371.15
1 Swiss Franc	12,515.80	13,674.16
1 Canadian Dollar	10,679.49	11,434.22
1 Bruneian Dollar	9,374.77	9,620.94
1 Danish Krone	2,021.96	2,246.78
1 South Korean Won	11.38	11.53
1 New Zealand Dollar	9,709.23	9,995.83
1 Papua New Guinean Kina	4,774.46	4,856.09
1 United Arab Emirates Dirham	3,371.90	3,313.50
1 Swedish Krona	1,604.61	1,897.39
1 Norwegian Krone	1,671.05	2,001.39

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ag. Translation of the financial statements of Overseas Branch and Representative Offices

BRI has 1 (one) branch office in Cayman Islands 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. Each derivatives contract is carried 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 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.

ai. Taxation

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.

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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ai. Taxation (continued)

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 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 BRI, 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, results, 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.

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.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Use of significant accounting judgments, estimates and assumptions (continued)

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 in going concern and believes that BRI and Subsidiaries have the resources to continue its business 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 determines 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 2011). 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

If the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position is not available in an active market, such fair value is determined using various valuation techniques including the use of mathematical models.

Inputs for this model come from observable market data as long as the data is available. When observable market data is not available, it is deemed necessary for management to determine the fair value. Management's considerations include liquidity and volatility feedback model for long-term derivatives transactions and discount rate, rate of early payment and default rate assumptions.

Held to maturity classification

The securities under held to maturity classification requires significant judgment. In making this judgment, BRI and Subsidiaries evaluates its intention and ability to hold such investments to maturity. If BRI and Subsidiaries fails to keep these investments to maturity other than in certain specific circumstances, for example, selling an insignificant amount close to maturity, it 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.

Financial assets not quoted in an active market

BRI and Subsidiaries classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Use of significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Contingencies

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 are 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 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 assumption (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 mentioned. 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 assesses 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 BRI considers 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 cost to sell 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 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.

Present value of pension obligation

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 rate. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

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 to sell.

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 Subsidiaries adopted the revised accounting standard on January 1, 2014, which are considered relevant to the consolidated financial statements of BRI and Subsidiaries, which is SFAS No. 102 (Revised 2013), "Murabahah", which represents improvement of SFAS No. 102 issued in 2008, regarding the criteria of *murabahah* transaction in relation with its recognition, measurement, presentation and disclosure.

3. CASH

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Rupiah		22,036,125		18,775,487
Foreign currencies				
United States Dollar	19,046,358	235,889	15,234,745	185,407
Saudi Arabian Riyal	13,074,358	43,140	22,226,667	72,121
Singapore Dollar	3,814,003	35,761	2,887,148	27,780
Australian Dollar	3,408,768	34,593	3,396,638	36,873
European Euro	2,002,633	30,146	1,541,528	25,835
Renminbi	7,963,732	15,892	1,678,716	3,375
Malaysian Ringgit	3,205,403	11,354	7,139,467	26,526
Japanese Yen	100,414,900	10,399	88,974,900	10,299
United Arab Emirates Dirham	1,247,615	4,207	-	-
Great Britain Pound Sterling	181,384	3,499	74,714	1,503
Hong Kong Dollar	1,488,100	2,376	1,505,130	2,362
Papua New Guinean Kina	330,624	1,579	75,060	365
Franc Swiss	88,950	1,113	65,410	894
Thailand Baht	2,383,220	897	2,221,340	824
Bruneian Dollar	91,798	861	11,620	112
New Zealand Dollar	53,350	518	78,155	781
Canadian Dollar	42,325	452	38,750	443
South Korean Won	32,140,000	366	68,568,000	791
		433,042		396,291
		22,469,167		19,171,778

As of December 31, 2014 and 2013, balances denominated in Rupiah is inclusive of cash in the ATMs (Automated Teller Machines) amounted to Rp5,697,353 and Rp4,720,085, respectively

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4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consists of:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Rupiah		41,964,577		34,124,694
United States Dollar	744,436,980	9,219,852	541,807,803	6,593,801
		51,184,429		40,718,495

As of December 31, 2014 and 2013, current accounts with Bank Indonesia based on Sharia banking principles is amounted to Rp878,267 and Rp679,112, respectively.

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

As of December 31, 2014 and 2013, the GWM ratios of BRI (Parent Entity) (unaudited) are as follows:

	2014	2013
Primary GWM - Rupiah	8.07%	8.02%
Secondary GWM - Rupiah	13.85%	8.40
Primary GWM - Foreign Currency	8.00%	8.00

The calculation of the GWM ratios as of December 31, 2014 and 2013 is based on Bank Indonesia's regulation (PBI) No. 15/15/2013 dated December 24, 2013, regarding "GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking".

As of December 31, 2014 and 2013, based on the above Bank Indonesia regulations, BRI is required to maintain minimum primary reserves both in Rupiah and in foreign currencies of 8%. BRI is also required to maintain secondary reserves in Rupiah of 4% as of December 31, 2014 and 2013.

BRI has complied with Bank Indonesia's regulation regarding the minimum legal reserve requirement as of December 31, 2014 and 2013.

5. CURRENT ACCOUNTS WITH OTHER BANKS

a) By Currency:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		18,100		9,093

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

a) By Currency (continued):

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third Parties (continued)</u>				
<u>Foreign currencies</u>				
United States Dollar	628,729,988	7,786,821	452,562,200	5,507,682
Renminbi	712,716,216	1,422,311	873,761,773	1,756,501
European Euro	32,165,851	484,204	43,824,139	734,462
Singapore Dollar	23,287,553	218,348	18,903,491	181,891
Saudi Arabian Riyal	49,154,228	162,189	25,320,262	82,160
Japanese Yen	1,376,997,860	142,602	1,259,084,064	145,739
Australian Dollar	10,382,378	105,363	48,462,724	526,094
United Arab Emirates Dirham	18,243,158	61,514	25,111,745	83,208
Swiss Franc	4,262,251	53,345	4,272,851	58,428
Great Britain Pound Sterling	2,572,756	49,624	5,575,667	112,132
Hong Kong Dollar	15,901,669	25,395	63,659,364	99,916
Norwegian Krone	13,076,760	21,852	2,437,940	4,879
Canadian Dollar	1,169,065	12,485	412,728	4,719
New Zealand Dollar	434,966	4,223	1,151,474	11,510
Swedish Krona	1,250,243	2,006	3,339,004	6,335
		10,552,282		9,315,656
		10,570,382		9,324,749
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
		2,238		3,126
<u>Foreign currencies</u>				
United States Dollar	631,383	7,820	511,171	6,221
Hong Kong Dollar	-	-	64,414,371	101,101
		7,820		107,322
		10,058		110,448
		10,580,440		9,435,197
Less: Allowance for impairment losses		-		(77)
		10,580,440		9,435,120

b) By Bank:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Central Asia Tbk	14,008	6,874
PT Bank Pembangunan Daerah (BPD) Papua	3,380	-
Others	712	2,219
	18,100	9,093

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b) By Bank (continued):

	December 31, 2014	December 31, 2013
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.	3,726,622	2,286,308
Standard Chartered Bank	2,041,104	1,413,727
Bank of China, Limited.	1,312,657	792,190
Bank of America, New York	1,135,525	822,611
The Hong Kong and Shanghai		
Banking Corporation, Limited.	622,375	577,174
Federal Reserve Bank of New York	414,378	621,092
Commerzbank, A.G.	340,142	484,150
Oversea-Chinese Banking Corporation, Limited.	197,194	143,416
Al Rajhi Bank	162,189	67,769
PT Bank ICBC Indonesia	116,609	964,312
The Royal Bank of Scotland	106,578	158,716
Commonwealth Bank	70,559	379,394
ING Belgium N.V. Brussels	46,485	120,210
UBS AG	46,331	45,437
Citibank, N.A.	40,266	91,251
The Bank of Tokyo-Mitsubishi UFJ, Limited.	36,019	112,426
ANZ Banking Group, Limited.	34,804	146,700
The Bank of New York Mellon	29,294	41,822
Emirates NBD Bank	21,852	4,879
Others	51,299	42,072
	10,552,282	9,315,656
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
PT Bank Mandiri (Persero) Tbk	1,795	2,646
PT Bank Negara Indonesia (Persero) Tbk	443	470
PT Bank Bukopin Tbk	-	10
	2,238	3,126
<u>Foreign currencies</u>		
PT Bank Mandiri (Persero) Tbk	7,768	6,215
PT Bank Negara Indonesia (Persero) Tbk	52	101,107
	7,820	107,322
	10,580,440	9,435,197
Less: Allowance for impairment losses	-	(77)
	10,580,440	9,435,120

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

c) By Collectibility:

Current accounts with other banks as of December 31, 2014 and 2013 were classified as "Current".

d) Average annual interest rates on current accounts with other banks:

	2014	2013
Rupiah	0.09%	0.59%
United States Dollar	0.04%	0.01%

e) Movements in the allowance for impairment losses on current accounts with other banks:

	December 31, 2014	December 31, 2013
Beginning balance	77	171
Reversal during the year (Note 33)	(77)	(94)
Ending balance	-	77

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, 2014, because management believes that current accounts with other banks are fully collectible.

As of December 31, 2014 and 2013, 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, 2014		December 31, 2013	
	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		24,303,119		22,813,358
Sharia Deposit Facility		882,000		897,500
		<u>25,185,119</u>		<u>23,710,858</u>

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties (continued)</u>				
<u>Rupiah (continued)</u>				
Inter-bank call money				
PT Bank OCBC NISP Tbk		500,000		-
Citibank, N.A.		250,000		250,000
PT Bank Aceh		200,000		-
PT Bank Mega Tbk		200,000		320,000
PT Bank Pan Indonesia Tbk		200,000		260,000
PT BPD Jawa Barat dan Banten Tbk		150,000		120,000
PT Bank DKI		100,000		100,000
PT BPD Jambi		100,000		-
PT BPD Kalimantan Timur		100,000		-
JP Morgan Chase Bank, NA		50,000		-
PT Bank ANZ Indonesia		50,000		-
PT Bank CTBC Indonesia		50,000		-
PT BPD Jawa Tengah		50,000		-
PT BPD Maluku		50,000		-
PT Bank Sinarmas Tbk (UUS)		50,000		-
PT Bank Sumitomo Mitsui Indonesia		50,000		-
PT Bank Maybank Syariah Indonesia		35,000		-
PT BPD Riau Kepri		25,000		25,000
PT BPD Sumatera Selatan dan Bangka Belitung		20,000		-
PT Bank Sinarmas Tbk		20,000		20,000
The Hongkong and Shanghai Banking Corporation, Limited.	-	-		200,000
PT Bank DBS Indonesia	-	-		100,000
PT Bank BNP Paribas Indonesia	-	-		95,000
PT Bank Himpunan Saudara 1906 Tbk	-	-		89,040
PT BPD Sumatera Barat (Bank Nagari)	-	-		25,000
PT Bank Mestika Dharma Tbk	-	-		25,000
PT BPD Sumatera Utara	-	-		25,000
PT BPD Kalimantan Selatan	-	-		15,000
		2,250,000		1,669,040
Time Deposit				
PT BPD Riau Kepri (UUS)		45,000		-
		27,480,119		25,379,898
<u>United States Dollar</u>				
Bank Indonesia - Term Deposit	2,049,981,779	25,389,024	599,998,264	7,301,979

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2014		December 31, 2013	
	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 (continued)</u>				
<u>Inter-bank call money</u>				
Wells Fargo Bank, N.A.	379,900,000	4,705,062	45,600,000	554,952
The Bank of New York Mellon	236,900,000	2,934,007	58,800,000	715,596
Citibank, N.A.	76,380,000	945,966	84,290,000	1,025,809
TD Bank, NA	21,012,591	260,241		-
PT Bank Capital Indonesia, Tbk	2,000,000	24,770		-
The Hongkong & Shanghai Banking Corporation, Limited.	195,476	2,421		-
Bank Of China, Limited.		-	4,000,000	48,680
		8,872,467		2,345,037
<u>Time Deposits</u>				
US Bank	169,839	2,103	229,732	2,796
TD Bank, NA	139,624	1,729		-
		3,832		2,796
		34,265,323		9,649,812
		61,745,442		35,029,710
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
<u>Inter-bank call money</u>				
Lembaga Pembiayaan Ekspor Indonesia		160,000		400,000
PT Bank Bukopin Tbk		100,000		210,000
PT BTMU-BRI Finance		30,000		130,000
		290,000		740,000
<u>United States Dollar</u>				
<u>Inter-bank call money</u>				
PT Bank Negara Indonesia (Persero) Tbk		-	44,139,117	537,173
		290,000		1,277,173
		62,035,442		36,306,883

b) By Time Period:

The classifications of placements based on their remaining period to maturity are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	27,430,119	25,379,898
> 1 month - 3 months	50,000	-
	27,480,119	25,379,898

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

b) By Time Period (continued):

	December 31, 2014	December 31, 2013
<u>Third parties (continued)</u>		
<u>Foreign currency</u>		
≤ 1 month	34,265,323	9,647,016
> 3 months - 1 year	-	2,796
	34,265,323	9,649,812
	61,745,442	35,029,710
 <u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	260,000	700,000
> 1 month - 3 months	30,000	40,000
	290,000	740,000
 <u>Foreign currency</u>		
≤ 1 month	-	537,173
	290,000	1,277,173
	62,035,442	36,306,883

c) By Collectibility:

All placements with Bank Indonesia and other banks were classified as "Current" as of December 31, 2014 and 2013.

d) The average annual interest rates:

	2014	2013
<u>Rupiah</u>		
Deposit Facility	5.75%	4.92%
Inter-bank call money	6.43%	5.81 %
Time Deposit	7.25%	4.42 %
 <u>United States Dollar</u>		
Term Deposit	0,10%	0.13%
Inter-bank call money	0.22 %	0.32 %
Time Deposit	0.08 %	0.02 %

BRI assessed placements with Bank Indonesia and other banks 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, 2014 and 2013, because management believes that placements with Bank Indonesia and other banks are fully collectible.

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7. SECURITIES

a) By Purpose, Currency and Type:

	December 31, 2014		December 31, 2013	
	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		11,560		10,702
Certificates of Bank Indonesia		-		87,424
		11,560		98,126
<u>United States Dollar</u>				
Credit Linked Notes		-	55,000,000	669,350
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Government bonds		101,425		131,035
<u>United States Dollar</u>				
Government bonds	1,239,968	15,357		-
		128,342		898,511
<u>Available for sale</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits Certificates of Bank Indonesia		13,244,399		1,342,650
Certificates of Bank Indonesia		4,336,192		2,853,028
Bonds		199,520		25,487
Mutual Funds		138,017		75,013
		17,918,128		4,296,178
<u>United States Dollar</u>				
Bonds	63,187,404	782,576	35,431,553	431,202
U.S Treasury Bonds	29,123,698	360,697	26,894,823	327,310
		1,143,273		758,512
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Government bonds		13,986,844		6,771,956
Bonds		285,835		186,764
Mutual funds		77,940		252,749
		14,350,619		7,211,469
<u>United States Dollar</u>				
Government bonds	498,267,017	6,171,037	251,828,595	3,064,754
Bonds	25,763,666	319,083	3,545,193	43,145
Mutual funds	3,024,304	37,456		-
		6,527,576		3,107,899
<u>European Euro</u>				
Government bonds	4,167,017	62,728		-
		40,002,324		15,374,058

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Held to maturity</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits Certificates of Bank Indonesia		9,852,330		2,375,218
Certificates of Bank Indonesia		5,557,658		5,087,423
Bank Indonesia Sharia Certificates (SBIS)		1,605,645		1,050,000
Bonds		1,229,190		918,425
Negotiable Certificate of Deposits		92,209		-
Subordinated Bonds		40,000		40,000
Medium Term Notes		25,000		25,000
		<u>18,402,032</u>		<u>9,496,066</u>
<u>United States Dollar</u>				
Credit Linked Notes	52,198,627	646,480	291,162,942	3,543,453
Promissory Notes	4,000,000	49,540	7,000,000	85,190
		<u>696,020</u>		<u>3,628,643</u>
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Government bonds		18,494,780		11,223,864
Bonds		859,560		855,553
Negotiable Certificate of Deposits		144,439		-
Medium Term Notes		139,202		25,000
		<u>19,637,981</u>		<u>12,104,417</u>
<u>United States Dollar</u>				
Government bonds	410,378,845	5,082,542	84,306,081	1,026,005
Bonds	17,700,363	219,219	12,057,272	146,737
		<u>5,301,761</u>		<u>1,172,742</u>
		<u>44,037,794</u>		<u>26,401,868</u>
		<u>84,168,460</u>		<u>42,674,437</u>
Less: Allowance for impairment losses		-		(772)
		<u>84,168,460</u>		<u>42,673,665</u>

b) By Collectibility:

Securities were classified as "Current" as of December 31, 2014 and 2013.

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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, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	21,199,452	4,643,601
> 1 month - 3 months	6,262,113	1,958,854
> 3 months - 1 year	8,211,629	6,489,098
> 1 year	658,526	798,817
	<u>36,331,720</u>	<u>13,890,370</u>
<u>Foreign currencies</u>		
≤ 1 month	1,143,273	758,513
> 1 month - 3 months	-	2,733,930
> 3 months - 1 year	24,770	866,921
> 1 year	671,250	697,141
	<u>1,839,293</u>	<u>5,056,505</u>
	<u>38,171,013</u>	<u>18,946,875</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	14,817,415	7,355,448
> 1 month - 3 months	864,179	22,126
> 3 months - 1 year	1,875,512	1,143,379
> 1 year	16,532,919	10,925,968
	<u>34,090,025</u>	<u>19,446,921</u>
<u>Foreign currencies</u>		
≤ 1 month	6,605,660	3,107,899
> 3 months - 1 year	290,172	-
> 1 year	5,011,590	1,172,742
	<u>11,907,422</u>	<u>4,280,641</u>
	<u>45,997,447</u>	<u>23,727,562</u>
	<u>84,168,460</u>	<u>42,674,437</u>
Less: Allowance for impairment losses	-	(772)
	<u>84,168,460</u>	<u>42,673,665</u>

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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. The details of Government bonds are as follows:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2014	December 31, 2013
Fair value through profit or loss				
<u>Rupiah</u>				
FR0062	6.38	April 15, 2042	15,200	14,300
FR0064	6.13	May 15, 2028	24,930	23,288
FR0065	6.63	May 15, 2033	25,097	23,450
FR0068	8.38	March 15, 2034	-	18,969
FR0070	8.38	March 15, 2024	-	29,858
FR0071	9.00	March 15, 2029	31,091	-
SR004	6.25	September 21, 2015	-	21
SR005	6.00	February 27, 2016	5,107	6,170
ORI010	8.50	October 15, 2016	-	14,979
			101,425	131,035
<u>United States Dollar</u>				
RI0144	6.75	January 15, 2044	15,357	-
			116,782	131,035
Available for sale				
<u>Rupiah</u>				
FR0027	9.50	June 15, 2015	549,598	242,391
FR0028	10.00	July 15, 2017	659,638	105,986
FR0030	10.75	May 15, 2016	1,040,120	-
FR0031	11.00	November 15, 2020	125,831	56,702
FR0040	11.00	September 15, 2025	435,870	419,232
FR0042	10.25	July 15, 2027	225,845	214,085
FR0045	9.75	May 15, 2037	11,200	10,471
FR0046	9.50	July 15, 2023	10,911	-
FR0047	10.00	February 15, 2028	191,406	181,043
FR0050	10.50	July 15, 2038	29,818	28,049
FR0052	10.50	August 15, 2030	348,768	330,095
FR0053	8.25	July 15, 2021	450,917	335,164
FR0054	9.50	July 15, 2031	150,984	142,540
FR0055	7.38	September 15, 2016	344,002	216,315
FR0056	8.38	September 15, 2026	172,153	162,338
FR0057	9.50	May 15, 2041	54,584	51,103
FR0058	8.25	June 15, 2032	424,676	399,679
FR0059	7.00	May 15, 2027	437,612	409,121
FR0060	6.25	April 15, 2017	632,020	442,243
FR0061	7.00	May 15, 2022	506,191	440,417
FR0062	6.38	April 15, 2042	312,988	291,270
FR0063	5.63	May 15, 2023	507,305	387,145
FR0064	6.13	May 15, 2028	535,532	499,417
FR0065	6.63	May 15, 2033	443,788	413,417
FR0066	5.25	May 15, 2018	622,454	262,507
FR0068	8.38	March 15, 2034	265,962	175,444
FR0069	7.88	April 15, 2019	721,692	65,320
FR0070	8.38	March 15, 2024	604,753	171,773
FR0071	9.00	March 15, 2029	461,588	120,089
ORI008	7.30	October 15, 2014	-	17,763
ORI009	6.25	October 15, 2015	104,414	26,045
ORI010	8.50	October 15, 2016	158,267	80,259
ORI011	8.50	October 15, 2017	951,141	-
SPN	various	various	1,494,816	74,533
			13,986,844	6,771,956

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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, 2014	December 31, 2013
Available for sale (continued)				
<u>United States Dollar</u>				
RI0014	6.75	March 10, 2014	-	682,431
RI0014	10.38	May 4, 2014	-	37,667
RI0015	7.25	April 20, 2015	497,876	195,392
RI0016	7.50	January 15, 2016	245,381	80,565
RI0017	6.88	March 9, 2017	992,494	176,268
RI0018	6.88	January 17, 2018	1,084,498	150,416
RI0035	8.50	October 12, 2035	52,072	44,295
RI0037	6.63	February 17, 2037	188,805	184,961
RI0038	7.75	January 17, 2038	97,908	82,849
RI0124	5.88	January 15, 2024	13,893	-
RI0142	5.25	January 17, 2042	87,895	20,724
RI0320	5.88	March 13, 2020	546,592	154,621
RI0422	3.75	April 25, 2022	207,506	164,321
RI0423	3.38	April 15, 2023	348,347	283,829
RI0443	4.63	April 15, 2043	471,969	309,994
RI0521	4.88	May 5, 2021	302,134	276,411
RI1023	5.38	October 17, 2023	94,364	36,331
RI190304	11.63	March 4, 2019	767,853	-
U.S Treasury Bonds	5.38	February 15, 2031	360,697	327,310
USDFR0001	3.50	May 15, 2017	171,450	183,679
			6,531,734	3,392,064
<u>European Euro</u>				
RIEUR0721	2.88	July 8, 2021	62,728	-
			20,581,306	10,164,020
Held to maturity				
<u>Rupiah</u>				
FR0026	11.00	October 15, 2014	-	156,670
FR0028	10.00	July 15, 2017	351,338	301,847
FR0030	10.75	May 15, 2016	252,000	32,381
FR0034	12.80	June 15, 2021	367,598	-
FR0039	11.75	August 15, 2023	51,738	52,296
FR0040	11.00	September 15, 2025	56,765	57,123
FR0042	10.25	July 15, 2027	169,694	169,881
FR0043	10.25	July 15, 2022	524,732	523,620
FR0044	10.00	September 15, 2024	75,707	76,082
FR0045	9.75	May 15, 2037	224,329	224,164
FR0046	9.50	July 15, 2023	235,683	182,197
FR0047	10.00	February 15, 2028	380,563	381,298
FR0048	9.00	September 15, 2018	108,118	107,571
FR0050	10.50	July 15, 2038	68,552	68,539
FR0052	10.50	August 15, 2030	296,886	296,813
FR0053	8.25	July 15, 2021	590,824	590,392
FR0054	9.50	July 15, 2031	353,288	352,730
FR0055	7.38	September 15, 2016	837,452	656,387
FR0056	8.38	September 15, 2026	800,481	798,687
FR0058	8.25	June 15, 2032	548,448	550,097
FR0059	7.00	May 15, 2027	259,310	259,577
FR0060	6.25	April 15, 2017	600,274	321,533
FR0061	7.00	May 15, 2022	427,472	429,254
FR0062	6.38	April 15, 2042	66,568	66,586
FR0063	5.63	May 15, 2023	527,485	486,440
FR0064	6.13	May 15, 2028	147,240	147,199
FR0065	6.63	May 15, 2033	247,913	247,954
FR0066	5.25	May 15, 2018	273,759	119,554
FR0067	8.75	February 15, 2044	34,675	-
FR0068	8.38	March 15, 2034	432,358	142,889
FR0069	7.88	April 15, 2019	1,026,955	332,414
FR0070	8.38	March 15, 2024	1,026,284	416,094
FR0071	9.00	March 15, 2029	647,580	226,824
IFR0001	11.80	August 15, 2015	25,630	-
IFR0003	9.25	September 15, 2015	112,244	113,408
IFR0005	9.00	January 15, 2017	303,744	307,203
IFR0006	10.25	March 15, 2030	47,942	47,928

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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, 2014	December 31, 2013
Held to maturity (continued)				
Rupiah (continued)				
IFR0007	10.25	January 15, 2025	308,738	309,906
IFR0010	10.00	February 15, 2036	80,925	81,778
ORI008	7.30	October 15, 2014	-	3,458
ORI009	6.25	October 15, 2015	45,240	569
ORI010	8.50	October 15, 2016	371,155	12,650
ORI011	8.50	October 15, 2017	5	-
PBS0001	4.45	February 15, 2018	212,014	210,101
PBS0002	5.45	January 15, 2022	243,736	242,847
PBS0003	6.00	January 15, 2027	262,423	243,510
PBS0004	6.10	February 15, 2037	109,229	108,969
PBS0005	6.75	April 15, 2043	78,600	4,821
PBS0006	8.25	September 15, 2020	515,977	5,294
SR003	8.15	February 23, 2014	-	22,126
SR004	6.25	September 21, 2015	109,939	13,732
SR005	6.00	February 27, 2016	707,603	81,322
SR006	8.75	March 5, 2017	509,099	-
SPN	various	various	2,438,468	639,149
			18,494,780	11,223,864
United States Dollar				
RI0015	7.25	April 20, 2015	290,171	70,134
RI0016	7.50	January 15, 2016	212,688	172,365
RI0017	6.88	March 9, 2017	271,350	-
RI0018	6.88	January 17, 2018	286,895	119,484
RI0037	6.63	February 17, 2037	171,473	168,461
RI0124	5.88	January 15, 2024	184,806	-
RI0320	5.88	March 13, 2020	160,735	90,531
RI0521	4.88	May 5, 2021	37,155	27,203
RI190304	11.63	March 4, 2019	33,289	-
USDFR0001	3.50	May 15, 2017	195,540	134,427
Indois18	4.00	November 21, 2018	772,382	60,850
Indois19s	6.13	March 15, 2019	2,334,436	182,550
Indois 22	3.30	November 21, 2022	82,082	-
Indois 24	4.35	September 10, 2024	49,540	-
			5,082,542	1,026,005
			23,577,322	12,249,869
			44,275,410	22,544,924

The market values of Government bonds classified as fair value through profit or loss and available for sale ranged from 76.00% to 139.00% and 70.97% to 144.12% of nominal amounts as of December 31, 2014 and 2013, respectively.

d.2. Bonds

			Rating ^{a)} December 31		Fair Value/Carrying Value December 31,	
Issuer	Annual Interest Rate (%)	Maturity Date	2014	2013	2014	2013
Available for sale						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank Permata Tbk Phase I 2013 Series A	10.00	January 3, 2015	idAAA	idAA+	25,001	25,487
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	-	33,439	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *) December 31		Fair Value/Carrying Value December 31,	
			2014	2013	2014	2013
Available for sale						
(continued)						
<u>Third parties (continued)</u>						
<u>Rupiah (continued)</u>						
PT Astra Sedaya Finance Phase II Series B 2013	9.50	November 26, 2016	idAAA	-	6,991	-
PT BCA Finance Phase II Series B 2013	7.50	June 14, 2016	idAAA	-	9,775	-
PT Summarecon Agung Tbk Phase II Year 2014	11.50	October 10, 2019	idA+	-	10,114	-
PT Wahana Ottomitra Multiartha Tbk Phase II Series A 2014	10.25	December 15, 2015	AA***)	-	9,992	-
PT Adira Dinamika Multi Finance Tbk Phase II Series B 2013	10.50	October 24, 2016	idAAA	-	3,983	-
Phase IV Series B 2014	10.50	November 12, 2017	idAAA	-	25,154	-
Phase I Series C 2011	9.00	December 16, 2016	idAAA	-	14,163	-
PT Bank OCBC NISP Tbk Phase I Series C 2013	7.40	February 19, 2016	idAAA	-	11,760	-
PT Federal International Finance Phase I Series C 2012	7.65	April 20, 2015	idAAA	-	4,984	-
PT BII Finance Center Year 2013 Series A	7.75	June 19, 2016	AA+****)	-	9,692	-
PT Toyota Astra Financial Services Year 2013 Series B	7.60	May 17, 2016	AAA***)	-	14,568	-
PT Bank Tabungan Pensiunan Nasional Tbk Phase II Series A 2012	7.75	August 3, 2015	AA***)	-	7,937	-
					199,520	25,487
<u>United States Dollar</u>						
Alcoa Inc	5.72	February 23, 2019	-	Ba1**)	-	12,988
Alibaba	3.60	May 28, 2015	A+****)	-	61,730	-
AT&T Global	5.80	February 15, 2019	A-****)	-	4,005	-
AT&T Global	4.45	May 15, 2021	A-****)	-	3,060	-
Apple Inc	2.40	May 3, 2015	AA+****)	-	36,231	-
Apple Inc	3.85	May 4, 2043	-	AA+****)	-	20,534
Bank of America	5.75	December 1, 2017	A****)	-	1,710	-
Bank of America	3.30	January 11, 2015	A****)	-	12,382	-
Bank of America	5.63	July 1, 2020	A****)	-	2,398	-
Bank of America	3.30	January 11, 2023	A****)	-	3,646	-
Bank of Tokyo-Mitsubishi UFJ	3.75	March 10, 2015	A****)	-	6,433	-
BB&T Corp	1.45	October 3, 2016	A****)	-	4,672	-
Bed Bath & Beyond Inc	3.75	January 17, 2015	A-****)	-	38,085	-
BerkshireHathway	1.60	May 15, 2017	AA****)	-	6,492	-
BHP Billiton Ltd.	3.25	November 21, 2021	A+****)	-	3,131	-
Canadian Imperial Bank of Commerce	1.55	January 23, 2018	A-****)	-	5,603	-
Chevron Corporation	3.19	June 24, 2015	AA****)	-	12,651	-
Cisco Systems, Inc.	4.95	February 15, 2019	AA-****)	-	4,345	-
Citigroup Inc.	4.45	January 10, 2017	A-****)	-	4,581	-
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	A****)	-	3,135	-
Comcast Corporation	2.85	January 15, 2023	A-****)	-	3,380	-
ConocoPhillips Co.	5.63	October 15, 2016	A****)	-	5,683	-
CVS Health	5.75	June 1, 2017	BBB+****)	-	1,640	-
CVS Health	2.75	December 1, 2022	BBB+****)	-	783	-
Darden Restaurants Inc	4.50	October 15, 2021	-	Baa3**)	-	12,048
Discovery Communications, Inc	3.25	April 1, 2023	BBB****)	-	1,501	-
Enterprise Products Partners L.P.	3.35	March 15, 2023	BBB+****)	-	3,059	-
The Federal Home Loan Mortgage Corporation	3.75	March 27, 2019	AAA+****)	-	16,158	-
The Federal Home Loan Mortgage Corporation	2.38	January 13, 2022	AAA+****)	-	6,497	-
Ford Motor Company	2.88	October 1, 2018	BBB-****)	-	5,036	-
Ford Motor Company	4.25	March 20, 2015	BBB-****)	-	13,178	-
General Electric Company	3.10	January 9, 2015	AA+****)	-	63,318	-
General Electric Company	5.63	September 15, 2017	AA+****)	-	10,785	-
General Electric Company	3.10	January 9, 2023	-	A1**)	-	81,137

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *) December 31		Fair Value/Carrying Value December 31,	
			2014	2013	2014	2013
Available for sale						
(continued)						
Third parties (continued)						
United States Dollar (continued)						
Goldman Sachs Group, Inc.	3.63	January 22, 2015	B****)	-	25,074	-
Goldman Sachs Group. Inc.	3.30	May 3, 2015	-	A****)	-	25,273
Goldman Sachs Group. Inc.	3.63	January 22, 2023	-	A****)	-	11,937
The Home Depot	5.40	March 1, 2016	A****)	-	6,013	-
Hewlett-Packard Company	4.30	June 1, 2021	-	Baa1**)	-	25,310
Indian Oil Corporation Ltd	5.75	August 1, 2023	-	BBB-****)	-	23,645
International Business Machines Corporation	2.00	January 5, 2016	AA-****)	-	3,330	-
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	A****)	-	7,142	-
JPMorgan Chase & Co.	4.95	March 25, 2020	A****)	-	3,075	-
Kinder Morgan Energy Partners LP	3.50	March 1, 2016	BBB-****)	-	6,383	-
Kraft Foods Group. Inc.	4.13	February 9, 2016	BBB-****)	-	6,594	-
Kraft Foods Group. Inc.	5.00	June 4, 2042	-	Baa2**)	-	24,462
Macy's Inc	3.63	June 1, 2015	BBB-****)	-	25,107	-
PT Medco Energi Internasional Tbk Phase I 2011	6.05	July 14, 2016	idAA-****)	idAA-****)	124,960	123,298
Occidental Petroleum Corporation	1.75	February 15, 2017	A****)	-	3,237	-
Province of Ontario	4.40	April 14, 2020	AA-****)	-	10,459	-
PacificFirst Mortgage	2.95	February 1, 2022	A****)	-	3,197	-
PepsiCo Inc.	2.75	March 1, 2015	A****)	-	24,471	-
Phillips66	2.95	May 1, 2017	BBB+****)	-	3,132	-
Province of Quebec	2.75	August 25, 2021	A+****)	-	5,363	-
Royal Bank of Canada	2.63	December 15, 2015	AA-****)	-	7,571	-
Bank Mizuho	3.50	March 21, 2023	-	A+****)	-	34,971
Morgan Stanley	3.75	February 25, 2015	B****)	-	12,765	-
Morgan Stanley	3.75	February 25, 2023	-	A-****)	-	35,599
U.S. Bancorp	1.95	November 15, 2018	A+****)	-	3,102	-
Verizon Communications	2.45	May 1, 2015	BBB+****)	-	11,684	-
Verizon Communications	3.65	September 14, 2018	BBB+****)	-	3,726	-
Verizon Communications	5.15	September 15, 2023	BBB+****)	-	2,189	-
Walgreen Company	3.10	March 15, 2015	BBB****)	-	24,498	-
Wells Fargo & Company	2.10	May 8, 2017	A+****)	-	3,294	-
Wells Fargo & Company	3.50	March 8, 2022	A+****)	-	4,280	-
Xerox Corporation Ltd.	3.80	May 15, 2015	BBB-****)	-	37,594	-
					782,576	431,202
Related parties (Note 43)						
Rupiah						
PT Jasa Marga (Persero) Tbk Series XIII R	10.25	June 21, 2017	idAA	idAA	101,765	99,977
PT Perusahaan Listrik Negara (Persero) Series IX A	10.40	July 10, 2017	idAAA	idAAA	77,476	76,858
PT Bank Tabungan Negara (Persero) Tbk Series XII Year 2006	12.75	September 19, 2016	idAA	-	7,323	-
Lembaga Pembiayaan Ekspor Indonesia Year 2010 Series D	10.00	July 8, 2017	idAAA	-	5,033	-
Phase III 2014 Series B	9.25	October 16, 2017	idAAA	-	9,971	-
Mandiri Tunas Finance Phase II 2014 Series A	10.70	May 23, 2017	idAA	-	25,297	-
PT Pupuk Indonesia (Persero) Year 2014 Series A	9.63	July 8, 2017	AAA****)	-	33,185	-
PT Pegadaian (Persero) Series XII B	8.00	September 4, 2017	idAA+	idAA+	10,073	9,929
PT Sarana Multigriya Finansial (Persero) Phase II 2012 Asset Backed KPR Series C	7.55	April 25, 2017	idAA+	-	5,713	-
Phase V Series A 2014	9.60	December 29, 2015	idAA+	-	9,999	-
					285,835	186,764

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)} December 31		Fair Value/Carrying Value December 31,	
			2014	2013	2014	2013
Available for sale						
(continued)						
Related parties (Note 43)						
(continued)						
United States Dollar						
PT Bank Negara						
Indonesia (Persero) Tbk	4.13	April 27, 2017	BB****)	BB****)	127,138	24,344
PT Pertamina (Persero)	5.63	May 20, 2043	C****)	Baa3**)	59,526	9,695
PT Perusahaan Listrik Negara (Persero)						
Year 2042	5.25	October 24, 2042	C****)	Baa3**)	68,816	9,106
Year 2021	5.50	November 22, 2021	C****)	-	13,024	-
Lembaga Pembiayaan Ekspor Indonesia						
Year 2017	3.75	April 26, 2017	Baa3*)	-	50,579	-
					319,083	43,145
					1,587,014	686,598
Held to maturity						
Third parties						
Rupiah						
PT Adira Dinamika Multi Finance Tbk						
Phase I Series C 2011	9.00	December 16, 2016	idAAA	idAA+	4,007	4,009
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 II Series A 2013	9.15	November 3, 2014	-	idAA+	-	5,012
Phase I Series B 2013	7.30	March 1, 2015	idAAA	-	4,924	-
Phase I Series C 2013	7.85	March 1, 2016	idAAA	idAA+	15,000	15,000
Phase I Series D 2013	8.90	March 1, 2018	idAAA	idAA+	9,885	9,856
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	-	50,000	-
Sukuk Phase I Series C 2013	7.85	March 1, 2016	idAAA(Sy)	idAA+(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)	-	20,000	-
PT Agung Podomoro Land Tbk						
Series I A	10.00	August 25, 2014	-	idA	-	6,000
Series II	9.38	August 15, 2017	idA	idA	10,000	10,000
PT Astra Sedaya Finance						
Series XII C	9.70	February 25, 2014	-	idAA+	-	50,000
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 2013	7.75	June 27, 2016	idAAA	-	9,929	-
Phase II Series A 2013	8.75	December 6, 2014	-	idAA+	-	50,000
Phase II Series B 2013	9.50	November 26, 2016	idAAA	-	5,010	-
Phase III 2014	9.60	April 14, 2015	AAA***)	-	20,000	-
PT BPD Sumatera Barat (Bank Nagari)						
Series VI	9.88	January 13, 2016	idA	idA	10,000	10,000
PT Bank Sumut						
Series III	10.13	July 5, 2016	idA	idA+	10,000	10,000
PT BCA Finance						
Phase III Series B 2013	7.50	June 14, 2016	idAAA	-	9,765	-
PT BFI Finance Indonesia Tbk						
Series I B 2013	8.50	February 19, 2015	A+****)	idA+	25,000	25,000
Phase I Seri A 2014	10.50	March 17, 2015	F1****)	-	20,000	-
PT Bank Internasional Indonesia Tbk						
Phase I Series B 2011	8.75	December 6, 2016	idAAA	-	8,956	-
Phase II Series A 2012	7.60	October 31, 2015	idAAA	idAAA	25,000	25,000
Phase II Series B 2012	8.00	October 31, 2017	idAAA	idAAA	19,812	15,000
PT Bank Jabar Banten Tbk						
Series VII A	9.20	February 9, 2014	-	idAA-	-	20,000
PT Bank BTPN 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	-
Series II A 2012	7.75	August 3, 2015	AA****)	AA-	30,000	30,000
Series II B 2012	8.25	August 3, 2017	AA****)	AA-	20,000	20,000
PT BW Plantation Tbk						
Series I 2010	10.68	November 16, 2015	idBBB+	idBBB+	25,000	25,000

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)} December 31		Fair Value/Carrying Value December 31,	
			2014	2013	2014	2013
Held to maturity (continued)						
<u>Third parties (continued)</u>						
<u>Rupiah (continued)</u>						
PT Bank CIMB Niaga Tbk						
Series B 2011	8.30	December 23, 2016	idAAA	idAAA	43,797	30,000
Phase I Series B 2012	7.75	October 30, 2017	idAAA	-	29,982	-
Phase II Series A 2013	8.75	November 20, 2015	idAAA	idAAA	65,706	40,000
Phase II Series B 2013	9.15	November 20, 2016	idAAA	-	6,905	-
Phase II Series C 2013	9.75	November 20, 2018	idAAA	idAAA	30,000	30,000
PT Bank Danamon Indonesia Tbk						
Series II B	9.00	December 9, 2015	idAAA	idAA+	121,714	81,292
PT Bank DKI						
Series VI A	9.25	June 17, 2014	-	idA+	-	17,000
PT Federal International Finance						
Phase I Series C 2012	7.65	April 20, 2015	idAAA	idAA+	33,849	29,430
Phase II Series B 2013	7.75	April 4, 2016	idAAA	idAA+	10,000	10,000
Phase II Series A	6.75	April 14, 2014	-	idAA+	-	10,000
Phase III Series A 2014	9.60	March 24, 2015	idAAA	-	1,002	-
PT Japfa Comfeed						
Indonesia Tbk						
Phase I 2012	9.90	January 12, 2017	idA+	idA+	150,000	150,000
PT Bank OCBC NISP Tbk						
Phase I Series B 2013	6.90	February 19, 2015	idAAA	idAAA	17,962	4,980
Phase I Series C 2013	7.40	February 19, 2016	idAAA	idAAA	44,370	34,256
PT Bank Pan Indonesia Tbk						
Series III 2009	11.50	October 6, 2014	-	idAA	-	26,595
Series IV 2010	9.00	November 9, 2015	idAA	idAA	20,967	9,995
Phase I 2012	8.15	December 20, 2017	idAA	-	4,801	-
PT Bank Permata Tbk						
Phase I Series A 2013	10.00	January 3, 2015	idAAA	idAA+	50,000	50,000
Phase I Series B 2013	10.50	December 24, 2016	idAAA	idAA+	30,065	25,000
PT Salim Invomas Pratama						
Sukuk Ijarah I	11.65	December 1, 2014	-	idAA	-	25,000
PT Toyota Astra Financial Services						
Series III B 2013	7.60	May 17, 2016	AAA***)	-	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	-
PT Summarecon Agung Tbk						
Sukuk Phase II 2014	11.50	October 10, 2019	idA+(Sy)	-	10,000	-
PT Mayora Indah Tbk						
Sukuk II 2012	8.25	May 9, 2017	idAA-(Sy)	-	6,387	-
					1,229,190	918,425
<u>Related parties (Note 43)</u>						
<u>Rupiah</u>						
PT Aneka Tambang						
(Persero) Tbk						
Series I A	8.38	December 14, 2018	idA	idAA-	20,000	20,000
Series I B	9.05	December 14, 2021	idA	idAA-	75,000	75,000
PT Indosat Tbk						
Sukuk Ijarah IV A	11.25	December 8, 2014	-	idAA+	-	16,000
PT Bank Tabungan						
Negara (Persero) Tbk						
Series I	12.75	September 19, 2016	idAA	-	2,082	-
Series XIII C	12.25	May 29, 2014	-	idAA	-	3,046
Series XIV	10.25	June 11, 2020	idAA	idAA	30,000	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	34,021	33,872
PT Jasa Marga (Persero) Tbk						
Series XIII R 2007	10.25	June 21, 2017	idAA	-	14,213	-
Phase I Series B 2013	8.70	September 27, 2016	idAA	-	9,892	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)} December 31		Fair Value/Carrying Value December 31,	
			2014	2013	2014	2013
Held to maturity (continued)						
<u>Related parties (Note 43)</u>						
<u>Rupiah (continued)</u>						
Lembaga Pembiayaan						
Ekspor Indonesia						
Series A	7.00	December 20, 2014	-	idAAA	-	37,000
Series IV D 2009	9.00	June 18, 2016	idAAA	-	983	-
Series I C 2010	9.60	July 8, 2015	idAAA	idAAA	20,000	20,000
Series I B	7.75	December 20, 2016	idAAA	idAAA	38,000	38,000
Phase II Series B 2012	6.50	November 27, 2015	idAAA	idAAA	25,000	25,000
Phase III Series B 2013	6.40	May 23, 2016	idAAA	idAAA	60,000	60,000
Series II C 2014	12.75	June 5, 2017	idAAA	-	10,644	-
Phase I Series C 2014	9.25	June 5, 2017	idAAA	-	10,035	-
Phase III Series A	6.15	June 2, 2014	-	idAAA	-	60,000
Phase III Series A 2014	8.25	October 26, 2015	idAAA	-	10,000	-
Phase III Series B 2014	9.25	October 16, 2017	idAAA	-	16,003	-
Phase III Series C 2014	9.75	October 16, 2019	idAAA	-	20,000	-
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	-	20,000	-
PT Pegadaian (Persero)						
Series I A	7.50	October 11, 2014	-	idAA+	-	247,000
Series XI A 2006	13.10	May 23, 2016	idAA+	idAA+	35,730	19,616
Series XII A 2007	10.03	September 4, 2017	idAA+	idAA+	11,101	6,101
Series XIII B 2009	12.65	July 1, 2017	idAA+	idAA+	1,071	1,094
Phase II Series A 2014	8.65	July 21, 2015	idAA+	-	77,030	-
Phase II Series B 2014	9.35	July 11, 2017	idAA+	-	65,079	-
PT Perusahaan Listrik Negara (Persero)						
Series VIII A 2006	13.60	June 21, 2016	idAAA	-	5,316	-
Series IX A 2007	10.40	July 10, 2017	idAAA	-	20,153	-
Series XII A 2010	9.70	July 8, 2015	idAAA	-	10,037	-
Phase II Series A 2013	9.00	December 10, 2018	idAAA	-	9,876	-
Sukuk Ijarah IV A	11.95	January 12, 2017	idAAA(Sy)	idAAA	10,000	10,000
PT Pupuk Kalimantan Timur						
Sukuk Ijarah I	10.75	December 4, 2014	-	idAA+	-	25,000
Series II	10.75	December 4, 2014	-	idAA+	-	10,000
PT Pupuk Indonesia (Persero)						
Year 2014 Series A	9.63	July 8, 2017	AAA***)	-	22,112	-
PT Waskita Karya						
Year 2012 Series A	8.75	June 5, 2015	idA	idA	25,000	25,000
PT Sarana Multigriya Finansial (Persero)						
Phase I Series B 2012	7.50	December 27, 2017	idAA+	idAA	19,080	18,824
Phase III Series A 2014	9.10	April 7, 2015	idAA+	-	5,026	-
Phase III Series B 2014	10.00	March 27, 2017	idAA+	-	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+	-	10,000	-
EBA KPR Phase II Series B 2012	7.35	April 25, 2015	idAA	-	4,963	-
					859,560	855,553
<u>United States Dollar</u>						
PT Bank Negara						
Indonesia (Persero) Tbk	4.13	April 27, 2017	BB****)	BB****)	128,246	82,377
Lembaga Pembiayaan						
Ekspor Indonesia	3.75	April 26, 2017	Baa3**)	idAAA	90,973	64,360
					219,219	146,737
					2,307,969	1,920,715
					3,894,983	2,607,313

^{*)} 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.

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.3. Mutual Funds

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Mega Capital Investama	84,601	-
RHB OSK Asset Management	53,416	75,013
ITB - Niaga	11,560	10,702
	<u>149,577</u>	<u>85,715</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
PT BNI Asset Management	52,012	252,749
PT Mandiri Manajemen Investasi	25,928	-
	<u>77,940</u>	<u>252,749</u>
<u>United States Dollar</u>		
PT BNI Asset Management	37,456	-
	<u>115,396</u>	<u>252,749</u>
	<u>264,973</u>	<u>338,464</u>

d.4. Negotiable Certificate of Deposits (NCD)

Issuer	Nominal Value Rupiah	Annual Interest Rate (%)	Maturity Date	Carrying Value December 31,	
				2014	2013
<u>Held to maturity</u>					
<u>Third Parties</u>					
<u>Rupiah</u>					
PT Bank Internasional Indonesia Tbk Year 2014 Series B	100,000	9.60	November 17, 2015	92,209	-
<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	-
				<u>236,648</u>	<u>-</u>

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.5. Notes Receivable

Issuer	Annual Interest Rate (%)	Maturity Date	Rating December 31		Carrying Value December 31,	
			2014	2013	2014	2013
<u>Held to maturity</u>						
<u>Third Parties</u>						
<u>United States Dollar</u>						
Verizon	1,80	March 28, 2014	-	A-****)	-	36,510
Morgan Stanley	4,50	August 31, 2015	A-****)	A-****)	24,770	24,340
Morgan Stanley	4,00	August 31, 2017	A-****)	A-****)	24,770	24,340
					49,540	85,190

****)Based on ratings issued by Standard & Poor.

d.6. Subordinated bonds

Issuer	Annual Interest Rate (%)	Maturity Date	Rating December 31		Carrying Value December 31,	
			2014	2013	2014	2013
<u>Held to maturity</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank OCBC NISP Series III	11.35	June 30, 2017	AA ^{***})	AA ^{***})	40,000	40,000

***) Based on ratings issued by Fitch Ratings.

d.7. Medium-Term Notes (MTN)

Penerbit	Nominal Value		Annual Interest Rate (%)	Maturity Date	Carrying Value December 31,	
	United States Dollar (Full Amount)	Rupiah			2014	2013
<u>Held to maturity</u>						
<u>Tempo</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank OCBC NISP Tbk Series III	-	25,000	7.00 ^{a)}	April 18, 2016	25,000	25,000
<u>Related parties</u>						
<u>(Note 43)</u>						
<u>Rupiah</u>						
PT Wijaya Karya (Persero) Tbk Year 2014	-	99,202	9.80 ^{a)}	December 24, 2017	99,202	-
PT Perkebunan Nusantara III (Persero) Series B	-	25,000	9.75 ^{a)}	November 22, 2015	25,000	25,000
PT Perkebunan Nusantara II (Persero) Sharia I Year 2014	-	15,000	13.00 ^{a)}	November 26, 2016	15,000	-
					139,202	25,000
					164,202	50,000

*) The interest is 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, 2014 and 2013, the following are the balances of securities in the form of CLN:

December 31, 2014					
Issuer	Effective Date	Maturity Date	Annual Interest Rate	Nominal Value (United States Dollar) (full amount)	Carrying Value
Held to maturity					
Third parties					
United States Dollar					
Credit Suisse International	October 20, 2011	December 20, 2016	LIBOR*) + 2.95%	50,000,000	646,480
					646,480

*) United States Dollar LIBOR 6 (six) months.

December 31, 2013					
Issuer	Effective Date	Maturity Date	Annual Interest Rate	Nominal Value (United States Dollar) (full amount)	Carrying Value
Fair value through profit or loss					
Third parties					
United States Dollar					
Standard Chartered Bank	March 14, 2011	March 20, 2014	3.05%	25,000,000	304,250
The Royal Bank of Scotland	April 6, 2011	March 20, 2014	LIBOR**) + 2%	30,000,000	365,100
				55,000,000	669,350
Held to maturity					
Third parties					
United States Dollar					
Credit Suisse International	October 20, 2011	December 20, 2016	LIBOR*) + 2.95%	50,000,000	648,462
Standard Chartered Bank	February 11, 2009	March 20, 2014	LIBOR**) + 1.50%	90,000,000	1,105,834
The Hong Kong and Shanghai Banking Corporation Limited	April 28, 2009	June 20, 2014	LIBOR**) + 1.50%	70,000,000	866,921
The Royal Bank of Scotland	January 14, 2009	March 20, 2014	LIBOR**) + 2.80%	50,000,000	615,003
The Royal Bank of Scotland	February 10, 2009	March 20, 2014	LIBOR**) + 1.10%	25,000,000	307,233
				285,000,000	3,543,453
					4,212,803

*) United States Dollar LIBOR 6 (six) months.

**) United States Dollar LIBOR 3 (three) months.

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.

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.8. Credit Linked Notes (CLN) (continued)

The embedded credit default swap as of December 31, 2014 and 2013 have a liability fair value of USD994,218 and USD3,225,160 (equivalent to Rp12,313 and Rp39,250), 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, 2014 and 2013 amounted to USD2,230,942 (equivalent to Rp27,630) and USD2,166,975 (equivalent to Rp26,372), respectively.

As of December 31, 2013 BRI recognized net unrealized gains from increase in fair value of CLN classified as "fair value through profit or loss" amounted to USD404,078 (equivalent to Rp4,918) which was recorded in the consolidated statement of financial position as derivatives receivable (Note 11) and consolidated statement of comprehensive income as unrealized gain from changes in fair value of securities and Government Recapitalization Bonds.

e) Movements in the allowance for impairment losses on securities:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Beginning balance	772	760
(Reversal) provision during the year (Note 33)	(772)	12
Ending balance	-	772

BRI assessed 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, 2014, because management believes that securities are fully collectible.

f) The average annual interest rates:

	2014	2013
<u>Rupiah</u>	8.27%	7.24%
United States Dollar	5.70	4.07
European Euro	2.88	-

g) BRI recognized unrealized loss - net in the value of "Fair Value through Profit or Loss" securities amounted to RpNil and Rp21,820 for the years ended December 31, 2014 and 2013, respectively, which are recorded under "Unrealized loss from changes in fair value of securities and Government Recapitalization Bonds - net" in the consolidated statement of comprehensive income.

h) BRI recognized unrealized gain - net in the value of "Fair Value through Profit or Loss" securities amounted to Rp6,400 and RpNil for the years ended December 31, 2014 and 2013, respectively, which are recorded under "Unrealized gain from changes in fair value of securities and Government Recapitalization Bonds - net" in the consolidated statement of comprehensive income.

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7. SECURITIES (continued)

- i) BRI recognized net gain resulting from the sale of securities amounted to Rp121,575 and Rp78,252, for the years ended December 31, 2014 and 2013, respectively, which were recorded under "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statement of comprehensive income.
- j) As of December 31, 2014, securities with nominal value of Rp15,884,371 was sold under agreement to repurchase (Note 23).

8. EXPORT BILLS

- a) By Type and Currency:

	December 31, 2014		December 31, 2013	
	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		1,308,275		932,062
Export bills		68,720		114,289
		1,376,995		1,046,351
<u>Foreign currencies</u>				
Domestic Documentary				
Letters of Credit				
United States Dollar	190,707,501	2,361,912	-	-
Export bills				
Renminbi	2,689,736,332	5,367,691	3,234,176,175	6,501,583
United States Dollar	99,281,769	1,229,605	66,388,123	807,943
European Euro	3,651,370	54,965	2,476,401	41,503
Great Britain Pound Sterling	2,316,198	44,676	2,265,458	45,560
Japanese Yen	319,945,894	33,134	1,036,368,866	119,960
Hong Kong Dollar	6,176,845	9,864	73,008,995	114,591
Singapore Dollar	114,066	1,070	545,412	5,248
Arab Emirates Dirham	221,126	746	8,740,469	28,962
Australian Dollar	50,690	514	108,326	1,176
Saudi Arabian Riyal		-	1,713,915	5,561
		9,104,177		7,672,087
		10,481,172		8,718,438
<u>Related Parties (Note 43)</u>				
<u>Rupiah</u>				
Domestic Documentary				
Letters of Credit		20,977		175,326
Export bills		1,354		-
		22,331		175,326
<u>Foreign currencies</u>				
Export bills				
United States Dollar	1,976,754	24,482	2,654,727	32,308
		46,813		207,634
		10,527,985		8,926,072

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8. EXPORT BILLS (continued)

b) By Collectibility:

All export bills were classified as "Current" as of December 31, 2014 and 2013.

c) By Period:

The classification of export bills based on their remaining period to maturity are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
≤ 1 month	1,260,187	928,943
> 1 month - 3 months	3,132,221	1,079,390
> 3 months - 1 year	6,088,764	6,710,105
	<u>10,481,172</u>	<u>8,718,438</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	18,208	207,634
> 1 month - 3 months	28,605	-
	<u>46,813</u>	<u>207,634</u>
	<u>10,527,985</u>	<u>8,926,072</u>

BRI assessed export bills individually for impairment based on whether an objective evidence of impairment exist.

Management believes that no allowance for impairment losses is necessary as of December 31, 2014 and 2013, 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 "Implementation of the Convertible Bonds Series FR into Series VR Bonds", on March 26, 2002 BRI partially redeem fixed rate government bonds with a variable interest rate government bonds.

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

The details of Government Recapitalization Bonds are as follows:

a) By Ownership Purpose and Remaining Period to Maturity:

	December 31, 2014	December 31, 2013
<u>Fair value through profit or loss</u>		
≤ 1 month	-	199,314
<u>Available for sale</u>		
≤ 1 month	703,596	712,105
<u>Held to maturity</u>		
≤ 1 year	500,000	-
> 1 year - 5 years	2,000,000	2,125,000
> 5 years - 10 years	1,100,000	1,475,000
	3,600,000	3,600,000
	4,303,596	4,511,419

b) By Classification and Type:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			2014	2013
<u>Fair value through profit or loss</u>				
VR0026	SPN 3 months	January 25, 2018	-	199,314
<u>Available for sale</u>				
VR0027	SPN 3 months	July 25, 2018	440,370	444,748
VR0031	SPN 3 months	July 25, 2020	263,226	267,357
			703,596	712,105
<u>Held to maturity</u>				
VR0020	SPN 3 months	April 25, 2015	250,000	250,000
VR0021	SPN 3 months	November 25, 2015	250,000	250,000
VR0023	SPN 3 months	October 25, 2016	500,000	500,000
VR0026	SPN 3 months	January 25, 2018	375,000	375,000
VR0027	SPN 3 months	July 25, 2018	375,000	375,000
VR0028	SPN 3 months	August 25, 2018	375,000	375,000
VR0029	SPN 3 months	August 25, 2019	375,000	375,000
VR0031	SPN 3 months	July 25, 2020	1,100,000	1,100,000
			3,600,000	3,600,000
			4,303,596	4,511,419

c) Other Significant Information:

The schedule of interest payment for VR series bonds is every 3 (three) months.

The market values of several Government Recapitalization Bonds classified under "Available for sale" ranged from 97.49% to 97.86% and from 98.83% to 99.02% of nominal amounts as of December 31, 2014 and 2013, respectively.

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

c) Other Significant Information (continued):

BRI recognized unrealized gain in the value of "Fair value through profit or loss" Government Recapitalization Bonds amounted to RpNil and Rp3,694 for the year ended December 31, 2014 and 2013, respectively, which are recorded under "Unrealized gain from changes in fair value of securities and Government Recapitalization Bonds - net" in the consolidated statement of comprehensive income.

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

Securities purchased under agreement to resell as of December 31, 2014 and 2013 consist of:

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

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10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

December 31, 2014					
	Annual Interest Rate (%)	Purchase Date	Resell Date	Nominal Amount	Resell Price-Net
<u>Third parties (continued)</u>					
<u>Rupiah (continued)</u>					
PT BPD Jawa Barat dan Banten Tbk					
Certificates 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
December 31, 2013					
	Annual Interest Rate (%)	Purchase Date	Resell Date	Nominal Amount	Resell Price-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
Series FR0026	5.90	December 27, 2013	January 3, 2014	323,242	323,454
Series FR0026	5.90	December 31, 2013	January 7, 2014	1,289,285	1,289,285
Series FR0027	5.90	December 31, 2013	January 7, 2014	1,674,894	1,674,894
Series FR0056	6.06	December 18, 2013	January 2, 2014	463,099	464,112
Series FR0056	6.06	December 20, 2013	January 3, 2014	464,450	465,310
Series FR0057	6.34	December 4, 2013	January 2, 2014	483,903	486,204
Series FR0058	6.34	December 17, 2013	January 16, 2014	372,741	373,660
Series FR0059	6.06	December 19, 2013	January 2, 2014	804,695	806,320
Series FR0059	6.06	December 30, 2013	January 13, 2014	806,682	806,818
Series FR0060	5.90	December 30, 2013	January 6, 2014	365,700	365,759
Series FR0064	6.32	December 12, 2013	January 9, 2014	709,928	712,296
Series FR0064	6.34	December 13, 2013	January 10, 2014	713,828	716,091
Series FR0066	5.90	December 27, 2013	January 3, 2014	2,246,357	2,247,829
Series FR0069	5.90	December 27, 2013	January 3, 2014	360,344	360,581
Series FR0071	6.34	December 17, 2013	January 16, 2014	73,859	74,041
Series SPN12140703	5.90	December 30, 2013	January 6, 2014	733,153	733,154
Series SPN12140911	5.90	December 27, 2013	January 3, 2014	610,321	610,721
Series SPN12140911	5.90	December 30, 2013	January 6, 2014	270,860	270,905
Series SPN12141009	5.90	December 30, 2013	January 6, 2014	448,692	448,765
				13,216,033	13,230,199
PT Bank Pan Indonesia Tbk					
Certificates of Bank Indonesia					
IDSD06031491S	7.00	December 19, 2013	January 15, 2014	99,805	100,038
				13,315,838	13,330,237
<u>Related parties (Note 43)</u>					
<u>Rupiah</u>					
PT Bank Bukopin Tbk					
Government Bonds					
Series ORI010	7.00	December 20, 2013	January 10, 2014	100,800	101,016
PT Bank Mandiri (Persero) Tbk					
Government Recapitalization Bonds					
Series VR0026	7.00	December 31, 2013	January 7, 2014	504,405	504,405
Series VR0026	7.00	December 31, 2013	January 7, 2014	504,405	504,405
				1,008,810	1,008,810
				1,109,610	1,109,826
				14,425,448	14,440,063

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10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

BRI assessed securities purchased under agreement to resell individually for impairment based on whether an objective evidence of impairment exists.

11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivatives transactions are as follows:

Transaction	December 31, 2014	
	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

Transaction	December 31, 2013	
	Derivatives receivable	Derivatives payable
Credit linked notes (Note 7)	4,918	39,250
Foreign currency and interest rate swap	-	1,523,183
Foreign currency swap	-	2,669
Purchase and sale of foreign currency spot	63	-
	4,981	1,565,102

a) Cross currency and interest rate swap

BRI's cross currency and interest rate swap contracts as of December 31, 2014 and 2013 are as follows:

December 31, 2014					
Counterparties	Notional 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

*) USD LIBOR 6 (six) months.

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

a) Cross currency and interest rate swap (continued)

December 31, 2013					
Counterparties	Notional Amount	Annual Interest Rate		Date	
		Received	Paid	Effective	Maturity
DBS Bank	USD65,000,000	7.50%	LIBOR**) + 1.65%	September 27, 2011	September 27, 2014
DBS Bank	USD50,000,000	8.50%	LIBOR*) + 0.55%	November 28, 2013	November 28, 2016
Standard Chartered Bank	USD20,000,000	7.00%	LIBOR**) + 1.69%	September 18, 2012	September 18, 2014
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	7.50%	LIBOR**) + 1.70%	September 26, 2011	September 26, 2014
The Hong Kong and Shanghai Banking Corporation Limited	USD50,000,000	7.50%	LIBOR**) + 1.70%	September 21, 2011	September 22, 2014
The Hong Kong and Shanghai Banking Corporation Limited	USD50,000,000	7.00%	LIBOR**) + 1.90%	April 16, 2012	April 16, 2014
The Hong Kong and Shanghai Banking Corporation Ltd	USD50,000,000	7.00%	LIBOR**) + 1.50%	December 10, 2012	December 10, 2015
The Hong Kong and Shanghai Banking Corporation Ltd	USD50,000,000	7.00%	LIBOR**) + 1.50%	December 4, 2012	December 4, 2015
ANZ Bank	USD50,000,000	7.00%	LIBOR**) + 1.55%	November 5, 2012	November 5, 2014
Citibank	USD25,000,000	7.00%	LIBOR**) + 1.68%	October 15, 2012	October 15, 2014

*) USD LIBOR 6 (six) months.

**) USD LIBOR 3 (three) months.

BRI enters into cross currency and interest rate swap contracts with several counterparties, whereby BRI and counterparties agree to exchange funds in USD and Rupiah with the amount equal at the effective date of the contract. Thus, BRI/counterparties shall pay interest according to the funds received.

If the funds received are in USD, the beneficiary must pays fixed rate or floating rate of LIBOR 6 (six) months or LIBOR 3 (three) months plus certain margin. On the contrary, the beneficiary pays fixed rate of interest.

b) Foreign currency spots - purchase and sale

As of December 31, 2014, BRI has outstanding foreign currency spot purchase contract with notional amount of USD24,000,000 and AUD36,000,000 with contractual amount of Rp297,776 and Rp364,053, and contractual sale amount with notional amount of USD24,000,000 and AUD26,000,000 with contractual amount of Rp297,800 and Rp262,876.

BRI also has outstanding foreign currency forward purchase and sale contract with notional amount of USD49,596 with contractual amount of Rp603.

c) Foreign currency swap

As of December 31, 2014, BRI has outstanding foreign currency swap contracts with notional purchase and sale amount of USD14,000,000 with the contractual purchase amount of Rp169,875 and the contractual sale amount of Rp170,080.

BRI assessed derivatives receivable individually for impairment based on whether an objective evidence of impairment exists.

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12. LOANS

a) By Currency and Type:

The details of loans by type are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Kupedes	152,905,930	132,131,803
Working capital	100,302,296	87,467,943
Consumer	82,084,591	74,610,014
Investment	34,362,408	26,634,287
Program	7,259,617	10,594,551
Syndicated	1,969,662	1,703,561
	<u>378,884,504</u>	<u>333,142,159</u>
<u>Foreign currencies</u>		
Working capital	17,224,376	18,935,853
Investment	16,910,200	12,705,403
Syndicated	1,011,060	1,075,184
	<u>35,145,636</u>	<u>32,716,440</u>
	<u>414,030,140</u>	<u>365,858,599</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Working capital	33,559,565	29,191,123
Syndicated	16,222,204	16,927,886
Investment	11,348,215	6,694,154
Employees	50,357	54,084
Consumer	34,023	39,601
	<u>61,214,364</u>	<u>52,906,848</u>
<u>Foreign currencies</u>		
Working capital	15,088,161	11,124,217
Investment	4,008,660	3,825,317
Syndicated	755,963	601,485
	<u>19,852,784</u>	<u>15,551,019</u>
	<u>81,067,148</u>	<u>68,457,867</u>
	<u>495,097,288</u>	<u>434,316,466</u>
Less: Allowance for impairment losses	(15,886,145)	(15,171,736)
	<u>479,211,143</u>	<u>419,144,730</u>

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12. LOANS (continued)

a) By Currency and Type (continued):

The details of loans by currencies are as follows:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Rupiah</u>		440,098,868		386,049,007
<u>Foreign currencies</u>				
United States Dollar	4,408,424,607	54,598,339	3,944,419,742	48,003,588
European Euro	13,492,637	203,109	2,397,871	40,187
Singapore Dollar	19,304,299	181,001	22,162,586	213,250
Japanese Yen	90,420,476	9,364	90,143,666	10,434
Great Britain Pound Sterling	209,302	4,037	-	-
Swiss Franc	205,338	2,570	-	-
		54,998,420		48,267,459
		495,097,288		434,316,466
Less: Allowance for impairment losses		(15,886,145)		(15,171,736)
		479,211,143		419,144,730

b) By Economic Sector:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	146,793,322	127,520,973
Agriculture	41,776,436	32,452,072
Business services	17,341,578	14,438,720
Manufacturing	14,255,145	14,220,719
Construction	10,204,041	7,811,836
Transportation, warehousing and communications	4,811,025	4,184,363
Social services	3,695,078	2,701,451
Mining	2,507,266	2,265,285
Electricity, gas and water	553,140	602,103
Others	136,947,473	126,944,637
	378,884,504	333,142,159
<u>Foreign currencies</u>		
Manufacturing	19,049,602	18,164,626
Trading, hotels and restaurants	3,683,894	5,377,368
Mining	2,695,827	1,512,662
Electricity, gas and water	2,576,312	1,539,950
Agriculture	2,303,960	2,881,438
Construction	1,766,507	1,138,289
Transportation, warehousing and communications	1,721,116	1,136,003
Business services	1,248,868	848,098
Others	99,550	118,006
	35,145,636	32,716,440
	414,030,140	365,858,599

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12. LOANS (continued)

b) By Economic Sector (continued):

	December 31, 2014	December 31, 2013
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Electricity, gas and water	12,188,381	10,001,627
Trading, hotels and restaurants	11,720,276	10,727,788
Manufacturing	9,151,098	6,522,773
Transportation, warehousing and communications	8,197,937	7,086,773
Business services	6,169,016	6,102,396
Social services	6,005,926	5,850,094
Agriculture	5,431,625	4,193,698
Construction	2,054,518	2,162,385
Mining	243,226	203,514
Others	52,361	55,800
	<u>61,214,364</u>	<u>52,906,848</u>
<u>Foreign currencies</u>		
Manufacturing	15,892,186	10,135,360
Social services	3,514,536	3,286,158
Business services	359,195	592,004
Mining	80,502	1,528,349
Transportation, warehousing and communications	6,365	-
Agriculture	-	9,148
	<u>19,852,784</u>	<u>15,551,019</u>
	<u>81,067,148</u>	<u>68,457,867</u>
	495,097,288	434,316,466
Less: Allowance for impairment losses	(15,886,145)	(15,171,736)
	<u>479,211,143</u>	<u>419,144,730</u>

c) By Period:

The classification of loans based on the remaining period to maturity are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	14,908,904	12,190,232
> 1 month - 3 months	15,224,116	13,988,502
> 3 months - 1 year	70,124,056	62,647,603
> 1 year - 2 years	61,892,933	52,210,407
> 2 years - 5 years	108,297,072	95,010,709
> 5 years	108,437,423	97,094,706
	<u>378,884,504</u>	<u>333,142,159</u>

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12. LOANS (continued)

c) By Period (continued):

	December 31, 2014	December 31, 2013
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
≤ 1 month	3,463,164	4,106,354
> 1 month - 3 months	1,734,056	3,625,688
> 3 months - 1 year	9,185,920	9,002,931
> 1 year - 2 years	2,972,327	2,881,897
> 2 years - 5 years	7,305,678	4,549,898
> 5 years	10,484,491	8,549,672
	35,145,636	32,716,440
	414,030,140	365,858,599
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
≤ 1 month	3,785,571	1,015,879
> 1 month - 3 months	15,420,356	20,261,074
> 3 months - 1 year	7,684,547	5,403,421
> 1 year - 2 years	5,313,701	2,554,393
> 2 years - 5 years	11,550,965	5,418,516
> 5 years	17,459,224	18,253,565
	61,214,364	52,906,848
<u>Foreign currencies</u>		
≤ 1 month	14,577,924	8,865,691
> 1 month - 3 months	95,339	20,014
> 3 months - 1 year	247,700	2,197,227
> 1 year - 2 years	173,562	486,800
> 2 years - 5 years	-	829,573
> 5 years	4,758,259	3,151,714
	19,852,784	15,551,019
	81,067,148	68,457,867
	495,097,288	434,316,466
Less: Allowance for impairment losses	(15,886,145)	(15,171,736)
	479,211,143	419,144,730

d) By Collectibility:

	December 31, 2014	December 31, 2013
Individual	12,857,919	7,421,717
Collective		
Current	450,778,058	400,826,162
Special mention	25,241,568	20,564,316
Substandard	1,043,082	930,623
Doubtful	1,201,996	949,415
Loss	3,974,665	3,624,233
	482,239,369	426,894,749
	495,097,288	434,316,466
Less: Allowance for impairment losses		
Individual	(2,389,304)	(2,387,935)
Collective	(13,496,841)	(12,783,801)
	(15,886,145)	(15,171,736)
	479,211,143	419,144,730

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12. LOANS (continued)

e) By Operating Segment:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Corporate	30,921,809	25,715,738
Retail	183,908,515	165,159,679
Micro	164,054,180	142,266,742
	<u>378,884,504</u>	<u>333,142,159</u>
<u>Foreign currencies</u>		
Corporate	25,732,352	22,265,376
Retail	9,413,284	10,451,064
	<u>35,145,636</u>	<u>32,716,440</u>
	<u>414,030,140</u>	<u>365,858,599</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Corporate	54,714,859	46,780,191
Retail	6,499,505	6,126,657
	<u>61,214,364</u>	<u>52,906,848</u>
<u>Foreign currencies</u>		
Corporate	19,845,498	15,434,081
Retail	7,286	116,938
	<u>19,852,784</u>	<u>15,551,019</u>
	<u>81,067,148</u>	<u>68,457,867</u>
	<u>495,097,288</u>	<u>434,316,466</u>
Less: Allowance for impairment losses	(15,886,145)	(15,171,736)
	<u>479,211,143</u>	<u>419,144,730</u>

f) Other Significant Information:

1) The average annual interest rates for loans are as follows:

	2014	2013
<u>Contractual Rate</u>		
Rupiah	12.09%	11.79%
Foreign currencies	4.35	4.47
<u>Effective Interest Rate</u>		
Rupiah	16.23%	15.95%
Foreign currencies	4.48	4.58

2) The loans are generally collateralized by registered mortgages, by powers of attorneys to sell, demand deposits, time deposits or by other guarantees generally accepted by banks (Notes 19, 20, and 21).

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12. LOANS (continued)

f) Other Significant Information (continued):

- 3) Working capital and investment loans represent loans to customers for working capital requirements and capital goods.
- 4) Consumer loans consist of housing, motor vehicles and other personal loans.
- 5) Program loans represent loan facilities channeled by BRI based on the guidelines from the Government to support the development of Indonesia's small scale industry, middle and cooperative units.
- 6) Kupedes loans represent loan facilities channeled by BRI through BRI's Units. The target of these loans is micro businesses and fixed income employees that require additional funds, in accordance with the maximum limit amount stated in the Kupedes manual. The economic sectors covered under Kupedes include agriculture, manufacturing, trading and others.
- 7) Syndicated loans represent loans provided to customers under syndication agreements with other banks. As of December 31, 2014 and 2013, total syndicated loans amounted to Rp23,439,044 and Rp20,328,701, respectively. BRI's participation as leader in the syndicated loans ranged from 24.90% until 63.65% and 33.33% until 74.94% as of December 31, 2014 and 2013, respectively. BRI's participation as member in the syndicated loans ranged from 2.97% until 51.79% as of December 31, 2014 and 2013.
- 8) Loans to employees with 5.5% annual interest rate, 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. Difference between employee loan's interest rates and Base Lending Rate (BLR) is deferred and recorded as deferred expense for employee loans as part of other assets. Deferred expense for employee loans amounted to Rp585,320 and Rp640,498 as of December 31, 2014 and 2013, respectively (Note 17).
- 9) Loans granted by BRI to related parties, other than loans to key employees (Note 43) are as follows:

	December 31, 2014	December 31, 2013
PT Perusahaan Listrik Negara (Persero)	12,507,583	10,288,290
PT Pertamina (Persero)	11,828,759	8,603,110
Perum BULOG	10,467,999	9,355,324
PT Taspen (Persero)	5,200,000	5,100,000
PT Pegadaian (Persero)	4,420,940	3,602,519
Kementerian Keuangan Republik Indonesia	4,007,873	3,778,698
PT Kereta Api Indonesia (Persero)	3,513,187	2,709,044
PT Telekomunikasi Indonesia (Persero) Tbk	2,500,000	2,250,000
PT Dayamitra Telekomunikasi	1,627,955	1,610,438
PT Pupuk Kalimantan Timur	1,624,780	1,836,399
Others	23,317,715	19,269,961
	81,016,791	68,403,783

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12. LOANS (continued)

f) Other Significant Information (continued):

10) Loans that have been restructured by BRI (Parent Entity) during 2014 and 2013, that were reported to Bank Indonesia is amounting to Rp4,995,262 and Rp2,190,691, respectively. Restructuring scheme generally involves extension of the loan maturity date and rescheduling of overdue interest payment.

11) In its report on Legal Lending Limit to Bank Indonesia as of December 31, 2014 and 2013, BRI indicated that there is no debtor either related party or third party who has not complied with or exceeded the Legal Lending Limit.

12) The details of individual and collective loans (substandard, doubtful and loss), and allowance for impairment losses by economic sector are as follows:

	December 31, 2014	December 31, 2013
Trading, hotels and restaurants	6,808,031	5,489,984
Manufacturing	2,730,783	1,314,935
Agriculture	2,718,963	821,780
Construction	2,274,200	1,492,326
Business services	1,451,926	1,147,967
Transportation, warehousing and communications	1,378,079	1,254,465
Mining	352,028	46,927
Social services	115,575	81,758
Electricity, gas and water	43,064	26,173
Others	1,205,013	1,249,673
	19,077,662	12,925,988
Less: Allowance for impairment losses	(4,000,016)	(3,790,925)
	15,077,646	9,135,063

13) Ratios:

a. The ratios of non-performing loans (NPL) based on Bank Indonesia regulations are as follows:

(i) Consolidated

	December 31, 2014	December 31, 2013
Total non-performing loans	8,364,106	6,735,938
Total loans	495,097,288	434,316,466
% non-performing loans (NPL)	1.69%	1.55%

(ii) BRI (Parent Entity)

	December 31, 2014	December 31, 2013
Total non-performing loans	8,271,125	6,654,494
Total loans	490,402,708	430,617,872
% non-performing loans (NPL)	1.69%	1.55%

b. The ratio of small scale industry loans to BRI's total loans is 43.76% and 41.71% as of December 31, 2014 and 2013, respectively (unaudited).

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12. LOANS (continued)

f) Other Significant Information (continued):

Movements in the allowance for impairment losses on loans:

	December 31, 2014	December 31, 2013
Beginning balance	15,171,736	14,677,220
Provision during the year (Note 33)	5,654,870	3,946,083
Loans written-off during the year	(5,619,434)	(4,317,861)
Foreign currency translation	678,973	866,294
Ending balance	15,886,145	15,171,736

BRI's (Parent Entity) allowance for impairment losses balance includes the allowance for disaster prone areas amounted to Rp715,339 and Rp1,166,798, as of December 31, 2014 and 2013, respectively (Note 2e).

The minimum allowance for impairment losses on loans of BRI (Parent Entity) based on Bank Indonesia regulation (Note 2e) is amounted to Rp12,235,818 and Rp10,265,927, as of December 31, 2014 and 2013, respectively.

Management believes that the allowance for impairment losses on loans is adequate.

13. SHARIA RECEIVABLES AND FINANCING

Sharia receivables and financing based on collectibility are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
Current	14,332,387	13,032,367
Special mention	517,977	354,586
Substandard	121,624	289,826
Doubtful	136,921	53,914
Loss	456,921	220,157
	15,565,830	13,950,850
<u>Related parties (Note 43)</u>		
Current	33,242	77,540
Special mention	481	-
	33,723	77,540
	15,599,553	14,028,390
Less: Allowance for impairment losses	(276,650)	(246,360)
	15,322,903	13,782,030

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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.

Movements in the allowance for impairment losses on sharia receivables and financing:

	December 31, 2014	December 31, 2013
Beginning balance	246,360	237,645
Adjustment with respect to the implementation of SFAS No. 102 (Revised 2013)	(4,184)	-
Provision during the year (Note 33)	67,884	2,410
Recoveries from loans written off	11,644	11,363
Loans written-off during the year	(45,054)	(5,058)
Ending balance	276,650	246,360

Management believes that the allowance for impairment losses of sharia receivables and financing is adequate.

As of December 31, 2014 and 2013, sharia receivables and financing classified as Non-Performing Financing (NPF) is amounted to Rp715,466 (4.59%) and Rp563,897 (4.02%) of total Sharia's receivables and financing, respectively.

14. ACCEPTANCES RECEIVABLE AND PAYABLE

The details of acceptances receivable from customers are as follows:

a) By Type and Currency:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Import Letters of Credit and Domestic Document Letters of Credit		356,910		4,412
<u>Foreign currencies</u>				
Import Letters of Credit and Domestic Document Letters of Credit				
United States Dollar	445,091,480	5,512,457	181,409,070	2,207,748
European Euro	2,939,990	44,257	1,578,533	26,455
Swiss Franc	191,940,013	19,877	3,324,651	385
Japanese Yen	360,000	4,506	360,000	4,923
Singapore Dollar	344,340	3,229		-
		5,584,326		2,239,511
		5,941,236		2,243,923

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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, 2014		December 31, 2013	
	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>				
Import Letters of Credit and Domestic Document Letters of Credit		115,657		381,296
<u>Foreign currencies</u>				
Import Letters of Credit and Domestic Document Letters of Credit				
United States Dollar	34,797,404	430,966	86,356,761	1,050,962
European Euro	1,997,600	30,071	209,000	3,503
Malaysian Ringgit	2,190,240	7,758		-
		468,795		1,054,465
		584,452		1,435,761
		6,525,688		3,679,684

b) By Collectibility:

All acceptances receivable were classified as "Current" as of December 31, 2014 and 2013.

c) By Period:

The classifications of acceptances receivable based on the remaining period until maturity are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
≤ 1 month	548,801	986,137
> 1 month - 3 months	2,464,736	281,528
> 3 months - 1 year	2,927,699	976,258
	5,941,236	2,243,923
<u>Related parties (Note 43)</u>		
≤ 1 month	307,751	241,061
> 1 month - 3 months	93,631	830,344
> 3 months - 1 year	183,070	364,356
	584,452	1,435,761
	6,525,688	3,679,684

The 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 exist.

Management believes that no allowance for impairment losses is necessary as of December 31, 2014 and 2013, because management believes that acceptances receivable are fully collectible.

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15. INVESTMENT IN ASSOCIATED ENTITIES

The details of investment in associated entities are as follows:

December 31, 2014					
Company Name	Type of Business	Percentage of Ownership	Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
PT BTMU-BRI Finance (Related party - Note 43)	Financing	45.00%	24,750	224,879	249,629
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
					251,573

December 31, 2013					
Company Name	Type of Business	Percentage of Ownership	Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
PT BTMU-BRI Finance (Related party - Note 43)	Financing	45.00%	24,750	196,157	220,907
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	2.10			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
					222,851

BRI assessed investment in associated entities individually for impairment based on whether an objective evidence of impairment exists.

As of December 31, 2014 and 2013, all investments were classified as "Current".

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15. INVESTMENT IN ASSOCIATED ENTITIES (continued)

In 2014, BRI received cash dividends from PT Pemeringkat Efek Indonesia amounted to Rp21, while in 2013 from PT Pemeringkat Efek Indonesia and PT Sarana Bersama Pembiayaan Indonesia amounted to Rp237 and Rp145, respectively.

Management believes that no allowance for impairment losses is necessary as of December 31, 2014 and 2013, because management believes that investments are fully collectible.

16. PREMISES AND EQUIPMENT

Premises and equipment consists of:

Description	December 31, 2014			
	Beginning Balance	Additions	Deductions	Ending Balance
<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
	8,817,641	3,064,718	299,058	11,583,301
<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

Description	December 31, 2013			
	Beginning Balance	Additions	Deductions	Ending Balance
<u>Carrying Value</u>				
Landrights	318,257	144,704	3,708	459,253
Buildings	1,918,424	257,867	87,319	2,088,972
Motor vehicles	839,088	694,558	30,890	1,502,756
Computers and machineries	3,201,863	734,447	212,470	3,723,840
Furniture and fixtures	940,991	116,409	14,764	1,042,636
Museum assets	184	-	-	184
	7,218,807	1,947,985	349,151	8,817,641

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16. PREMISES AND EQUIPMENT (continued)

Description	December 31, 2013			Ending Balance
	Beginning Balance	Additions	Deductions	
<u>Accumulated Depreciation</u>				
Buildings	895,273	94,014	6,111	983,176
Motor vehicles	540,336	150,730	30,061	661,005
Computers and machineries	2,233,862	351,946	197,553	2,388,255
Furniture and fixtures	744,970	81,595	13,972	812,593
	4,414,441	678,285	247,697	4,845,029
Net book value	2,804,366			3,972,612

Depreciation of premises and equipment charged to the consolidated statement of comprehensive income amounted to Rp919,140 and Rp678,285 for the years ended December 31, 2014 and 2013 (Note 35).

BRI insured its premises and equipment from losses due to risks of fire and theft to PT Asuransi Bringin Sejahtera Artha Makmur (related party) and PT Asuransi Jasa Tania, with coverage amount of Rp9,101,785 and Rp9,926,682 for the years ended December 31, 2014 and 2013, 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 on December 31, 2014 is amounted to Rp3,374,000 and Rp1,695,743, respectively, while on December 31, 2013 is amounted to Rp2,715,330 and Rp1,507,394, respectively. Other than landrights and building there are no significant difference between the fair value of the asset and its carrying value.

As of December 31, 2014, the satellite project (BRIsat) reached the completing stage of Preliminary Design Review (PDR), while for the launch service has reached the Management Kick Off stage.

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 at the dates of December 31, 2014 and 2013.

17. OTHER ASSETS

Other assets consist of:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Prepaid expenses	1,019,048	906,035
Claims Related to ATM and Credit Card transaction	761,984	534,266
Prepaid tax (Note 37)	724,756	966,341
Interest receivables		
Securities	607,442	426,473
Government Recapitalization Bonds	47,486	50,042
Placements with Bank Indonesia and other banks	1,888	8,257
Others	1,322	838
Deferred expense for employee loans (Note 12f)	585,320	640,498
Premises and equipment that have not been distributed	564,248	639,327

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17. OTHER ASSETS (continued)

Other assets consist of (continued):

	December 31, 2014	December 31, 2013
<u>Rupiah (continued)</u>		
Internal advance	417,591	270,007
Advance installment income tax article 25 (Note 37)	360,000	-
Claims to Bulog	348,750	-
Office supplies	204,390	189,634
Notes Receivable	94,172	54,318
Claims for loan principal and interest penalty	68,634	57,253
Foreclosed Collaterals	27,553	33,951
Corporate income tax refund estimation (Note 37)	10,945	-
Others	2,311,921	2,033,378
	<u>8,157,450</u>	<u>6,810,618</u>
<u>Foreign currencies</u>		
Interest receivables		
Securities	216,648	97,241
Others	50,193	40,783
Risk Participation Claims	176,887	-
Notes Receivable	73,576	1,758
Claims Related to ATM and Credit Card transaction	46,064	37,212
Prepaid expenses	9,277	3,511
Others	62,794	12,914
	<u>635,439</u>	<u>193,419</u>
	<u>8,792,889</u>	<u>7,004,037</u>

18. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Students disbursement deposits	1,828,599	-
Advance payment deposits	1,440,868	1,393,627
ATM and Credit Card deposits	694,604	506,715
Tax payment deposits	423,776	253,158
Insurance deposits	134,309	120,513
Deposits for channeling loans	53,443	54,461
Deposits for clearing	40,149	27,405
Advance from money transfer	32,343	30,209
Others	2,238,900	2,588,039
	<u>6,886,991</u>	<u>4,974,127</u>
<u>Foreign currencies</u>		
Tax payment deposits	22,245	13,267
Advance payment deposits	15,646	10,384
ATM and Credit Card deposits	14,170	4,337
Others	104,720	63,412
	<u>156,781</u>	<u>91,400</u>
	<u>7,043,772</u>	<u>5,065,527</u>

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19. DEMAND DEPOSITS

Demand deposits consist of:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		41,715,191		44,381,264
<u>Foreign currencies</u>				
United States Dollar	1,184,021,409	14,664,105	932,761,837	11,351,712
European Euro	38,430,455	578,507	48,241,628	808,496
Australian Dollar	21,425,658	217,433	30,981,358	336,323
Renminbi	104,678,583	208,899	6,630,477	13,329
Singapore Dollar	8,952,268	83,938	12,255,264	117,921
Great Britain Pound Sterling	2,641,529	50,951	7,072,289	142,230
Japanese Yen	450,054,773	46,608	185,040,829	21,418
Saudi Arabian Riyal	6,452,088	21,289	1,290,369	4,187
Hong Kong Dollar	654,820	1,046	28,859,414	45,296
Swiss Franc	2,170	27	300	4
		15,872,803		12,840,916
		57,587,994		57,222,180
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>		19,687,855		17,543,458
<u>Foreign currencies</u>				
United States Dollar	956,872,209	11,850,862	312,398,136	3,801,885
European Euro	19,904,961	299,636	4,939,769	82,787
Japanese Yen	25,008,334	2,590	136,062,121	15,749
Singapore Dollar	141,526	1,327	70	1
Renminbi	1,248	3	2,088	4
		12,154,418		3,900,426
		31,842,273		21,443,884
		89,430,267		78,666,064

The average annual interest rates for demand deposits are as follows:

	2014	2013
Rupiah	2.43%	2.55%
Foreign currencies	0.34	0.32

Demand deposits used as collateral for banking facilities granted by BRI and Subsidiaries is amounted to Rp70,414 and Rp72,136 as of December 31, 2014 and 2013, respectively.

20. SAVING DEPOSITS

Saving deposits consist of:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Simpedes		144,407,690		127,649,038
Britama		83,941,374		78,580,879
Others		3,403,807		3,172,251
		231,752,871		209,402,168

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20. SAVING DEPOSITS (continued)

Saving deposits consist of (continued):

	December 31, 2014		December 31, 2013	
	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	49,161,908	608,870	52,542,488	639,442
European Euro	1,351,024	20,337	58,786	985
Singapore Dollar	1,052,538	9,869	165,174	1,589
Australian Dollar	600,409	6,093	393,360	4,270
Renminbi	8,971	18	11,172	22
Hong Kong Dollar	6,690	11		-
United Arab Emirates Dirham	1,664	6		-
		645,204		646,308
Other				
United States Dollar	137,146	1,699		-
		646,903		646,308
		232,399,774		210,048,476
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Britama		296,276		162,339
Simpedes		2,478		1,772
Others		14,525		15,689
		313,279		179,800
<u>Foreign currencies</u>				
Britama				
United States Dollar	758,479	9,394	525,908	6,400
Singapore Dollar	1,720	16	590	6
European Euro	191	3		-
Renminbi	355	1	364	1
		9,414		6,407
Other				
United States Dollar	4,220	52		-
		9,466		6,407
		322,745		186,207
		232,722,519		210,234,683

The average annual interest rates for saving deposits are as follows:

	2014	2013
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 Rp72,273 and Rp67,271 as of December 31, 2014 and 2013, respectively.

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21. TIME DEPOSITS

Time deposits consist of:

	December 31, 2014		December 31, 2013	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		181,577,777		114,672,685
<u>Foreign currencies</u>				
United States Dollar	2,941,780,546	36,433,952	865,225,457	10,529,794
Renminbi	3,444,965,146	6,874,841	4,116,198,111	8,274,690
European Euro	943,654	14,205	562,552,458	9,427,991
Singapore Dollar	617,073	5,786	283,458	2,727
Great Britain Pound Sterling	39,241	757	11,746	236
Australian Dollar	69,107	701	100,103	1,087
		43,330,242		28,236,525
		224,908,019		142,909,210
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>		46,116,584		38,562,901
<u>Foreign currencies</u>				
United States Dollar	985,696,239	12,207,848	1,641,703,370	19,979,530
European Euro	14,953,043	225,093	8,003,040	134,125
		12,432,941		20,113,655
		58,549,525		58,676,556
		283,457,544		201,585,766

Time deposits based on their contractual periods are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Deposits on call	5,831,970	3,812,090
Deposits		
1 month	90,419,259	77,525,429
3 months	51,239,070	18,399,280
6 months	16,489,214	7,867,620
12 months	16,944,355	6,812,550
More than 12 months	653,909	255,716
	181,577,777	114,672,685
<u>Foreign currencies</u>		
Deposits on call	4,136,380	3,801,861
Deposits		
1 month	10,840,078	8,853,438
3 months	3,129,783	2,197,124
6 months	12,650,047	9,693,174
12 months	12,572,407	3,689,404
More than 12 months	1,547	1,524
	43,330,242	28,236,525
	224,908,019	142,909,210

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21. TIME DEPOSITS (continued)

Time deposits based on their contractual periods are as follows (continued):

	December 31, 2014	December 31, 2013
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
Deposits on call	3,883,175	1,985,697
Deposits		
1 month	16,706,872	14,559,406
3 months	1,088,400	3,294,887
6 months	146,828	321,666
12 months	24,291,309	18,401,245
	<u>46,116,584</u>	<u>38,562,901</u>
<u>Foreign currencies</u>		
Deposits on call	3,147,569	5,739,576
Deposits		
1 month	8,175,034	8,829,425
3 months	323,005	5,478,347
6 months	755,485	5,207
12 months	5,524	8,459
More than 12 months	26,324	52,641
	<u>12,432,941</u>	<u>20,113,655</u>
	<u>58,549,525</u>	<u>58,676,556</u>
	<u>283,457,544</u>	<u>201,585,766</u>

The average annual interest rates for time deposits are as follows:

	2014	2013
Rupiah	8.74%	6.12%
Foreign currencies	1.78%	1.51 %

Time deposits used as collateral for banking facilities granted by BRI and subsidiaries is amounted to Rp230,240 and Rp202,654 as of December 31, 2014 and 2013, respectively.

22. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	December 31, 2014	December 31, 2013
	Notional Amount Foreign Currency/ (Full Amount)	Notional Amount Foreign Currency/ (Full Amount)
	Rupiah Equivalent	Rupiah Equivalent
<u>Third parties</u>		
<u>Rupiah</u>		
Demand deposits	103,161	100,749
Saving deposits	4,835	4,534
Deposits on call	4,058,120	650,000
Time deposits	1,109,722	660,993
Inter-bank call money	400,000	380,000
	<u>5,675,838</u>	<u>1,796,276</u>

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22. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

Deposits from other banks and financial institutions consist of (continued):

	December 31, 2014		December 31, 2013	
	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>				
Demand deposits	637,443	7,895	100,161	1,219
Time deposits	4,000,000	49,540	-	-
Inter-bank call money	193,000,000	2,390,305	121,893,432	1,483,443
		2,447,740		1,484,662
		8,123,578		3,280,938
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Demand deposits		816		45,182
Inter-bank call money		100,000		-
		100,816		45,182
<u>United States Dollar</u>				
Inter-bank call money	34,800,000	430,998	30,000,000	365,100
		531,814		410,282
		8,655,392		3,691,220

The average annual interest rates for deposits from other banks and financial institutions are as follows:

	Rupiah		Foreign currency	
	2014	2013	2014	2013
Demand deposits	1.21%	1.35%	0.00%	0.00%
Saving deposits	1.25%	1.24%	- %	- %
Deposits on call	7.36%	6.83%	- %	- %
Time deposits	8.14%	5.72%	0.88%	0.00 %
Inter-bank call money	6.44%	4.43%	0.72 %	0.22 %

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows:

	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
	5,599,324	53,940	22,574	5,675,838

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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>Third parties (continued)</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>
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Demand deposits	816	-	-	816
Inter-bank call money	100,000	-	-	100,000
	<u>100,816</u>	<u>-</u>	<u>-</u>	<u>100,816</u>
<u>United States Dollar</u>				
Inter-bank call money	430,998	-	-	430,998
	<u>8,578,878</u>	<u>53,940</u>	<u>22,574</u>	<u>8,655,392</u>

December 31, 2013				
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	Total
<u>Third parties</u>				
<u>Rupiah</u>				
Demand deposits	100,749	-	-	100,749
Saving deposits	4,534	-	-	4,534
Deposits on call	650,000	-	-	650,000
Time deposits	655,449	3,108	2,436	660,993
Inter-bank call money	380,000	-	-	380,000
	<u>1,790,732</u>	<u>3,108</u>	<u>2,436</u>	<u>1,796,276</u>
<u>Foreign currencies</u>				
Demand deposits	1,219	-	-	1,219
Inter-bank call money	1,265,680	44,543	173,220	1,483,443
	<u>1,266,899</u>	<u>44,543</u>	<u>173,220</u>	<u>1,484,662</u>
<u>Related parties (Note 43)</u>				
<u>Rupiah</u>				
Demand deposits	45,182	-	-	45,182
<u>Foreign currencies</u>				
Inter-bank call money	365,100	-	-	365,100
	<u>3,467,913</u>	<u>47,651</u>	<u>175,656</u>	<u>3,691,220</u>

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23. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreement to repurchase consists of:

December 31, 2014					
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Neto
<u>Third Parties</u>					
<u>Rupiah</u>					
PT BPD Jawa Barat dan Banten Tbk					
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 Bonds					
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
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 Bonds					
FR0060	December 30, 2014	December 30, 2016	1,857,750	1,857,750	1,857,841
PT Bank BNP Paribas					
Government Bonds					
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

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23. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consists of (continued):

December 31, 2014					
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Neto
<u>Related Parties (Note 43)</u>					
<u>Rupiah</u>					
PT Bank Negara Indonesia (Persero) Tbk					
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
			15,884,371	15,429,305	15,456,701

24. MARKETABLE SECURITIES ISSUED

BRI issued marketable securities with details as follows:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Medium Term Notes (MTN)		
Phase I Year 2014		
Net of unamortized issuance cost amounted to Rp983	709,017	-
Phase II Year 2014		
Net of unamortized issuance cost amounted to Rp886	499,114	-
Negotiable Certificate of Deposits (NCD)		
Net after deducting discounts and unamortized issuance cost amounted to Rp29,240	906,247	-
	2,114,378	-
<u>United States Dollar</u>		
BRI Bonds		
Net of discounts and unamortized issuance cost amounted to Rp48,888 and Rp61,867 as of December 31, 2014 and 2013, respectively	6,143,612	6,023,133
	8,257,990	6,023,133

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24. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows:

a) Medium Term Notes (MTN)

On October 10, 2014, BRI issue MTN Phase I 2014 with MTN principal value amounted to Rp720,000 within 3 (three) series as follows:

- A Series: MTN principal value amounted 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 amounted 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 amounted 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 it's issuing date, MTN is rated by Fitch with a rating of AAA(idn) and F1+(idn). Will be due on October 15, 2015.

On December 24, 2014, BRI issued MTN Phase II 2014 with principal value amounted to Rp520,000 for 370 days period and will mature on December 29, 2015, with a fixed interest rate of 8.90 % per annum. Phase II MTN paid every 3 (three) months starting March 24, 2015. On it's issuing date, MTN is rated by Fitch with a rating of AAA(idn) and F1+(idn).

As of December 31, 2014, MTN BRI Phase I and II is rated by Fitch with a rating of AAA(idn) and F1+(idn).

Net proceeds from MTN issuance will be used for lending purpose.

Management believes that all requirements/restrictions required under the trustee agreement have been complied with.

b) Negotiable Certificate of Deposits

On December 2, 2014, BRI issued Negotiable Certificate of Deposits (NCD) with principal value amounted to Rp955,000 within 2 (two) series as follows:

- A Series: NCD principal value amounted 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 amounted 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%.

c) BRI's Bonds

On March 28, 2013, BRI issued and listed the BRI bonds year 2013 amounted to USD500,000,000 (full amount) in Singapore Exchange Securities Trading Limited (SGX-ST) for 5 (five) year period, and will mature on March 28, 2018 with 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.

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24. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

c) BRI's Bonds (continued)

As of December 31, 2014 and 2013, BRI's bonds year 2013 is 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, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Bank Indonesia		
Liquidity loans	15,946	16,066
Others	12,351	12,457
	<u>28,297</u>	<u>28,523</u>
<u>Foreign currencies</u>		
Syndicate Loan - Club Deal net of unamortized transaction cost	4,535,871	-
Others	20,222,694	8,956,390
	<u>24,758,565</u>	<u>8,956,390</u>
	<u>24,786,862</u>	<u>8,984,913</u>
<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	-
	<u>200,000</u>	<u>100,000</u>
	<u>24,986,862</u>	<u>9,084,913</u>

The classification of fund borrowings based on their remaining period until maturity are as follows:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
> 1 month - 3 months	133	202
> 3 months - 1 year	6,680	6,727
> 1 year - 5 years	9,133	9,137
> 5 years	12,351	12,457
	<u>28,297</u>	<u>28,523</u>

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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, 2014	December 31, 2013
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
≤ 1 month	6,799,539	1,909,483
> 1 month - 3 months	8,221,455	4,065,257
> 3 months - 1 year	5,201,700	2,981,650
> 5 years	4,535,871	-
	<u>24,758,565</u>	<u>8,956,390</u>
	<u>24,786,862</u>	<u>8,984,913</u>
<u>Related parties (Note 43)</u>		
<u>Rupiah</u>		
> 1 month - 3 months	100,000	-
> 1 year - 5 years	100,000	100,000
	<u>200,000</u>	<u>100,000</u>
	<u>24,986,862</u>	<u>9,084,913</u>

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, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
> 1 month - 3 months	133	202
> 3 months - 1 year	6,680	6,727
> 1 year - 5 years	9,133	9,137
	<u>15,946</u>	<u>16,066</u>

Average annual interest rates on these loans are 0.03% and 0.06% in 2014 and 2013, respectively.

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25. FUND BORROWINGS (continued)

Other significant information related to fund borrowings is as follows (continued):

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 be 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.

c) Syndicated Loan - Club Deal

On September 12, 2014, BRI obtained syndicated loan in the form of Club Deal amounted to USD370,000,000 (full amount), which is facilitated by BNP Paribas (agent) that divided into:

- a. Facility A, amounted to USD320,000,000 (full amount), with interest rate at LIBOR plus certain margin annually. The Participated banks in this loan are:
 - The Hong Kong and Shanghai Banking Corporation Limited USD60,000,000.
 - Wells Fargo Bank, National Association, London Branch USD60,000,000.
 - Australia and New Zealand Banking Group Limited USD50,000,000.
 - BNP Paribas, Singapore Branch USD50,000,000.
 - DBS Bank Ltd. USD50,000,000.
 - United Overseas Bank Limited USD50,000,000
- b. Facility B, amounted to USD50,000,000 (full amount), with interest rate at LIBOR plus certain margin annually. This facility only financed by Commerzbank Aktiengesellschaft.

This syndicated loan obtained used to to fulfill the BRI's liquidity needs. The interest are payable every 3 (three) months starting at 3rd (third) month since the signing date of the syndicated loan agreement.

This syndicated loan period is 36 (thirty six) months and will be matured on September 12, 2017. 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, 2014 BRI has meet the important covenants as required in this agreement.

d) Borrowings from Lembaga Pembiayaan Ekspor Indonesia

On September 29, 2014, BRI obtained a borrowing from Lembaga Pembiayaan Ekspor Indonesia with maximum loan amounted 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. The financing facility period is 6 (six) months and will be mature on March 30, 2015. As of December 31, 2014, BRI availed this facility amounted to Rp100,000.

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25. FUND BORROWINGS (continued)

Other significant information related to fund borrowings is as follows (continued):

e) Other Borrowings

	December 31, 2014		December 31, 2013	
	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Bank Indonesia		12,351		12,457
<u>Foreign currencies</u>				
<u>United States Dollar</u>				
Wells Fargo Bank, N.A	310,000,000	3,839,350	25,478,200	310,070
Standard Chartered Bank	230,474,479	2,854,426	25,000,000	304,250
Commerzbank, A.G.	150,000,000	1,857,750	50,000,000	608,500
OCBC Bank	127,102,367	1,574,163	146,015,613	1,777,010
Bank of Montreal	105,000,000	1,300,425	50,000,000	608,500
ANZ Banking Group, Ltd.	95,858,234	1,187,204	50,000,000	608,500
Citibank, N.A.	95,000,000	1,176,575	50,000,000	608,500
CTBC Bank	85,000,000	1,052,725		-
Bank of America N.A.	78,712,243	974,851	19,537,048	237,766
Sumitomo Mitsui Banking Corporation	51,891,070	642,671	51,133,844	622,299
Mizuho Bank, Ltd.	50,000,000	619,250		-
Bangkok Bank Public Company Limited	50,000,000	619,250	40,000,000	486,800
ING Bank	50,000,000	619,250		-
JP Morgan Chase Bank, N.A.	50,000,000	619,250	1,537,555	18,712
Emirates NBD Bank	40,000,000	495,400		-
The Bank of New York Mellon	36,577,406	453,011	75,150,275	914,579
DBS Bank	13,321,229	164,984		-
Bank of Nova Scotia		-	30,000,000	365,100
Maybank		-	25,000,000	304,250
The Royal Bank of Scotland		-	96,175,305	1,170,453
		20,050,535		8,945,289
<u>European Euro</u>				
Westpac Banking Corp	11,181,383	168,317		-
OCBC Bank	255,200	3,842		-
Commerzbank, A.G.		-	662,400	11,101
		172,159		11,101
		20,222,694		8,956,390
		20,235,045		8,968,847

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 SIBOR 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, 2014	December 31, 2013
<u>Rupiah</u>		
Guarantees issued	398	223

- b) Movements in estimated losses on commitments and contingencies:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Beginning balance	223	414
Provision (reversal) during the year	175	(191)
Ending balance	398	223

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 Rp398 and Rp223 as of December 31, 2014 and 2013, respectively.

- c) The collectibility of commitments and contingencies in Administrative Accounts (Notes 2a1 and 42):

December 31, 2014						
	Current	Special Mention	Substandard	Doubtful	Loss	Total
<u>Third parties</u>						
<u>Rupiah</u>						
Guarantees issued	2,729,658	-	-	-	-	2,729,658
Irrevocable L/C	118,550	-	-	-	-	118,550
	2,848,208	-	-	-	-	2,848,208
<u>Foreign currencies</u>						
Guarantees issued	5,431,439	-	-	-	-	5,431,439
Irrevocable L/C	4,061,302	-	-	-	-	4,061,302
	9,492,741	-	-	-	-	9,492,741
<u>Related parties</u> <u>(Note 43)</u>						
<u>Rupiah</u>						
Guarantees Issued	3,173,582	-	-	-	-	3,173,582
Irrevocable L/C	386,242	-	-	-	-	386,242
	3,559,824	-	-	-	-	3,559,824
<u>Foreign currencies</u>						
Guarantees issued	7,519,146	-	-	-	-	7,519,146
Irrevocable L/C	4,643,445	-	-	-	-	4,643,445
	12,162,591	-	-	-	-	12,162,591
	28,063,364	-	-	-	-	28,063,364

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26. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- c) The collectibility of commitments and contingencies in Administrative Accounts (Notes 2aI and 42) (continued):

December 31, 2013						
	Current	Special Mention	Substandard	Doubtful	Loss	Total
<u>Third parties</u>						
<u>Rupiah</u>						
Guarantees issued	2,956,284	-	-	-	-	2,956,284
Irrevocable L/C	482,260	-	-	-	-	482,260
	3,438,544	-	-	-	-	3,438,544
<u>Foreign currencies</u>						
Irrevocable L/C	14,520,957	-	-	-	-	14,520,957
Guarantees issued	5,073,751	-	-	-	-	5,073,751
	19,594,708	-	-	-	-	19,594,708
<u>Related parties (Note 43)</u>						
<u>Rupiah</u>						
Guarantees issued	2,814,419	-	-	-	-	2,814,419
Irrevocable L/C	180,540	-	-	-	-	180,540
	2,994,959	-	-	-	-	2,994,959
<u>Foreign currencies</u>						
Guarantees issued	5,047,727	-	-	-	-	5,047,727
Irrevocable L/C	3,442,713	-	-	-	-	3,442,713
	8,490,440	-	-	-	-	8,490,440
	34,518,651	-	-	-	-	34,518,651

27. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of:

	December 31, 2014	December 31, 2013
Bonuses and incentives	3,576,482	4,049,103
Provision for grand leaves (Note 41e)	1,010,268	844,309
Provision for work separation scheme (Note 41d)	971,128	815,881
Provision for gratuity for services (Note 41e)	817,046	752,338
Defined benefit pension plan (Note 41a)	245,090	392,870
Provision for pension preparation period (Note 41e)	6,758	4,431
	6,626,772	6,858,932

28. OTHER LIABILITIES

Other liabilities consist of:

	December 31, 2014	December 31, 2013
<u>Third parties</u>		
<u>Rupiah</u>		
Interests payable	1,037,787	618,490
Provision for timely-payment of interests (Note 2z)	673,130	581,812
Provision for litigation liabilities (Note 44b)	316,225	328,630
Unearned income	54,549	51,919

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28. OTHER LIABILITIES (continued)

Other liabilities consist of (continued):

	December 31, 2014	December 31, 2013
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
Guarantee deposits	20,142	32,617
Others	975,541	1,412,833
	<u>3,077,374</u>	<u>3,026,301</u>
<u>Foreign currencies</u>		
Unearned income	140,464	47,083
Interest payable	114,734	85,932
Guarantee deposits	15,009	21,091
Others	139,680	61,939
	<u>409,887</u>	<u>216,045</u>
	<u>3,487,261</u>	<u>3,242,346</u>

29. SUBORDINATED LOANS

BRI obtained subordinated loans in Rupiah with details as follows:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Subordinated Bond II	-	1,998,052
Two-step loans	77,582	98,972
	<u>77,582</u>	<u>2,097,024</u>

a. Subordinated Bond II

On December 22, 2009, BRI issued Rp2,000,000 "BRI Subordinated Bond II Year 2009" which are registered in the Indonesia Stock Exchange and bears a fixed interest rate. The Subordinated Bond II were issued at 100.00% of their nominal value with a fixed annual interest rate of 10.95%, payable every 3 (three) months. The Subordinated Bond II was settled with the same value as the principal of the Subordinated Bond on December 22, 2014, and has been approved by Financial Services Authority through letter No. S-106/PB.313/2014 dated November 27, 2014.

The net proceeds from the issuance of the Subordinated Bond II are intended for loans expansion under a prudent principle.

The Subordinated Bond II are not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and are not included in the bank guarantee program implemented by the Deposit Insurance Agency (Lembaga Penjamin Simpanan/LPS) or other insurance corporation. BRI does not establish provision for principal repayment fund of the Subordinated Bond with consideration to optimize the use of the fund in accordance with the planning of the use of the issuance fund of the Subordinated Bond.

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29. SUBORDINATED LOANS (continued)

a. Subordinated Bond II (continued)

The issuance and classification of the Subordinated Bond II as subordinated loans were approved by Bank Indonesia, through its letter No. 11/90/DPB1/TPB1-3 dated November 11, 2009.

As of December 31, 2013, "BRI Subordinated Bond II Year 2009" obtained a "idAAA" rating from PT Pemeringkat Efek Indonesia. The trustee of this Subordinated Bond is PT Bank Mandiri (Persero) Tbk.

The trustee agreement covers several covenants affecting BRI and requires a written approval from the trustee before conducting the following:

- Reduction of authorized, issued and paid capital stock, except as requested and or instructed by the Government of the Republic of Indonesia and or authorized parties (including but not limited to Bank Indonesia, Ministry of Finance of the Republic of Indonesia and Ministry of State-Owned Enterprises).
- Conduct merger and or separation and or dissolution and or acquisition, or allowing or giving approval to Subsidiaries to conduct merger and or separation and or dissolution and or acquisition, except as requested and or instructed by the Government of the Republic of Indonesia and or authorized parties (including but not limited to Bank Indonesia, Deposit Insurance Agency or other insurance corporation in accordance with the prevailing regulations, Ministry of Finance of the Republic of Indonesia and Ministry of State-Owned Enterprises), in accordance with the prevailing regulations, including but not limited to OJK regulations.

BRI has complied with the above trustee agreement.

b. Two-step Loans

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 4.37% and 4.38%, for the years ended December 31, 2014 and 2013, 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, 2014	December 31, 2013
<u>Rupiah</u>		
≤ 1 month	-	232
> 3 months - 1 year	-	1,998,289
> 1 year - 5 years	72,116	-
> 5 years	5,466	98,503
	77,582	2,097,024

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30. EQUITY

a. Capital stock

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2014 and 2013 are as follows:

	Number of Shares	Nominal Value Per Share (Full Rupiah)	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
	60,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Republic of Indonesia				
- Series A Dwiwarna share	1	250	250	0.00%
- Series B Common shares	13,999,999,999	250	3,499,999,999,750	56.75
Public				
- Series B Common shares	10,669,162,000	250	2,667,290,500,000	43.25
	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, 2014 and 2013 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
	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 the additional paid-in capital amounted 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, SH, 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 and Hong Kong) from United States Dollar and Hong Kong 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 statements of comprehensive income for the year ended as of such date is derived from the accumulation of the monthly statements of 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 26, 2014 and February 28, 2013, the Shareholders agreed to distribute the dividend from net income for the years ended December 31, 2013 and 2012 as follows:

	Income 2013	Income 2012
Dividends	6,348,045	5,556,285
General and specific reserves	4,443,632	2,592,933

BRI recorded the allowance for *tantiem* in the current consolidated statement of comprehensive income in accordance with SFAS No. 24 (Revised 2010) on "Employee Benefits".

31. INTEREST AND INVESTMENT INCOME

Interest and investment income are derived from:

	Year ended December 31	
	2014	2013
<u>Rupiah</u>		
Loans		
Micro	32,793,520	24,838,353
Retail	25,401,211	21,020,297
Corporate	6,490,938	5,075,470
Securities		
Fair value through profit or loss		
Certificates of Bank Indonesia	4,482	1,965
Deposits Certificates of Bank Indonesia	1,005	-
Government bonds	54,157	16,143
Bonds	-	2,557
Available for sale		
Certificates of Bank Indonesia	169,325	223,282
Deposits Certificates of Bank Indonesia	214,612	15,067
Bonds	6,919	3,026
Government bonds	720,434	489,708

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31. INTEREST AND INVESTMENT INCOME (continued)

Interest and investment income are derived from (continued):

	Year ended December 31	
	2014	2013
<u>Rupiah (continued)</u>		
Securities (continued)		
Held to maturity		
Certificates of Bank Indonesia	224,378	466,203
Deposits Certificates of Bank Indonesia	212,826	41,369
Bonds	166,374	53,263
Subordinated bonds	15,118	13,744
Government bonds	1,219,341	1,071,302
Medium Term Notes	4,598	5,646
Negotiable Certificate Deposit	2,248	-
Government Recapitalization Bonds		
Fair value through profit or loss	-	647
Available for sale	30,800	21,675
Held to maturity	215,078	140,795
Placements with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	1,154,540	1,138,532
Inter-bank call money	101,692	96,577
Others	146	104
Current accounts with Bank Indonesia	222,584	190,842
Others	1,500,288	830,891
	<u>70,926,614</u>	<u>55,757,458</u>
<u>Foreign currencies</u>		
Loans		
Retail	383,285	211,720
Corporate	861,698	971,674
Securities		
Fair value through profit or loss		
Credit Linked Notes	4,878	18,007
Government bonds	3,667	4,123
Available for sale		
Bonds	83,110	11,279
Medium Term Notes	-	2,681
Government bonds	76,908	75,069
Held to maturity		
Credit Link Notes	4,070	33,541
Notes Receivable	1,567	9,754
Medium Term Notes	-	4,612
Bonds	2,481	1,172
Government bonds	209,522	120,521
Placements with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	4,672	3,888
Inter-bank call money	46,813	32,715
Others	64,152	58,610
Others	392,340	404,007
	<u>2,139,163</u>	<u>1,963,373</u>
	<u>73,065,777</u>	<u>57,720,831</u>

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32. INTEREST EXPENSE AND OTHER FINANCING EXPENSE

This account represents interest expense and other financing expense incurred on:

	Year ended December 31	
	2014	2013
<u>Rupiah</u>		
Time deposits	16,108,308	8,870,319
Saving deposits	2,610,579	2,253,778
Demand deposits	1,207,659	1,202,053
Deposits from other banks and financial institutions	347,433	101,405
Subordinated loans	215,292	220,786
Securities sold under agreement to repurchase	43,751	-
Securities issued	21,576	-
Fund borrowings	8,460	11,043
Others	769,546	783,699
	<u>21,332,604</u>	<u>13,443,083</u>
<u>Foreign currencies</u>		
Time deposits	635,381	565,088
Securities issued	191,138	99,948
Fund borrowings	123,615	211,234
Deposits from other banks and financial institutions	113,105	86,751
Demand deposits	75,840	64,633
Securities sold under agreement to repurchase	40,130	-
Saving deposits	1,501	1,452
Others	171,665	118,034
	<u>1,352,375</u>	<u>1,147,140</u>
	<u>22,684,979</u>	<u>14,590,223</u>

33. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

This account represents provision for (reversal of) allowance for impairment losses on financial assets as follows:

	Year ended December 31	
	2014	2013
Loans (Note 12f)	5,654,870	3,946,083
Sharia receivables and financing (Note 13)	67,884	2,410
Securities (Note 7e)	(772)	12
Current accounts with other banks (Note 5e)	(77)	(94)
Investment in associated entities	-	(536)
	<u>5,721,905</u>	<u>3,947,875</u>

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34. SALARIES AND EMPLOYEE BENEFITS

The details of this account are as follows:

	Year ended December 31	
	2014	2013
Salaries, wages and allowances	8,041,646	6,397,984
Bonuses, incentives and <i>tantiem</i>	3,602,860	4,079,858
Training and development	682,794	566,365
Grand leaves (Note 41e)	285,416	55,534
Medical allowances	255,068	183,551
Jamsostek contribution	212,997	180,464
Work separation scheme (Note 41d)	201,250	174,500
Defined contribution pension (Note 41c)	146,527	124,322
Gratuity for services (Note 41e)	137,568	2,342
Defined benefit pension (Note 41a)	108,480	46,791
Others	436,855	420,283
	14,111,461	12,231,994

Salaries and allowances of the Board of Directors amounted to Rp48,268 and Rp48,817, and the Board of Commissioners amounted to Rp17,565 and Rp17,256 for the years ended December 31, 2014 and 2013, respectively (Note 43).

Bonuses, incentives and *tantiem* of BRI's Boards of Directors, Commissioners and key employees amounted to Rp330,074 and Rp266,479 for the years ended December 31, 2014 and 2013, respectively (Note 43).

35. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	Year ended December 31	
	2014	2013
Rent	1,398,199	1,280,213
Depreciation of premises and equipment (Note 16)	919,140	678,285
Repairs and maintenance	836,581	752,937
Electricity and water	533,376	435,213
Transportation	383,815	324,360
Printing and postage	273,673	254,341
Office supplies	269,446	220,913
Communications	160,890	117,015
Professional fees	59,773	72,478
Computer installations	50,749	47,128
Research and product development	10,046	13,823
Others	4,288,467	3,322,180
	9,184,155	7,518,886

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36. NON OPERATING INCOME - NET

The details of this account are as follows:

	Year ended December 31	
	2014	2013
Loan insurance claim income	868,484	593,346
Cash distribution from the liquidation of BRI Finance Ltd, Hong Kong	41,662	39,542
Gain on sale of premises and equipment	14,059	108,193
Rental income	4,844	7,104
Others - net	1,568,147	1,034,304
	2,497,196	1,782,489

37. TAXATION

a) Taxes Payable

As of December 31, 2014 and 2013, the details of taxes payable are as follows:

	December 31, 2014	December 31, 2013
<u>BRI (Parent Entity)</u>		
Income tax		
Article 25 (December)	-	160,469
Article 29	22,844	1,067,156
	22,844	1,227,625
<u>Subsidiaries</u>		
Income tax		
Article 21	11,936	10,116
Article 23	1,194	736
Article 25 (December)	1,837	7,342
Article 29	1,000	4,254
Article 4 (2)	20,994	15,940
Others	-	5
	36,961	38,393
	59,805	1,266,018

b) Tax Expense

	Year ended December 31	
	2014	2013
<u>Parent Entity</u>		
Current tax expense of:		
Current year	5,996,628	5,674,294
Prior year tax examination	241,585	483,171
Deferred income tax expense	334,741	330,261
	6,572,954	6,487,726

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37. TAXATION (continued)

b) Tax Expense (continued)

	Year ended December 31	
	2014	2013
<u>Subsidiaries</u>		
Current tax expense of:		
Current year	24,696	71,080
Deferred income tax expense (benefit)	7,578	(3,070)
	32,274	68,010
	6,605,228	6,555,736

The reconciliation between income before tax expense as presented in the consolidated statement of comprehensive income and estimated taxable income are as follows:

	Year ended December 31	
	2014	2013
Income before tax expense in accordance with the consolidated statement of comprehensive income	30,859,073	27,910,066
Income of Subsidiaries	(88,865)	(262,190)
Income before tax expense - BRI (Parent Entity)	30,770,208	27,647,876
Temporary Differences:		
Reversal of allowance for impairment losses on loans	(1,257,049)	(752,577)
Provision for (reversal of) employee expenses	219,778	(255,395)
Unrealized loss (gain) on FVTPL securities and Government Recapitalization Bonds	2,456	(4,516)
Depreciation of premises and equipment	(304,150)	(308,020)
Reversal of allowance for impairment losses on earning assets excluding loans	-	(536)
	(1,338,965)	(1,321,044)
Permanent Differences:		
Public relations	179,479	209,352
Representations and donations	100,538	86,789
Sports and religious activities	40,482	36,825
Income subjected to final tax	(3,190)	(5,261)
Income of Subsidiaries	(28,721)	(25,573)
Others	263,309	1,742,508
	551,897	2,044,640
Estimated taxable income	29,983,140	28,371,472

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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	
	2014	2013
Estimated taxable income	29,983,140	28,371,472
<u>Parent Entity</u>		
Corporate income tax expense - current	(5,996,628)	(5,674,294)
Income tax installment payments during the year	5,973,784	4,607,138
Corporate income tax payable - Article 29	(22,844)	(1,067,156)
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	(2,896)	(52,483)
Income tax installment payments during the year	13,841	48,602
Corporate income tax refund (payable) - Article 29	10,945	(3,881)
<u>Subsidiary - BRI Agro</u>		
Corporate income tax expense - current	(21,800)	(18,597)
Income tax installment payments during the year	20,800	18,224
Corporate income tax payable - Article 29	(1,000)	(373)

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 amounted to Rp360,000 has been approved to be transferred for the period of January 2015.

The Reconciliation of income tax expense by multiplying income before income tax to the applicable tax rate are as follows:

	Year ended December 31	
	2014	2013
Income before tax expense in accordance with the consolidated statement of comprehensive income	30,859,073	27,910,066
Income of Subsidiaries	(88,865)	(262,190)
Income before tax expense - BRI (Parent Entity)	30,770,208	27,647,876
Tax Expense with a tax rate of 20%	6,154,042	5,529,575
Tax effect on permanent differences	110,379	408,928

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37. TAXATION (continued)

b) Tax Expense (continued)

The Reconciliation of income tax expense by multiplying income before income tax to the applicable tax rate are as follows (continued):

	Year ended December 31	
	2014	2013
Effect of different rate used in deferred tax calculation	66,948	66,052
Correction of income tax assesment on previous year	241,585	483,171
Tax Expense - Parent Entity	6,572,954	6,487,726
Tax Expense - Subsidiaries	32,274	68,010
	6,605,228	6,555,736

Estimated taxable income in 2013 are consistent with Annual Tax Return (SPT) for corporate income tax that reported by BRI to Tax Office (KPP). As of January 16, 2015, BRI has not yet reported the 2014 Annual Tax Return to the Tax Office. However, the reporting basis for its 2014 Annual Tax Return will be in accordance with the above estimated taxable income for 2014.

Assesment for fiscal year 2010

The General Directorate of Tax based on Tax Assessment Letter No. 00198/207/10/093/12 dated November 28, 2012, affirmed the under payment of Value Added Tax on Goods and Services amounted to Rp1,418 (including administration sanctions amounted to Rp447) and it's penalties amounted to Rp194 which was billed through Tax Billing Letter No. 00112/107/10/093/12 dated November 28, 2012. The tax principal was already approved by the BRI, but for the administrative sanctions and penalties are currently being proposed for deletion to the General Director of Tax in accordance with BRI letter dated July 29, 2013. Based on the decree of the General Director of Tax No. KEP-1964/WPJ.19/2013 and No. KEP-1965/WPJ.19/2013 respectively on December 30, 2013, the request was not approved.

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 amounted to Rp1,484,041 which was already approved by BRI amounted to Rp34,529. The management is in the opinion that BRI's disapprove of the tax under payment because the treatment is already in accordance with the existing tax regulations.

On February 27, 2013, BRI has contested the Under Payment of Tax Assesmtment 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 amounted to Rp1,449,512 to the State Treasury on February 28, 2013. According to a decree of the General Director 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 Board and currently is still in the process on the tax court.

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 in appeals level, BRI management believes that the provision made for possible loss of the appeal process until the appeal decision amounted to Rp724,756, which already charged in 2013 amounted to Rp483,171 and in 2014 amounted to Rp241,585, respectively (Note 17).

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37. TAXATION (continued)

c) Deferred Tax Assets

The computation of deferred tax (expense) benefit of BRI are as follows:

	December 31, 2014	December 31, 2013
<u>Parent Entity</u>		
Reversal for allowance for possible losses on earning assets	(314,262)	(188,278)
Reversal of provision for employee expense	54,945	(63,849)
Unrealized loss (gain) on FVTPL securities and Government Recapitalization Bonds	614	(1,129)
Depreciation of premises and equipment	(76,038)	(77,005)
	(334,741)	(330,261)
Subsidiaries	(7,578)	3,070
	(342,319)	(327,191)

The tax effects of significant temporary differences between commercial and tax reporting (recorded under "Deferred Tax Assets" account) are as follows:

	December 31, 2014	December 31, 2013
<u>Parent Entity</u>		
Allowance for possible losses on earning assets	931,178	1,245,440
Provision for employee expense	737,448	682,503
Depreciation on premises and equipment	(97,229)	(21,191)
Unrealized gain on FVTPL securities and Government Recapitalization Bonds	(515)	(1,129)
Unrealized loss (gain) on available for sale securities and Government Recapitalization Bonds	64,388	236,513
	1,635,270	2,142,136
Subsidiaries	24,435	46,370
	1,659,705	2,188,506

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%.

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/I/2015-0232 dated January 5, 2015 and the monthly report of shares ownerships, form No. X.H.I-2 dated January, 5 2015 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of BRI's shares during 2014), 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, 2014 were fulfilled by BRI.

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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 management of credit, liquidity, operational, market, strategic, compliance, reputational 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 transactions 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 its 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, enhance policy implementation, evaluating the progress and condition of risk profiles, and providing remedial measure.

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.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

Loan distribution performed by business unit 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

As of December 31, 2014 and 2013, 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.

December 31, 2014			
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	39,003,595	41,193,498	-
December 31, 2013			
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	14,440,063	15,133,887	-

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 land and buildings, proof of vehicle ownership, and property.
- b. Financial collateral, such as 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 its investment.

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.

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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)

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.

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, 2014 and 2013. 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, 2014							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Asset								
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
	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)
								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
	17,960,003	4,801,530	268,044	934,950	974,653	3,124,184	-	28,063,364

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

	December 31, 2013							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	40,718,495	-	-	-	-	-	-	40,718,495
Current accounts with other banks	8,746,304	3,740	1,416	795	5,016	10,076	667,850	9,435,197
Placements with Bank Indonesia and other banks	36,306,883	-	-	-	-	-	-	36,306,883
Securities								
Fair value through profit or loss	898,511	-	-	-	-	-	-	898,511
Available for sale	13,739,364	-	-	-	-	-	1,634,694	15,374,058
Held to maturity	26,289,475	-	-	-	-	-	112,393	26,401,868
Export bills	6,399,769	901,712	143,749	1,116,915	350,933	12,994	-	8,926,072
Government Recapitalization Bonds								
Fair value through profit or loss	199,314	-	-	-	-	-	-	199,314
Available for sale	712,105	-	-	-	-	-	-	712,105
Held to maturity	3,600,000	-	-	-	-	-	-	3,600,000
Securities purchased under agreement to resell	14,440,063	-	-	-	-	-	-	14,440,063
Derivatives receivable	4,981	-	-	-	-	-	-	4,981
Loans								
Micro	11,172,945	12,787,420	22,711,207	19,609,819	30,126,437	45,858,914	-	142,266,742
Retail	48,387,090	12,809,817	19,690,352	23,467,745	31,556,531	45,616,690	326,113	181,854,338
Corporate	76,579,783	7,685,786	2,089,124	5,946,223	9,701,029	4,191,558	4,001,883	110,195,386
Sharia receivables and financing	3,939,050	3,186,621	1,624,095	1,352,004	2,252,143	1,674,477	-	14,028,390
Acceptances receivable	1,788,857	1,034,340	189,150	527,306	140,031	-	-	3,679,684
Investment in associated entities*)	1,944	-	-	-	-	-	-	1,944
Other assets**)	996,975	19,189	15,550	20,885	34,920	23,292	49,723	1,160,534
	294,921,908	38,428,625	46,464,643	52,041,692	74,167,040	97,388,001	6,792,656	610,204,565
Less: Allowance for Impairment losses								(15,418,945)
								594,785,620
Administrative Accounts								
Irrevocable L/C	15,691,043	1,811,410	110,618	557,092	429,071	27,236	-	18,626,470
Guarantees issued	10,058,642	2,226,392	158,740	480,897	393,191	2,574,319	-	15,892,181
	25,749,685	4,037,802	269,358	1,037,989	822,262	2,601,555	-	34,518,651

*) 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 sectors

The following tables provide the details of credit exposure at carrying value, as categorized by the industrial sectors as of December 31, 2014 and 2013:

	December 31, 2014							
	Government (including Bank Indonesia)	Banks and other financial institutions	Agriculture	Industry	Trading, hotel 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

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sectors (continued)

	December 31, 2014						
	Government (including Bank Indonesia)	Banks and other financial institutions	Agriculture	Industry	Trading, hotel and restaurant	Services	Others
	Total						
Assets (continued)							
Securities purchased							
under agreement to resell	39,003,595	-	-	-	-	-	-
Derivatives receivable	-	536	-	-	-	-	-
Loans							
Micro	-	-	22,998,975	3,545,121	69,567,265	8,342,804	59,600,015
Retail	302,361	6,855,543	5,922,165	13,692,485	73,087,652	7,270,520	92,697,864
Corporate	814,326	5,297,634	20,259,181	40,491,722	18,909,015	4,021,290	41,421,350
Sharia receivables and financing	-	-	211,166	1,061,768	2,266,517	1,954,226	10,105,876
Acceptances receivable	585,014	22,419	-	111,881	2,339	154,813	5,649,222
Investment in associated entities*)	-	834	-	-	-	900	210
Other assets**)	768,901	83,533	-	-	50,392	321,110	1,194,642
	226,047,302	38,615,595	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
Administrative Accounts							
Irrevocable L/C	4,326,691	-	26,828	313,890	12,613	1,263	4,528,254
Guarantees issued	10,662,498	69	-	1,025,413	270,588	114,634	6,780,623
	14,989,189	69	26,828	1,339,303	283,201	115,897	11,308,877
							28,063,364

	December 31, 2013						
	Government (including Bank Indonesia)	Banks and other financial institutions	Agriculture	Industry	Trading, hotel and restaurant	Services	Others
	Total						
Assets							
Current accounts with Bank Indonesia	40,718,495	-	-	-	-	-	-
Current accounts with other banks	-	9,435,197	-	-	-	-	-
Placements with Bank Indonesia and other banks	31,957,329	4,349,554	-	-	-	-	-
Securities							
Fair value through profit or loss	197,028	701,483	-	-	-	-	-
Available for sale	14,262,387	461,029	-	248,524	12,048	25,310	364,760
Held to maturity	21,653,086	4,456,782	50,000	50,000	150,000	42,000	-
Export bills	10,266	-	-	2,664,128	40,856	32,965	6,177,857
Government Recapitalization Bonds							
Fair value through profit or loss	199,314	-	-	-	-	-	-
Available for sale	712,105	-	-	-	-	-	-
Held to maturity	3,600,000	-	-	-	-	-	-
Securities purchased							
under agreement to resell	14,440,063	-	-	-	-	-	-
Derivatives receivable	-	4,981	-	-	-	-	-
Loans							
Micro	-	-	18,962,693	2,684,186	58,893,221	6,554,528	55,172,114
Retail	-	6,773,316	3,936,283	13,693,620	65,489,885	6,561,863	85,399,371
Corporate	3,541,631	4,371,588	16,625,502	31,961,494	18,601,806	4,407,974	30,685,391
Sharia receivables and financing	6,739	79,173	129,504	311,405	49,542	5,467,247	7,984,780
Acceptances receivable	1,417,558	-	-	11,241	-	-	2,250,885
Investment in associated entities*)	-	834	-	-	-	900	210
Other assets**)	764,030	90,272	-	-	-	42,177	264,055
	133,480,031	30,724,209	39,703,982	51,624,598	143,237,358	23,134,964	188,299,423
							610,204,565
Less: Allowance for Impairment losses							(15,418,945)
							594,785,620

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sectors (continued)

	December 31, 2013						
	Government (including Bank Indonesia)	Banks and other financial institutions	Agriculture	Industry	Trading, hotel and restaurant	Services	Others
Administrative Accounts							
Irrevocable L/C	5.856.008	-	-	575.179	33.095	810	2.161.378
Guarantees issued	7.194.127	1.689	-	960.675	169.827	109.416	7.456.447
	13.050.135	1.689	-	1.535.854	202.922	110.226	19.617.825
							34.518.651

*) 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, 2014 and 2013

a. Current accounts with other banks

As of December 31, 2014 and 2013, this financial asset are impaired amounted to RpNil and Rp77, respectively.

b. Placements with Bank Indonesia and other banks

As of December 31, 2014 and 2013, this financial asset is neither individually nor collectively impaired.

c. Securities

As of December 31, 2014, this financial asset is neither individually nor collectively impaired, and as of December 31, 2013, this financial asset are impaired with the following details:

	December 31, 2014	December 31, 2013
Rupiah		
Government bonds	32,583,049	18,126,855
Deposits Certificates of Bank Indonesia	23,096,729	3,717,868
Certificates of Bank Indonesia	9,893,850	8,027,875
Bonds	2,574,105	1,986,229
Bank Indonesia Sharia Certificates (SBIS)	1,605,645	1,050,000
Negotiable Certificate of Deposits (NCD)	236,648	-
Mutual funds	227,517	338,464
Medium Term Notes (MTN)	164,202	50,000
Subordinated bonds	40,000	40,000
	70,421,745	33,337,291

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2014 and 2013 (continued)

c. Securities (continued)

	December 31, 2014	December 31, 2013
Foreign currencies		
Government bonds	11,692,361	4,418,069
Bonds	1,320,878	621,084
Credit Linked Notes (CLN)	646,480	4,212,803
Mutual funds	37,456	-
Notes receivables	49,540	85,190
	<u>13,746,715</u>	<u>9,337,146</u>
	84,168,460	42,674,437
Less: Allowance for impairment losses	-	(772)
	<u>84,168,460</u>	<u>42,673,665</u>

d. Export bills

As of December 31, 2014 and 2013 this financial asset is neither individually nor collectively impaired.

e. Derivatives receivable

As of December 31, 2014 and 2013 this financial asset is neither individually nor collectively impaired.

f. Loans, sharia receivables and financing

As of December 31, 2014 and 2013, this financial asset are individually and collectively impaired, with the following details:

	December 31, 2014				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurants	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
	<u>406,201,198</u>	<u>8,040,545</u>	<u>25,543,052</u>	<u>15,913,626</u>	<u>455,698,421</u>

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2014 and 2013 (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			
<u>Foreign currencies</u>					
Manufacturing	34,102,883	4,629	84,593	749,683	34,941,788
Trading, hotels and restaurants	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
	457,009,978	8,133,709	25,760,026	19,793,128	510,696,841
Less: Allowance for Impairment losses					(16,162,795)
					494,534,046

December 31, 2013					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurants	122,782,974	215,206	10,670,167	4,629,957	138,298,304
Agriculture	34,633,345	3,482	1,350,181	788,266	36,775,274
Business services	20,169,721	3,625,324	1,274,688	940,567	26,010,300
Manufacturing	18,340,606	1,291,838	651,361	771,092	21,054,897
Social services	11,986,164	646	253,642	194,599	12,435,051
Transportation, warehousing, and communications	10,673,187	2,555	351,335	299,492	11,326,569
Electricity, gas, and water	10,564,096	-	13,471	26,207	10,603,774
Construction	8,324,731	-	390,665	1,317,825	10,033,221
Mining	2,065,572	1,800	362,284	41,451	2,471,107
Others	124,568,589	1,267	5,146,468	1,352,576	131,068,900
	364,108,985	5,142,118	20,464,262	10,362,032	400,077,397

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2014 and 2013 (continued)

f. Loans, Sharia receivables and financing (continued)

	December 31, 2013				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Foreign currencies</u>					
Manufacturing	27,227,762	413,841	-	658,383	28,299,986
Trading, hotels and restaurants	4,190,159	100,737	220,878	865,594	5,377,368
Social services	3,286,158	-	-	-	3,286,158
Agriculture	2,853,568	-	-	37,018	2,890,586
Mining	2,820,276	-	215,260	5,475	3,041,011
Electricity, gas, and water	1,539,950	-	-	-	1,539,950
Business services	995,281	-	17,148	427,673	1,440,102
Construction	959,459	-	92	178,738	1,138,289
Transportation, warehousing and communications	179,769	-	1,262	954,972	1,136,003
Others	118,006	-	-	-	118,006
	44,170,388	514,578	454,640	3,127,853	48,267,459
	408,279,373	5,656,696	20,918,902	13,489,885	448,344,856
Less: Allowance for impairment losses					(15,418,096)
					432,926,760

g. Acceptances receivable

As of December 31, 2014 and 2013, this financial asset is neither individually nor collectively impaired.

h. Estimated losses on commitments and contingencies

As of December 31, 2014 and 2013, the administrative accounts are impaired with the following details:

	December 31, 2014	December 31, 2013
<u>Rupiah</u>		
Guarantees issued	5,903,240	5,770,703
Irrevocable L/C	504,792	662,800
	6,408,032	6,433,503

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2014 and 2013 (continued)

h. Estimated losses on commitments and contingencies (continued)

	December 31, 2014	December 31, 2013
<u>Foreign currencies</u>		
Irrevocable L/C	8,704,747	17,963,670
Guarantees issued	12,950,585	10,121,478
	21,655,332	28,085,148
	28,063,364	34,518,651
Less: Allowance for Impairment losses	(398)	(223)
	28,062,966	34,518,428

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, 2014				
	Neither Past Due Nor Impaired		Past Due But Not	Impaired	Total
	High Grade	Standard Grade	Impaired		
Assets					
Current accounts with					
Bank Indonesia	51,184,429	-	-	-	51,184,429
Current accounts with					
Bank Indonesia	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

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

	December 31, 2013			
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Total
	High Grade	Standard Grade	Impaired	
Assets				
Current accounts with Bank Indonesia	40,718,495	-	-	40,718,495
Current accounts with Other banks	9,435,197	-	-	9,435,197
Placements with Bank Indonesia and other banks	36,306,883	-	-	36,306,883
Securities				
Fair value through profit or loss	898,511	-	-	898,511
Available for sale	15,232,460	141,598	-	15,374,058
Held to maturity	26,294,491	107,377	-	26,401,868
Export bills	8,926,072	-	-	8,926,072
Government Recapitalization Bonds				
Fair value through profit or loss	199,314	-	-	199,314
Available for sale	712,105	-	-	712,105
Held to maturity	3,600,000	-	-	3,600,000
Securities purchased under agreement to resell	14,440,063	-	-	14,440,063
Derivatives receivable	4,981	-	-	4,981
Loans				
Micro	131,203,167	-	9,350,206	142,266,742
Retail	165,838,852	25,647	10,297,146	181,854,338
Corporate	98,149,920	5,608,577	916,964	110,195,386
Sharia receivables and financing	13,087,434	22,472	354,586	14,028,390
Acceptances receivable	3,679,684	-	-	3,679,684
Investment in associated entities*)	1,944	-	-	1,944
Other assets**)	1,160,534	-	-	1,160,534
	569,890,107	5,905,671	20,918,902	610,204,565

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on Sharia principles.

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 with low probability of insolvency.
- 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.

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38. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

Credit quality defined as follows (continued):

2. Standard 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 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.
- 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. According to SFAS 60, financial asset that are 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, 2014				
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	Total
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
	2,766,093	447,426	22,546,507	25,760,026

December 31, 2013				
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	Total
Loans				
Micro	300,557	47,635	9,002,014	9,350,206
Retail	918,767	270,709	9,107,670	10,297,146
Corporate	152,059	36,573	728,332	916,964
Sharia receivables and financing	234,651	74,944	44,991	354,586
	1,606,034	429,861	18,883,007	20,918,902

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).

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38. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

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, 2014 and 2013:

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 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	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	656,943	610,850	2,168,512	12,163,248	-
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	244,087,290	50,545,838	110,029,294	376,783,168	6,308,316
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	-	-	-	-

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38. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Financial Asset and Liability Analysis According to Contractual Maturity (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
Liabilities (continued)						
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	-
Acceptances 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	(284,507,817)	(26,304,934)	58,319,090	338,708,223	6,308,316

December 31, 2013

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	19,171,778	-	-	-	-	19,171,778
Current accounts with Bank Indonesia	40,718,495	40,718,495	-	-	-	-
Current accounts with Other banks	9,435,197	9,435,197	-	-	-	-
Allowance for Impairment losses	(77)	-	-	-	-	(77)
Placements with Bank Indonesia and other banks	36,306,883	36,264,087	40,000	2,796	-	-
Securities	42,674,437	15,865,461	4,714,910	8,499,398	13,594,668	-
Allowance for Impairment losses	(772)	-	-	-	-	(772)
Export bills	8,926,072	1,136,577	1,079,390	6,710,105	-	-
Government Recapitalization Bonds	4,511,419	911,419	-	-	3,600,000	-
Securities purchased under agreement to resell	14,440,063	14,440,063	-	-	-	-
Derivatives receivable	4,981	-	4,981	-	-	-
Loans						
Micro	142,266,742	1,408,628	2,415,817	18,491,165	119,951,132	-
Retail	181,854,338	9,533,300	16,308,914	48,101,129	107,910,995	-
Corporate	110,195,386	15,236,228	19,170,547	12,658,888	63,129,723	-
Allowance for Impairment losses	(15,171,736)	-	-	-	-	(15,171,736)
Sharia receivables and financing	14,028,390	688,838	582,437	1,809,569	10,947,546	-
Allowance for Impairment losses	(246,360)	-	-	-	-	(246,360)
Acceptances receivable	3,679,684	1,227,198	1,111,872	1,340,614	-	-

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38. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Financial Asset and Liability Analysis According to Contractual Maturity (continued)

December 31, 2013						
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)						
Investment in associated entities *)	1,944	-	-	-	-	1,944
Other assets **)	1,160,534	243,920	548,476	368,138	-	-
	613,957,398	147,109,411	45,977,344	97,981,802	319,134,064	3,754,777
Liabilities						
Liabilities due immediately	5,065,527	5,065,527	-	-	-	-
Deposits from customers						
Demand deposits	78,666,064	78,666,064	-	-	-	-
Wadiah demand deposits	670,887	670,887	-	-	-	-
Saving deposits	210,234,683	210,234,683	-	-	-	-
Wadiah saving deposits	2,480,554	2,480,554	-	-	-	-
Mudharabah saving deposits	281,388	281,388	-	-	-	-
Time deposits	201,585,766	125,107,421	29,369,138	28,524,375	18,584,832	-
Mudharabah time deposits	10,362,040	8,432,979	1,690,677	238,384	-	-
Deposits from other Banks and financial Institutions	3,691,220	3,467,913	47,651	175,656	-	-
Derivatives payable	1,565,102	6,212	35,706	1,523,184	-	-
Acceptances payable	3,679,684	1,227,198	1,111,872	1,340,614	-	-
Marketable securities issued	6,023,133	-	-	-	6,023,133	-
Fund borrowings	9,084,913	1,909,483	4,065,459	2,988,377	121,594	-
Subordinated loans	2,097,024	232	-	1,998,289	98,503	-
Other liabilities***)	758,130	594,714	100,579	57,965	4,872	-
	536,246,115	438,145,255	36,421,082	36,846,844	24,832,934	-
Maturity gap	77,711,283	(291,035,844)	9,556,262	61,134,958	294,301,130	3,754,777

*) 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 and guarantee deposits.

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.

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

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 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, 2014 until December 31, 2014 and January 1, 2013 until December 31, 2013.

	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

	2013	
	Exchange Rate*)	Interest Rate
Daily Average	18,104.97	5,849.11
Highest	30,828.99	30,322.73
Lowest	8,082.87	7.22

*) Including trading and banking book.

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.

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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 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, 2014 and 2013:

	2014		2013	
	Rupiah (%)	Foreign currency (%)	Rupiah (%)	Foreign currency (%)
Assets				
Placements with Bank Indonesia and other banks	6.48	0.13	5.05	0.16
Securities	8.27	4.29	7.24	4.07
Loans	12.09	4.35	11.79	4.47
Government Recapitalization Bonds	6.34	-	4.59	-
Liabilities				
Deposit from customers				
Demand deposits	2.43	0.34	2.55	0.32
Saving deposits	1.26	0.22	1.26	0.22
Time deposits	8.74	1.78	6.12	1.51
Deposits from other banks and other financial institutions	4.88	0.53	3.91	0.07
Fund borrowings	4.64	1.12	3.22	1.19
Subordinated loans	4.37	-	7.67	-
Marketable securities issued	8.82	2.95	-	2.95

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 comprehensive income.

Year ended December 31, 2014	
Changes in Percentage	Impact on Statement of Comprehensive Income
+/- 1 %	-/+ 1,333,408
Year ended December 31, 2013	
Changes in Percentage	Impact on Statement of Comprehensive Income
+/- 1 %	-/+ 1,182,667

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 are 1%.

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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):

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	35,831,370	3,172,225	-	-	-	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
	318,487,640	221,740,623	17,233,748	215,038,777	31,415,913	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	-	-	-	15,456,701	-	15,456,701

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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)						
Derivatives payable	-	-	-	-	717,523	717,523
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	89,079,443	5,230,002	23,808,219	32,286,171	695,231,028
Interest rate repricing Gap between financial assets and liabilities	(226,339,553)	132,661,180	12,003,746	191,230,558	(870,258)	108,685,673

December 31, 2013						
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	-	-	-	-	19,171,778	19,171,778
Current accounts with Bank Indonesia	40,718,495	-	-	-	-	40,718,495
Current accounts with Other banks	9,435,197	-	-	-	-	9,435,197
Placements with Bank Indonesia and other banks	36,306,883	-	-	-	-	36,306,883
Securities						
Fair value through profit or loss	669,350	-	-	229,161	-	898,511
Available for sale	-	-	-	15,374,058	-	15,374,058
Held to maturity	3,543,453	-	-	22,858,415	-	26,401,868
Export bills	8,926,072	-	-	-	-	8,926,072
Government						
Recapitalization Bonds						
Fair value through profit or loss	199,314	-	-	-	-	199,314
Available for sale	712,105	-	-	-	-	712,105
Held to maturity	3,600,000	-	-	-	-	3,600,000
Securities purchased under agreement to resell	3,072,475	-	-	11,367,588	-	14,440,063
Derivatives receivable	-	-	-	-	4,981	4,981

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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, 2013

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	64,538,130	26,463,720	-	51,264,892	-	142,266,742
Retail	25,842,213	87,383,562	11,853,872	56,774,691	-	181,854,338
Corporate	34,406,775	75,788,611	-	-	-	110,195,386
Sharia receivables and financing	-	-	-	-	14,028,390	14,028,390
Acceptances receivable	-	-	-	-	3,679,684	3,679,684
Investment in associated entities*)	-	-	-	-	1,944	1,944
Other assets**)	-	-	-	-	1,160,534	1,160,534
	231,970,462	189,635,893	11,853,872	157,868,805	38,047,311	629,376,343
Liabilities						
Liabilities due immediately	-	-	-	-	5,065,527	5,065,527
Deposits from customers						
Demand deposits	78,666,064	-	-	-	-	78,666,064
<i>Wadiah</i> demand deposits	-	-	-	-	670,887	670,887
Saving deposits	210,234,683	-	-	-	-	210,234,683
<i>Wadiah</i> saving deposits	-	-	-	-	2,480,554	2,480,554
<i>Mudharabah</i> saving deposits	-	-	-	-	281,388	281,388
Time deposits	154,476,560	28,524,375	18,584,831	-	-	201,585,766
<i>Mudharabah</i> time deposits	-	-	-	-	10,362,040	10,362,040
Deposits from other Banks and financial institutions	3,515,564	175,656	-	-	-	3,691,220
Derivatives payable	-	-	-	-	1,565,102	1,565,102
Acceptances payable	-	-	-	-	3,679,684	3,679,684
Marketable securities issued	-	-	-	6,023,133	-	6,023,133
Fund borrowings	5,974,740	2,981,650	12,457	16,066	100,000	9,084,913
Subordinated loans	-	-	-	2,097,024	-	2,097,024
Other liabilities ***)	-	-	-	-	758,130	758,130
	452,867,611	31,681,681	18,597,288	8,136,223	24,963,312	536,246,115
Interest rate repricing Gap between financial assets and liabilities						
	(220,897,149)	157,954,212	(6,743,416)	149,732,582	13,083,999	93,130,228

*) 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 and guarantee deposits.

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38. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

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. 12/10/PBI/2010, third 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. While BRI internally, by Decree Nokep. 247-DIR/TRY/02/2012 regarding Treasury Policy dated February 29, 2012, limit on net open position per foreign currency set to a maximum of 15% of the capital.

The tables below represent NOP (BRI only) as of December 31, 2014 and 2013 by currency, respectively, as follows:

Currencies	December 31, 2014		
	Assets	Liabilities	NOP
<u>Statement of Financial Position</u>			
United States Dollar	125,332,202	123,610,290	1,721,912
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	140,423	225,509	(85,086)
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
			1,685,004
<u>Statement of Financial Position and Administrative Accounts¹⁾</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 (Statement of Financial Position)			1.97%
NOP Ratio (Overall)			3.86%

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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, 2014 and 2013 by currency, respectively, as follows (continued):

Currencies	December 31, 2013		
	Assets	Liabilities	NOP
Statement of Financial Position			
United States Dollar	81,598,671	82,238,633	(639,962)
Renminbi	8,250,550	8,350,010	(99,460)
European Euro	956,013	1,244,606	(288,593)
Singapore Dollar	428,239	132,542	295,697
Japanese Yen	290,260	46,027	244,233
Australian Dollar	564,135	345,783	218,352
Great Britain Pound Sterling	159,097	144,218	14,879
Canadian Dollar	5,139	8,827	(3,688)
Others	692,383	68,465	623,918
			365,376
Statement of Financial Position and Administrative Accounts *)			
United States Dollar	83,088,333	83,484,895	396,562
Renminbi	8,250,550	8,350,010	99,460
European Euro	956,013	1,244,606	288,593
Singapore Dollar	428,239	132,542	295,697
Japanese Yen	290,260	46,027	244,233
Australian Dollar	564,135	345,783	218,352
Great Britain Pound Sterling	159,097	144,218	14,879
Canadian Dollar	5,139	8,827	3,688
Others	692,383	68,465	623,918
			2,185,382
Capital (Note 47a)			69,472,036
NOP Ratio (Statement of Financial Position)			0.53%
NOP Ratio (Overall)			3.15%

*) Total absolute differences between assets and liabilities denominated in foreign currencies.

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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 comprehensive income with the remaining variables being constant.

	Year ended December 31, 2014		Year ended December 31, 2013	
	Percentage Change	Impact to Statement of Comprehensive Income	Percentage Change	Impact to Statement of Comprehensive Income
Interest rate risk	+/- 1%	+/- 23,715	+/- 1%	-/+ 21,478
Foreign exchange risk	+/- 1	+/- 702	+/- 1	-/+ 8

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 and internal control systems. 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 it's 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 as third line of defense 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 Control and Self Assessment (RCSA), 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 product and or new activity implementation, change in competition condition, new market segment, change in internal/external policy, as well as other changes which affect BRI risk exposure. Working unit performs RCSA assessment by considering loss event data in Incident Management (IM)/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 increase 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 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 are held in each business unit and its 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.12-DIR/DMR/04/2009.

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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 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, while in 2014 there were disasters such as land slide in Banjarnegara, eruption in Sinabung Mountain, fire in Klewer Market and floods Dayeuh Kolot. 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 based on requirements from Bank Indonesia which are: prevention pillar, detection pillar, investigation, report and sanction pillar and evaluation, monitoring and follow-up/action plan pillar. Statement of anti-fraud commitment are signed by Board of Commissioners and Directors, management and all BRI employees as a part of employee awareness and fraud prevention. Anti-Fraud Strategy Policy is stipulated through BRI Circular Letter No. S.106-DIR/DMR/05/2012.

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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, 2014 and 2013 and are not updated to reflect changes in market conditions which have occurred subsequently.

	December 31, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
ASSETS				
Cash	22,469,167	22,469,167	19,171,778	19,171,778
Current accounts with Bank Indonesia	51,184,429	51,184,429	40,718,495	40,718,495
Current accounts with other banks	10,580,440	10,580,440	9,435,120	9,435,120
Placements with Bank Indonesia and other banks	62,035,442	62,035,442	36,306,883	36,306,883
Securities				
Fair value through profit or loss	128,342	128,342	898,511	898,511
Available for sale	40,002,324	40,002,324	15,374,058	15,374,058
Held to maturity	44,037,794	44,204,122	26,401,096	26,656,632
Export bills	10,527,985	10,527,985	8,926,072	8,926,072
Government Recapitalization Bonds				
Fair value through profit or loss	-	-	199,314	199,314
Available for sale	703,596	703,596	712,105	712,105
Held to maturity	3,600,000	3,540,075	3,600,000	3,567,687
Securities purchased under agreement to resell	39,003,595	39,003,595	14,440,063	14,440,063
Derivatives receivable	536	536	4,981	4,981
Loans, Sharia receivables and financing	494,534,046	494,534,046	432,926,760	432,926,760
Acceptances receivable	6,525,688	6,525,688	3,679,684	3,679,684
Investment in associated entities *)	1,944	1,944	1,944	1,944
Other assets **)	2,418,578	2,418,578	1,160,534	1,160,534
	787,753,906	787,860,309	613,957,398	614,180,621
LIABILITIES				
Liabilities due immediately	7,043,772	7,043,772	5,065,527	5,065,527
Deposits from customers ***)				
Demand deposits	90,052,180	90,052,180	79,336,951	79,336,951
Saving deposits	236,394,994	236,394,994	212,996,625	212,996,625
Time deposits	295,874,672	295,874,672	211,947,806	211,947,806
Deposits from banks and other financial institutions				
Demand deposits	111,872	111,872	147,150	147,150
Saving deposits	4,835	4,835	4,534	4,534
Time deposits and deposits on call	5,217,382	5,217,382	1,310,993	1,310,993
Inter-bank call money	3,321,303	3,321,303	2,228,543	2,228,543
Securities sold under agreement to repurchase	15,456,701	15,456,701	-	-
Derivatives payable	717,523	717,523	1,565,102	1,565,102
Acceptances payable	6,525,688	6,525,688	3,679,684	3,679,684
Marketable securities issued	8,257,990	8,260,646	6,023,133	6,023,133
Fund borrowings	24,986,862	24,986,862	9,084,913	9,084,913
Subordinated loan	77,582	77,582	2,097,024	2,097,024
Other liabilities ****)	1,187,672	1,187,672	758,130	758,130
	695,231,028	695,233,684	536,246,115	536,246,115

*) 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 and guarantee deposits.

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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:

- a. Level 1: quoted from active market price for identical financial assets or liabilities;
- b. Level 2: involves input other than quoted active market price classified in level 1 which are observable for assets and liabilities, directly (price) or indirectly (derivative of price);
- c. Level 3: input for assets and liabilities which are not based on observable market data (unobservable input).

December 31, 2014			
	Carrying Value	Level 1	Level 2
Financial Assets			
Fair value through profit or loss			
Mutual Fund	11,560	11,560	-
Government Bonds	116,782	116,782	-
	<u>128,342</u>	<u>128,342</u>	<u>-</u>
Available for sale			
Certificate of Bank Indonesia	4,336,192	4,336,192	-
Deposits Certificate of Bank Indonesia	13,244,399	13,244,399	-
Mutual Fund	253,413	253,413	-
Bonds	1,587,014	1,587,014	-
U.S Treasury Bonds	360,697	360,697	-
Government Bonds	20,220,609	20,220,609	-
Government Recapitalization Bonds	703,596	703,596	-
	<u>40,705,920</u>	<u>40,705,920</u>	<u>-</u>
	<u>40,834,262</u>	<u>40,834,262</u>	<u>-</u>

December 31, 2013			
	Carrying Value	Level 1	Level 2
Financial Assets			
Fair value through profit or loss			
Mutual Fund	10,702	10,702	-
Certificate of Bank Indonesia	87,424	87,424	-
Credit Linked Notes	669,350	-	669,350
Government Recapitalization Bonds	199,314	199,314	-
Government Bonds	131,035	131,035	-
	<u>1,097,825</u>	<u>428,475</u>	<u>669,350</u>
Available for sale			
Certificate of Bank Indonesia	2,853,028	2,853,028	-
Deposits Certificate of Bank Indonesia	1,342,650	1,342,650	-
Mutual Fund	327,762	327,762	-
Bonds	686,598	686,598	-
U.S Treasury Bonds	327,310	327,310	-
Government Bonds	9,836,710	9,836,710	-
Government Recapitalization Bonds	712,105	712,105	-
	<u>16,086,163</u>	<u>16,086,163</u>	<u>-</u>
	<u>17,183,988</u>	<u>16,514,638</u>	<u>669,350</u>

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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. Ltd Hong Kong	Financial Service

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, 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
Operating expenses	(11,007,005)	(10,779,515)	(2,305,301)	(1,319,990)	(1,248,503)	(26,660,314)
Provision for impairment losses	(3,820,668)	(1,654,482)	(137,809)	-	(106,400)	(5,719,359)
Total expenses	(14,827,673)	(12,433,997)	(2,443,110)	(1,319,990)	(1,354,903)	(32,379,673)
Other income - net	595,841	1,010,271	763,128	120,245	7,711	2,497,196
Income before income tax expense	17,643,234	10,083,405	1,257,674	1,770,000	104,760	30,859,073
Income tax expense	(3,768,846)	(2,153,959)	(268,657)	(381,492)	(32,274)	(6,605,228)
Income for the year	13,874,388	7,929,446	989,017	1,388,508	72,486	24,253,845
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	-	-	-	298,960,493	6,800,777	305,761,270
	154,393,598	192,560,874	127,662,995	298,960,493	26,717,356	800,295,316
Segment Liabilities						
Funding	164,445,627	210,162,411	225,796,037	-	21,917,771	622,321,846
Non funding	-	-	-	79,691,387	2,204,359	81,895,746
	164,445,627	210,162,411	225,796,037	79,691,387	24,122,130	704,217,592

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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, 2013 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest income - net	21,455,414	16,496,904	3,598,795	1,354,791	1,200,367	44,106,271
Other operating income	2,509,400	4,267,299	266,802	1,113,137	191,821	8,348,459
Total income	23,964,814	20,764,203	3,865,597	2,467,928	1,392,188	52,454,730
Operating expenses	(8,852,630)	(9,176,086)	(1,781,821)	(1,462,965)	(1,107,276)	(22,380,778)
Provision for impairment losses	(2,629,684)	(995,278)	(291,520)	-	(29,893)	(3,946,375)
Total expenses	(11,482,314)	(10,171,364)	(2,073,341)	(1,462,965)	(1,137,169)	(26,327,153)
Other income - net	664,188	701,567	211,141	199,324	6,269	1,782,489
Income before income tax expense	13,146,688	11,294,406	2,003,397	1,204,287	261,288	27,910,066
Income tax expense	(3,084,992)	(2,650,356)	(470,146)	(282,232)	(68,010)	(6,555,736)
Income for the year	10,061,696	8,644,050	1,533,251	922,055	193,278	21,354,330
Segment Assets						
Loans	142,266,742	178,155,745	110,195,386	-	17,726,983	448,344,856
Allowance for impairment losses	(8,985,643)	(2,801,046)	(3,285,710)	-	(345,697)	(15,418,096)
Non Loans	-	-	-	185,949,421	5,118,239	191,067,660
	133,281,099	175,354,699	106,909,676	185,949,421	22,499,525	623,994,420
Segment Liabilities						
Funding	146,150,785	167,812,080	172,403,394	-	17,915,123	504,281,382
Non funding	-	-	-	40,492,762	2,081,360	42,574,122
	146,150,785	167,812,080	172,403,394	40,492,762	19,996,483	546,855,504

c. Geographical Segment

Description	Net interest income, operating, and investment income	
	Year ended December 31	
	2014	2013
Indonesia	60,478,737	52,175,937
USA	258,844	275,263
Hong Kong	3,969	3,530
	60,741,550	52,454,730
Description	Income before tax expense	
	Year ended December 31	
	2014	2013
Indonesia	30,612,279	27,756,857
USA	246,089	152,638
Hong Kong	705	571
	30,859,073	27,910,066

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40. SEGMENT INFORMATION (continued)

c. Geographical Segment (continued)

Description	Total assets	
	December 31, 2014	December 31, 2013
Indonesia	782,147,200	609,388,109
USA	18,143,170	14,602,187
Hong Kong	4,946	4,124
	800,295,316	623,994,420

Description	Total liabilities	
	December 31, 2014	December 31, 2013
Indonesia	686,329,297	532,440,777
USA	17,887,941	14,414,277
Hong Kong	354	450
	704,217,592	546,855,504

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 24.96% (previously 22.58%) since May 1, 2013.

The actuarial calculation of BRI's pension costs as of December 31, 2014 and 2013, respectively, was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2010), by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2014	December 31, 2013
Annual discount rate	8.08%	8.7%
Annual pension-based salary growth rate	7.5	7.5
Annual pension benefit growth rate	4.0	4.0
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958
Normal retirement age	56 years old	56 years old

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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.

The status of the pension plan based on the actuarial calculation is as follows:

	2014	2013	2012	2011	2010
Assets at fair value	12,454,122	11,254,714	11,021,236	9,370,652	8,785,181
Present value of defined benefit pension liabilities	(12,845,427)	(11,022,194)	(14,359,520)	(11,345,025)	(8,400,544)
Pension program funded status	(391,305)	232,520	(3,338,284)	(1,974,373)	384,637
(Gain) loss on unrecognized actuarial adjustments	-	(787,415)	2,689,837	1,345,298	(732,773)
Unrecognized past service cost (non-vested)	146,215	162,025	75,157	82,363	89,569
Defined benefit pension liabilities	(245,090)	(392,870)	(573,290)	(546,712)	(258,567)

Movements in present value of defined benefit pension as of December 31, 2014 and 2013, respectively, are as follows:

	December 31, 2014	December 31, 2013
Present value of defined benefit pension - beginning balance	11,022,194	14,359,520
Interest expense	958,931	814,185
Current service cost	282,777	234,443
Recognized of Past Service Cost - Non Vested	-	97,659
Recognized of Past Service Cost - Vested	-	179,298
Benefit paid	(720,144)	(703,866)
Unrecognized actuarial (gain) loss	1,301,669	(3,959,045)
Present Value of Defined Benefit Pension Liabilities - ending balance	12,845,427	11,022,194

Movements in the fair value of program assets as of December 31, 2014 and 2013, respectively, are as follows:

	December 31, 2014	December 31, 2013
Fair value of program assets - beginning balance	11,254,714	11,021,236
Expected yield on program assets	1,679,203	1,234,378
Contributions paid - Employer	256,260	227,211
Contributions paid - Participants	71,896	68,023
Benefit paid	(720,144)	(703,866)
Actuarial gain on program assets	(87,807)	(592,268)
Program assets - ending balance	12,454,122	11,254,714

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41. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Movements in the defined benefit pension liabilities as of December 31, 2014 and 2013, respectively, are as follows:

	December 31, 2014	December 31, 2013
Beginning balance	392,870	573,290
Defined benefit pension expense - net (Note 34)	108,480	46,791
BRI contributions	(256,260)	(227,211)
Ending balance (Note 27)	245,090	392,870

Defined benefit pension expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation is as follows:

	Year ended December 31 2014	2013
Current service cost	282,777	234,443
Defined contribution plan	(71,896)	(68,023)
Interest cost	958,931	814,185
Expected return on plan assets	(1,679,203)	(1,234,378)
Recognized actuarial loss - net	602,061	110,474
Immediate recognition of past service cost (non vested)	15,810	10,792
Immediate recognition of past service cost (vested)	-	179,298
Defined benefit pension expense (Note 34)	108,480	46,791

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, 2014 and 2013, which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2010), by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.4%	9.0%
Salary's growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

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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, 2014 and 2013, respectively, based on the actuarial calculation is as follows:

	December 31, 2014	December 31, 2013
Assets at fair value	2,847,154	2,635,837
Present value of old-age benefits liability	(991,536)	(902,821)
Funded status	1,855,618	1,733,016

Old-age benefits expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31	
	2014	2013
Current service cost	21,437	16,002
Interest cost	81,254	57,228
Expected return on plan assets	(269,646)	(303,806)
Recognized actuarial losses	244,297	297,193
Old-age benefits expense	77,342	66,617

For the years ended December 31, 2014 and 2013, 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

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 comprehensive income amounted to Rp146,527 and Rp124,322 for the years ended December 31, 2014 and 2013 (Note 34), respectively. This pension plan is managed by Dana Pensiun Lembaga Keuangan BRI.

d. Work Separation Scheme

(i) BRI (Parent Entity)

The calculation performed by the management of BRI of liabilities related to allowance for cost settlement of separation 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, 2014 and 2013. The actuarial calculations were performed by PT Bestama Aktuarial, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(i) BRI (Parent Entity) (continued)

	December 31, 2014	December 31, 2013
Discount rate	8.4%	9.0%
Future salary's growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

The status of the work separation scheme as of December 31, 2014 and 2013, respectively, based on the actuarial calculation are as follows:

	December 31, 2014	December 31, 2013
Present value of work separation liability	(936,602)	(831,234)
Unrecognized actuarial loss	28,638	68,376
Work separation scheme liability	(907,964)	(762,858)

Movements in the work separation scheme liability as of December 31, 2014 and 2013, respectively, are as follows:

	December 31, 2014	December 31, 2013
Beginning balance	762,858	640,765
Work separation scheme expense - net (Note 34)	185,182	160,472
Actual benefit payments by BRI	(40,076)	(38,379)
Ending balance (Note 27)	907,964	762,858

The calculation of work separation scheme expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31 2014	2013
Current service cost	110,371	78,949
Interest cost	74,811	74,974
Recognition of actuarial losses	-	6,549
Work separation scheme expense (Note 34)	185,182	160,472

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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, 2014 and 2013, respectively, as determined by PT Katsir Imam Sapto Sejahtera Aktuaria, an independent actuary, in its reports dated January 2, 2015 and 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Annual discount rate	8.5%	9.0%
Annual salary's growth rate	5.0 %	5.0 %
Mortality rate	TMI-III 2011	TMI-III 2011

As of December 31, 2014 and 2013, the status of the work separation scheme based on the actuarial calculation are as follows:

	December 31, 2014	December 31, 2013
Present value of work separation liability	(38,037)	(28,080)
Accumulation of unrecognized actuarial gain	(11,250)	(11,622)
Work separation scheme liability	(49,287)	(39,702)

Movements in the work separation scheme liability for the years ended December 31, 2014 and 2013, respectively, are as follows:

	December 31, 2014	December 31, 2013
Beginning balance	39,702	29,924
Work separation scheme expense - net (Note 34)	11,032	9,895
Actual benefit payments	(1,447)	(117)
Ending balance (Note 27)	49,287	39,702

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary) (continued)

The work separation scheme expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31	
	2014	2013
Current service cost	8,904	7,427
Interest expense	2,527	2,468
Accumulation of recognized actuarial gains	(399)	-
Work separation scheme expense (Note 34)	11,032	9,895

(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 comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2014 and 2013, respectively, as determined by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.3%	8.8%
Annual salary increase rate	8.0	8.0
Mortality rate	TMI 2011	TMI 2011
Disability rate	10% TMI 2011	10% TMI 2011

As of December 31, 2014 and 2013, the status of the work separation scheme based on the actuarial calculation are as follows:

	December 31, 2014	December 31, 2013
Present value of work separation liability	(25,644)	(19,431)
Accumulation of unrecognized actuarial losses	1,804	611
Unrecognized past service cost	9,963	5,499
Work separation scheme liability	(13,877)	(13,321)

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41. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary) (continued)

Movements in the work separation scheme liability for the year ended December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
Beginning balance	13,321	13,749
Expense recognized in the current year (Note 34)	5,036	4,133
Actual benefit payments	(4,480)	(4,561)
Ending balance (Note 27)	13,877	13,321

The work separation scheme expense for the year ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31 2014	2013
Current service cost	2,564	1,935
Interest expense	1,710	1,544
Accumulation of recognized actuarial losses	-	234
Immediate recognition of past service cost	762	420
Work separation scheme expense (Note 34)	5,036	4,133

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

Based on the actuarial calculation on gratuity for services as of December 31, 2014 and 2013, respectively, which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.4%	9.0%
Future salary's growth rate	7.5	7.5
Gold price growth rate	10.0	10.0
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp817,046 and Rp752,338 as of December 31, 2014 and 2013, respectively.

Movements in liability for gratuity for services for the years ended December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
Beginning balance of liability	752,338	825,709
Gratuity for service expense - net (Note 34)	137,568	2,342
Benefit payments by BRI	(72,860)	(75,713)
Gratuity for services liability (Note 27)	817,046	752,338

The gratuity for service expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31 2014	2013
Current service cost	62,735	51,643
Interest expense	67,710	47,891
Recognized actuarial losses (gain)	7,123	(97,192)
Gratuity for services expense (Note 34)	137,568	2,342

(ii) Grand leaves

i. BRI (Parent Entity)

The actuarial calculation for grand leaves as of December 31, 2014 and 2013 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.4%	9.0%
Future salary's growth rate	7.5	7.5
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% of CSO 1958	10.0% of CSO 1958

The present value of liability of allowance for grand leaves based on the actuarial calculation amounted to Rp979,693 and Rp821,951 as of December 31, 2014 and 2013, respectively.

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

i. BRI (Parent Entity) (continued)

Movements in liability for grand leaves as of December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
Beginning balance of liability	821,951	887,617
Grand leaves expense - net (Note 34)	276,299	48,504
Benefit payments by BRI	(118,557)	(114,170)
Grand leaves liability (Note 27)	979,693	821,951

The grand leaves expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation is as follows:

	Year ended December 31	
	2014	2013
Current service cost	137,150	93,578
Interest expense	73,976	51,482
Recognized actuarial (gain) loss	65,173	(96,556)
Grand leaves expense (Note 34)	276,299	48,504

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 comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2014 and 2013 as determined by PT Katsir Imam Sapto Sejahtera Aktuaria, an independent actuary, in its reports dated January 2, 2015 and 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.5%	9.0%
Future salary's growth rate	5.0	5.0
Mortality rate	TMI-III 2011	TMI-III 2011
Normal retirement age	56 years old	56 years old

The present value of liability of allowance for grand leaves based on the actuarial calculation amounted to Rp28,726 and Rp19,650 as of December 31, 2014 and 2013, respectively.

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

ii. BRISyariah (Subsidiary) (continued)

Movements in liability for grand leaves for the years ended December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
Beginning balance	19,650	13,153
Grand leaves expense - net (Note 34)	9,121	6,497
Actual benefit paid	(45)	-
Grand leaves liability (Note 27)	28,726	19,650

The grand leaves expense of the Subsidiary for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31	
	2014	2013
Current service cost	7,518	5,669
Interest expense	1,604	828
Actual benefit paid	(1)	-
Grand leaves expense (Note 34)	9,121	6,497

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 recognized in the consolidated statements of comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2014 and 2013 was prepared by PT Bestama Aktuaria, an independent actuary in its report dated January 2, 2015 and January 3, 2014, respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.0%	8.4%
Future salary's growth rate	8.0	8.0
Mortality rate	TMI 2011	TMI 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp1,849 and Rp2,708 as of December 31, 2014 and 2013, respectively.

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41. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iii. BRI Agro (Subsidiary) (continued)

Movements in liability for grand leaves as of December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
Beginning balance of liability	2,708	2,676
(Income) expense recognized in the current year	(4)	533
Benefit payments	(855)	(501)
Grand leaves liability (Note 27)	1,849	2,708

The grand leaves expense of the Subsidiary for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31	
	2014	2013
Current service cost	669	881
Interest expense	226	181
Recognized actuarial gains	(206)	(529)
Past service cost (vested)	(693)	-
Grand leaves (income) expense (Note 34)	(4)	533

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.

(iii) Pension preparation period

i. BRI Agro (Subsidiary)

Effective March 12, 2012, the Subsidiary also provides pension preparation period to its employees as one of their benefits.

The actuarial calculation of pension preparation period as of December 31, 2014 and 2013 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2015 and January 3, 2014 respectively, by using the "Projected Unit Credit Method" with the following assumptions:

	December 31, 2014	December 31, 2013
Discount rate	8.2%	8.8%
Future salary's growth rate	8.0	8.0
Mortality rate	TMI 2011	TMI 2011
Disability rate	10% TMI 2011	10% TMI 2011

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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)

The present value of liability of allowance for pension preparation period based on the actuarial calculation amounted to Rp6,758 and Rp4,431 as of December 31, 2014 and 2013, respectively.

Movements in the liability for pension preparation period as of December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013
Beginning balance of liability	4,431	1,981
Pension preparation period expense - net	2,401	2,450
Benefit payments by BRI	(74)	-
Pension preparation period liability (Note 27)	6,758	4,431

Pension preparation period expense for the years ended December 31, 2014 and 2013 based on the actuarial calculation are as follows:

	Year ended December 31 2014	2013
Current service cost	772	694
Interest expense	623	559
Recognized actuarial losses	1,006	1,197
Pension preparation period expense	2,401	2,450

42. INFORMATION ON COMMITMENTS AND CONTINGENCIES

	December 31, 2014	December 31, 2013
<u>Commitments</u>		
Commitments receivables		
Purchase of spot and foreign currencies	836,582	1,180,490
Commitments liabilities		
Unused credit facilities granted to debtors	95,360,221	79,707,332
Irrevocable letters of credit (Note 26c)	9,209,539	18,626,470
Sale of spot and foreign currencies	735,099	937,090
Unused financing facilities granted to debtors	74,780	72,679
	105,379,639	99,343,571
Commitments - net	(104,543,057)	(98,163,081)

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42. INFORMATION ON COMMITMENTS AND CONTINGENCIES (continued)

	December 31, 2014	December 31, 2013
Contingencies		
Contingent receivables		
Interest receivables under settlement	35,817	58,203
Contingent liabilities		
Guarantees issued (Note 26c) in the form of:		
Standby letters of credit	7,311,903	6,656,160
Bank guarantees	11,541,922	9,236,021
Others	-	45,322
	18,853,825	15,937,503
Contingencies - net	(18,818,008)	(15,879,300)

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
Perum DAMRI	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Pegadaian (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans
BDH Khusus Bialugri	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
Bendahara Khusus Pusku Tentara Nasional Indonesia (TNI)	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
PT Aneka Tambang (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Bank Bukopin Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks, Securities purchased under agreement to resell
PT Bank Mandiri (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Securities purchased under agreement to resell
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 Tabungan Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Barata Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills
PT Berdikari (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills
PT Bringin Gigantara	Ownership through Dana Pensiun BRI	Sharia receivables and financing
PT BNI Asset Management	Control through the Central Government of the Republic of Indonesia	Securities
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 Dayamitra Telekomunikasi	Control through the Central Government of the Republic of Indonesia	Loans
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	Irrevocable L/C
PT Indonesia Asahan Aluminium	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Indonesia Power	Control through the Central Government of the Republic of Indonesia	Guarantees issued

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
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 Jasa Marga (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Kaltim Industrial Estate	Control through the Central Government of the Republic of Indonesia	Export bills
PT Kereta Api Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT KHI Pipe Industries	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Krakatau Engineering	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Meratus Jaya Iron and Steel	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Pal Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Pembangunan Perumahan (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills
PT Perkebunan Nusantara II (Persero)	Control through the Central Government of the Republic of Indonesia	Securities
PT Perkebunan Nusantara III (Persero)	Control through the Central Government of the Republic of Indonesia	Securities
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	Loans, Guarantees issued, Irrevocable L/C
PT Pertamina Patra Niaga	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Perusahaan Gas Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
PT Perusahaan Listrik Negara (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans Guarantees issued, Irrevocable L/C
PT Pindad (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued, Export bills, Irrevocable L/C
PT PP Dirganeka	Control through the Central Government of the Republic of Indonesia	Export bills
PT Pupuk Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Securities
PT Pupuk Kalimantan Timur	Control through the Central Government of the Republic of Indonesia	Loans, Export bills
PT Rekayasa Industri (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued
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	Loans
PT Waskita Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities, Guarantees issued
PT Wijaya Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Securities, 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	Acceptances receivable, Acceptances payable
PT Wijaya Karya Realty	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
Key employees	Control on company's activities	Loans, Sharia receivables and financing

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2014	December 31, 2013
<u>Assets</u>		
Current accounts with other Banks (Note 5)		
PT Bank Mandiri (Persero) Tbk	9,563	8,861
PT Bank Negara Indonesia (Persero) Tbk	495	101,577
PT Bank Bukopin Tbk	-	10
	<u>10,058</u>	<u>110,448</u>
Placements with Bank Indonesia and other Banks (Note 6)		
Lembaga Pembiayaan Ekspor Indonesia	160,000	400,000
PT Bank Bukopin Tbk	100,000	210,000
PT BTMU-BRI Finance	30,000	130,000
PT Bank Negara Indonesia (Persero) Tbk	-	537,173
	<u>290,000</u>	<u>1,277,173</u>
Securities (Note 7)		
Government of Republic of Indonesia	43,914,713	22,217,614
Lembaga Pembiayaan Ekspor Indonesia	367,221	304,360
PT Bank Tabungan Negara (Persero) Tbk	292,865	141,918
PT Bank Negara Indonesia (Persero) Tbk	255,384	106,721
PT Perusahaan Listrik Negara (Persero)	214,698	95,964
PT Pegadaian (Persero)	200,084	283,740
PT Jasa Marga (Persero) Tbk	125,870	99,977
PT Wijaya Karya (Persero) Tbk	99,202	-
PT Aneka Tambang (Persero) Tbk	95,000	95,000
PT BNI Asset Management	89,468	252,749
PT Sarana Multigriya Finansial (Persero)	84,850	18,824
PT Pertamina (Persero)	59,526	9,695
PT Pupuk Indonesia (Persero)	55,297	-
PT Waskita Karya (Persero) Tbk	25,000	25,000
PT Perkebunan Nusantara III (Persero)	25,000	25,000
PT Perkebunan Nusantara II (Persero)	15,000	-
Others	78,269	51,000
	<u>45,997,447</u>	<u>23,727,562</u>
Export bills (Note 8)		
PT Perkebunan Nusantara VIII (Persero)	24,482	32,307
PT Wijaya Karya Beton	15,082	-
PT Pindad (Persero)	4,994	-
PT Berdikari (Persero)	1,354	-
PT Kaltim Industrial Estate	451	-
PT Pembangunan Perumahan (Persero) Tbk	450	-
PT PP Dirganeka	-	165,060
PT Pupuk Kalimantan Timur	-	5,663
PT Barata Indonesia (Persero)	-	4,604
	<u>46,813</u>	<u>207,634</u>
Government Recapitalization Bonds (Note 9)		
Government of Republic of Indonesia	4,303,596	4,511,419

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2014	December 31, 2013
Assets (continued)		
Securities purchased under agreement to resell (Note 10)		
PT Bank Mandiri (Persero) Tbk	-	1,008,810
PT Bank Bukopin Tbk	-	101,016
	-	1,109,826
Loans (Note 12)		
PT Perusahaan Listrik Negara (Persero)	12,507,583	10,288,290
PT Pertamina (Persero)	11,828,759	8,603,110
Perum BULOG	10,467,999	9,355,324
PT Taspen (Persero)	5,200,000	5,100,000
PT Pegadaian (Persero)	4,420,940	3,602,519
Ministry of Finance of The Republic of Indonesia	4,007,873	3,778,698
PT Kereta Api Indonesia (Persero)	3,513,187	2,709,044
PT Telekomunikasi Indonesia (Persero) Tbk	2,500,000	2,250,000
PT Dayamitra Telekomunikasi	1,627,955	1,610,438
PT Pupuk Kalimantan Timur	1,624,780	1,836,399
Key employees	50,357	54,084
Others	23,317,715	19,269,961
	81,067,148	68,457,867
Sharia receivables and financing (Note 13)		
Perum DAMRI	23,235	50,858
PT Bringin Gigantara	1,135	8,763
PT Bringin Karya Sejahtera	172	3,711
Key employees	9,181	14,208
	33,723	77,540
Acceptances receivable (Note 14)		
PT Pertamina Patra Niaga	304,718	-
PT Pindad (Persero)	100,011	137,639
PT Inti (Persero)	92,007	232,075
PT Wijaya Karya (Persero) Tbk	49,102	53,979
PT Rekayasa Industri (Persero)	15,258	9,967
PT Krakatau Engineering	13,747	-
PT Industri Kereta Api (Persero)	5,613	-
PT Wijaya Karya Industri dan Konstruksi	1,714	153
PT Wijaya Karya Realty	1,601	-
PT KHI Pipe Industries	681	-
Others	-	1,001,948
	584,452	1,435,761
Investment in associated entities (Note 15)		
PT BTMU-BRI Finance	249,629	220,907
Total assets from related parties	132,582,866	101,136,137
Total consolidated assets	801,955,021	626,182,926
Percentage of total assets from related parties to total consolidated assets	16.53%	16.15%

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2014	December 31, 2013
Liabilities		
Demand Deposits (Note 19)		
Government Entities and Institutions	31,830,760	21,391,485
Key employees	930	1,332
Others	10,583	51,067
	<u>31,842,273</u>	<u>21,443,884</u>
Saving deposits (Note 20)		
Government Entities and Institutions	167,626	73,286
Key employees	142,916	99,662
Others	12,203	13,259
	<u>322,745</u>	<u>186,207</u>
Time deposits (Note 21)		
Government Entities and Institutions	57,707,685	57,426,013
Key employees	291,164	238,668
Others	550,676	1,011,875
	<u>58,549,525</u>	<u>58,676,556</u>
Deposits from other Banks and financial institutions (Note 22)		
Government Entities and Institutions	531,814	410,282
Securities sold under agreement to repurchase (Note 23)		
Government Entities and Institutions	4,209,872	-
Acceptances payable (Note 14)		
Government Entities and Institutions	584,452	1,435,761
Fund borrowings (Note 25)		
Government Entities and Institutions	200,000	100,000
Compensation to key employees management (Note 41)		
Present value of defined benefit pension liability	305,657	229,549
Present value of old-age benefits liability	47,783	40,227
Present value of work separation liability	52,839	52,133
Present value of gratuity for services liability	34,207	29,782
Present value of grand leaves liability	34,875	32,410
Present value of pension preparation period	1,226	1,134
	<u>476,587</u>	<u>385,235</u>
Total liabilities to related parties	96,717,268	82,637,925
Total consolidated liabilities	704,217,592	546,855,504
 Percentage of liabilities to related parties to total consolidated liabilities	 13.73%	 15.11%

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43. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2014	December 31, 2013
Commitments and contingencies in administrative accounts		
Guarantees issued (Note 26c)		
PT Perusahaan Gas Negara (Persero) Tbk	2,815,132	651,429
PT Dirgantara Indonesia (Persero)	1,964,095	1,349,021
PT Wijaya Karya (Persero) Tbk	1,154,219	1,109,338
PT Rekayasa Industri (Persero)	783,347	607,567
PT Waskita Karya (Persero) Tbk	718,347	395,436
PT Pertamina (Persero)	471,901	1,071,133
PT Perusahaan Listrik Negara (Persero)	406,029	330,598
PT Pal Indonesia (Persero)	345,248	16,163
PT Indonesia Power	310,764	500,737
PT Pindad (Persero)	305,113	196,047
Others	1,418,533	1,634,677
	10,692,728	7,862,146
Irrevocable L/C (Note 26c)		
BDH Khusus Bialugri	1,360,963	-
PT Dirgantara Indonesia (Persero)	1,276,862	747,150
PT Indonesia Asahan Aluminium	476,924	400,453
Bendahara Khusus Pusku TNI	256,142	-
PT Pertamina (Persero)	250,094	691,526
PT Perusahaan Listrik Negara (Persero)	231,245	81,983
PT Garuda Indonesia (Persero) Tbk	214,217	-
PT Pindad (Persero)	195,728	338,432
PT Kereta Api Indonesia (Persero)	125,768	491,271
PT Meratus Jaya Iron and Steel	103,469	-
Others	538,275	872,438
	5,029,687	3,623,253
Salaries and allowances for the Boards of Directors and Commissioners (Note 34)	65,833	66,073
Tantiem, bonuses and incentives for the Boards of Directors, Commissioners and key employees (Note 34)	330,074	266,479

Percentage of transactions with related parties to total consolidated assets and liabilities of BRI and Subsidiaries are as follows:

	December 31, 2014	December 31, 2013
Assets		
Current accounts with other Banks	0.001%	0.018%
Placements with Bank Indonesia and other Banks	0.036	0.204
Securities	5.736	3.789
Export bills	0.006	0.033
Government Recapitalization Bonds	0.537	0.720
Securities purchased under agreement to resell	-	0.177
Loans	10.109	10.933
Sharia receivables and financing	0.004	0.012
Acceptances receivable	0.073	0.229
Investment in associated entities	0.031	0.035
	16.533%	16.150%

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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 (continued):

	December 31, 2014	December 31, 2013
<u>Liabilities</u>		
Demand deposits	4.522%	3.921%
Saving deposits	0.046%	0.034%
Time deposits	8.314%	10.730%
Deposits from other Banks and financial institutions	0.075%	0.075%
Securities sold under agreement to repurchase	0.598%	-%
Acceptances payable	0.083%	0.263%
Fund borrowings	0.028%	0.018%
Compensation to key employees	0.068%	0.070%
	13.734%	15.111%

As of December 31, 2014 and 2013, 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 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 mikro units for 3 (three) years with the contract value of USD5,344,350.

On December 16, 2013, BRI entered into an agreement with PT Telekomunikasi Indonesia Tbk in connection with the procurement of VSAT communication services in 1,250 (one thousand two hundred fifty) locations of offsite ATM for 3 (three) years with the contract value of Rp45,500.

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44. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Significant Agreements (continued)

On November 11, 2013, BRI entered into an agreement with PT Prima Vista Solusi in connection with the procurement of 2,567 (two thousand five hundred sixty seven) unit EDC LAN for UKO, 4,788 (four thousand seven hundred eighty eight) unit EDC GPRS for UKO and 10,074 (ten thousand seventy four) unit EDC Triple Connection ATM for 3 (three) years with the contract value of Rp53,542.

On November 8, 2013, BRI entered into an agreement with PT Pasifik Satelit Nusantara Mitrakom in connection with the procurement of VSAT communication services in 1,250 (one thousand two hundred fifty) locations of offsite ATM for 3 (three) years with the contract value of Rp45,500.

On September 12, 2013, BRI entered into an agreement with PT Tangara Mitrakom in connection with the procurement of VSAT communication services in 1,250 (one thousand two hundred fifty) locations of offsite ATM for 3 (three) years with the contract value of Rp43,550.

On September 5, 2013, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement of VSAT communication services in 1,250 (one thousand two hundred fifty) locations of offsite ATM for 3 (three) years with the contract value of Rp45,125.

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, 2014 and 2013, BRI has established an allowance (included in "Other Liabilities") for several pending lawsuits filed against BRI amounted to Rp316,225 and Rp328,630, respectively (Note 28). Management believes that the allowance is adequate to cover possible losses arising from pending litigations or legal claims that are currently in progress.

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.

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45. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS (continued)

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, 2014 and 2013 were 7.75% and 7.25%, respectively, for deposits in Rupiah and 1.5% for deposits in foreign currencies.

46. STATEMENT OF FINANCIAL ACCOUNTING STANDARDS (SFAS) ISSUED AND REVISED

The following summarizes the SFAS and Interpretation of Financial Accounting Standards (IFAS) which were issued by the Indonesian Financial Accounting Standards Board (FASB) and are relevant to BRI and Subsidiaries but not yet effective for consolidated financial statements as of December 31, 2014:

Effective on or after January 1, 2015:

- a. SFAS No. 1 (Revised 2013), "Presentation of Financial Statements", adopted from IAS 1. This SFAS changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified to profit or loss would be presented separately from items that will never be reclassified.
- b. SFAS No. 4 (Revised 2013), "Separate Financial Statements", adopted from IAS 4. This SFAS prescribes only the accounting requirements when a parent entity prepares separate financial statements as additional information. Accounting for consolidated financial statements is determined in SFAS No.65.
- c. SFAS No. 15 (Revised 2013), "Investments in Associates and Joint Ventures", adopted from IAS 28. This SFAS describes the application of the equity method to investments in joint ventures in addition to associates.

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46. STATEMENT OF FINANCIAL ACCOUNTING STANDARDS (SFAS) ISSUED AND REVISED (continued)

Effective on or after January 1, 2015 (continued):

- d. SFAS No. 24 (Revised 2013), "Employee Benefits", adopted from IAS 19. This SFAS, among other, removes the corridor mechanism and contingent liability disclosures to simple clarifications and disclosures.
- e. SFAS No. 65, "Consolidated Financial Statements", adopted from IFRS 10. This SFAS replaces the portion of SFAS No. 4 (Revised 2009) that addresses the accounting for consolidated financial statements, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- f. SFAS No. 66, "Joint Arrangements", adopted from IFRS 11. This SFAS replaces SFAS No. 12 (Revised 2009) and IFAS No. 12. This SFAS removes the option to account for jointly controlled entities using proportionate consolidation.
- g. SFAS No. 67, "Disclosure of Interests in Other Entities", adopted from IFRS 12. This SFAS includes all of the disclosures that were previously in SFAS No. 4 (Revised 2009), SFAS No. 12 (Revised 2009) and SFAS No. 15 (Revised 2009). This disclosures relate to an entity's interests in other entities.
- h. SFAS No. 68, "Fair Value Measurements", adopted from IFRS 13. This SFAS provides guidance on how to measures fair value when fair value is required or permitted.

Early implementation before January 1st, 2015 are not permitted. Currently BRI and Subsidiaries are in the process of evaluating and have not yet determined the impact of these issued and revised SFAS and IFAS on its consolidated financial statements.

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 risks inherent to its banking activities without prejudice to optimizing shareholder's value.

CAR is the ratio of capital to Risk Weighted Assets (RWA), the computation is based on Bank Indonesia Regulation PBI No.14/18/PBI/2012 dated November 28, 2012, whereby the total capital for credit risk consists of core capital and supplementary capital. Banks which meet certain criteria have to consider market and operational risk in the computation of CAR by including additional supplementary capital component.

Since January 1, 2014, BRI has implemented the Bank Indonesia Regulation No. 15/12/PBI/2013 about Minimum Capital Requirement for Banks article 11 paragraph 2 related to minimal core capital of 6% from RWA, both individually and on consolidated basis.

Based on the BRI's risk profile as of June 30, 2014 and 2013, which are both satisfactory, the minimum CAR as of December 31, 2014 and 2013 is set at 9% to less than 10%, respectively.

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47. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

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. During the years ended December 31, 2014 and 2013, BRI has complied with the BI required capital adequacy ratio.

CAR of BRI (Parent Entity) as of December 31, 2014 amounted to 18.44% for the CAR credit risk and operational risk and 18.31% for credit risk, market risk and operational risk, meanwhile as at December 31, 2013 amounted to 17.09% for the CAR credit risk and operational risk and 16.99% for credit risk, market risk and operational risk are calculated as follows:

	December 31, 2014	December 31, 2013
Capital		
Core Capital ^{*)}	82,108,763	65,964,040
Supplementary Capital ^{**)}	3,597,794	3,507,996
Total Capital for Credit, Market and Operational Risks	85,706,557	69,472,036
RWA for Credit Risk after considering Special Risk ^{***)}	381,065,044	331,161,598
RWA for Operational Risk ^{****)}	83,790,585	75,401,807
Total RWA for Credit and Operational Risks	464,855,629	406,563,405
RWA for Market Risk	3,326,447	2,294,988
Total RWA for Credit, Operational and Market Risks	468,182,076	408,858,393
CAR for Credit and Operational Risks ^{***)}	18.44%	17.09%
CAR for Credit, Market and Operational Risks ^{****)}	18.31%	16.99%
CAR Minimum	9.00%	9.00%

^{*)} Presented by excluding deferred tax assets according to Bank Indonesia Regulation No. 14/18/PBI/2012 dated November 28, 2012.

^{**)} Presented after deducting the amortization of Subordinated Bonds during the period according to Bank Indonesia Letter No. 12/18/DPB1/TPB1-3 dated February 11, 2010.

^{***)} 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, 2014 and 2013, BRI's non-performing loans ratio including Sharia receivables and financing are as follows:

(i) Consolidated

	December 31, 2014	December 31, 2013
Gross NPL ratio	1.78%	1.63%
Net NPL ratio	0.39	0.36

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47. OTHER DISCLOSURES (continued)

b. Non-Performing Loans (NPL) Ratio (continued)

As of December 31, 2014 and 2013, BRI's non-performing loans ratio including Sharia receivables and financing are as follows (continued):

(ii) BRI (Parent Entity)

	December 31, 2014	December 31, 2013
Gross NPL ratio	1.69%	1.55%
Net NPL ratio	0.36	0.31

Net NPL ratio is calculated based on NPL after deducting the minimum allowance for possible losses divided by the total loans amount in accordance with Bank Indonesia regulations.

c. Custodian Operations and Selling Agent

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 Treasury Division, which provides services such as:

- Safekeeping, administration services and portfolio valuation;
- Transaction settlement (settlement/transaction handling) services;
- Income collection services, including the related tax payments;
- Corporate actions and proxy services;
- Information and reporting services, including information through website;
- Custodian Unit Link services, DPLK;
- On-line Brokerage services of BRI's shares;
- Custodian for asset securities; and
- Global custodian,

BRI has 95 (ninety five) and 90 (ninety) customers as of December 31, 2014 and 2013, respectively, which mainly consist of pension funds, financial institutions, securities companies, insurance companies, mutual funds and other companies.

The custodian fees earned (unaudited) for the years ended December 31, 2014 and 2013 is amounted to Rp30,088 and Rp25,550, respectively.

In order to improve services to customers, BRI Custodian currently provides information system accessible through the "Customer Information E-access" website, in order to provide more convenience to customers in obtaining information on their portfolio value.

At the end of 2014, BRI become one of the official custodian for registered global securities in Euroclear.

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47. OTHER DISCLOSURES (continued)

d. Trustee Agent Operations

BRI rendered trust services since 1990. 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 Bapepam in conformity with its Operating License as Trust Services No. 08/STTD-WA/PM/1996 dated June 11, 1996.

The trust services business is a part of the Treasury Division which provides services such as:

- Trust services
- Security agent
- Payment agent
- Sinking fund agent

BRI has 21 (twenty one) and 17 (seventeen) customers as of December 31, 2014 and 2013, respectively. The total value of bonds issuance on behalf of bonds issuers managed by BRI as part of its trust services (unaudited) amounted to Rp55,519,389 and Rp47,006,889 as of December 31, 2014 and 2013, respectively.

The fees and commissions on trust services and other related services (payment agent) (unaudited) earned for the years ended December 31, 2014 and 2013 amounted to Rp5,119 and Rp5,590, 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.

The total income from services as mutual funds and government retail bonds agent (unaudited) amounted to Rp7,580 and Rp4,583 for the years ended December 31, 2014 and 2013, respectively.

48. EARNINGS PER SHARE

The following presents the reconciliation of factors in the computation of basic earnings per share (EPS):

	December 31, 2014		
	Income for the year	Weighted average number of outstanding common shares (full amount)	Income for the year (Full Rupiah)
Basic earnings per share	24,241,650	24,669,162,000	982.67
	December 31, 2013		
	Income for the year	Weighted average number of outstanding common shares (full amount)	Income for the year (Full Rupiah)
Basic earnings per share	21,344,130	24,669,162,000	865.22

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49. 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 for issue on January 16, 2015.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2014	December 31, 2013
ASSETS		
Cash	22,188,565	18,911,106
Current Accounts With Bank Indonesia	49,931,583	39,752,354
Current Accounts With Other Banks	10,520,518	9,325,849
Placements With Bank Indonesia and Other Banks	61,061,721	35,581,731
Securities	81,299,374	40,830,384
Export Bills	10,527,985	8,926,072
Government Recapitalization Bonds	4,303,596	4,511,419
Securities Purchased Under Agreement to Resell	39,003,595	14,440,063
Derivatives Receivable	536	4,981
Loans	490,402,708	430,617,873
Allowance for impairment losses	(15,785,241)	(15,072,399)
	<u>474,617,467</u>	<u>415,545,474</u>
Acceptances Receivable	6,503,269	3,679,684
Investment in Associated Entities	2,407,978	2,379,256
Premises And Equipment		
Cost	11,085,865	8,385,591
Accumulated depreciation	(5,369,443)	(4,601,287)
Net book value	<u>5,716,422</u>	<u>3,784,304</u>
Deferred Tax Assets - net	1,635,270	2,142,136
Other Assets - net	8,299,936	6,555,429
TOTAL ASSETS	<u>778,017,815</u>	<u>606,370,242</u>

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY		
LIABILITIES		
Liabilities Due Immediately	6,923,774	4,968,508
Deposits from Customers		
Demand Deposits	89,075,577	78,016,732
Saving Deposits	232,413,723	210,003,641
Time Deposits	278,915,070	198,345,998
Total Deposits from Customers	600,404,370	486,366,371
Deposits From Other Banks and Financial Institutions	7,948,129	2,767,724
Securities Sold Under Agreement to Repurchase	15,456,701	-
Derivatives Payable	717,523	1,565,102
Acceptances Payable	6,503,269	3,679,684
Taxes Payable	22,844	1,227,625
Marketable Securities Issued	8,307,503	6,023,133
Fund Borrowings	24,886,862	8,984,913
Liabilities for Employee Benefits	6,510,618	6,767,818
Other Liabilities	3,048,752	3,052,424
Subordinated Loans	77,582	2,097,024
TOTAL LIABILITIES	680,807,927	527,500,326

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)
As of December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY (continued)		
EQUITY		
Capital stock - par value Rp250 (full Rupiah) per share as of December 31, 2014 and 2013		
Authorized capital - 60,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 59,999,999,999 Series B shares) as of December 31, 2014 and 2013		
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) as of December 31, 2014 and 2013	6,167,291	6,167,291
Additional paid-in capital	2,773,858	2,773,858
Differences arising from the translation of foreign currency financial statements	56,468	82,083
Unrealized loss on available for sale securities and Government Recapitalization Bonds - net of deferred tax	(193,160)	(709,538)
Retained earnings - (accumulated losses of Rp24,699,387 was eliminated as a result of quasi-reorganization as of June 30, 2003)		
Appropriated	15,449,160	11,005,528
Unappropriated	72,956,271	59,550,694
Total Retained Earnings	88,405,431	70,556,222
TOTAL EQUITY	97,209,888	78,869,916
TOTAL LIABILITIES AND EQUITY	778,017,815	606,370,242

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF COMPREHENSIVE INCOME - PARENT ENTITY
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31	
	2014	2013
INCOME AND EXPENSES FROM OPERATIONS		
Interest and investment income	72,465,818	57,300,646
Interest and other financing expense	(22,345,827)	(14,394,741)
Interest Income - net	50,119,991	42,905,905
Other Operating Income		
Other fees and commissions	6,068,243	4,859,590
Recovery of assets written-off	2,087,416	1,932,233
Gain on foreign exchange - net	234,389	455,327
Gain on sale of securities and Government Recapitalization Bonds - net	112,499	73,608
Unrealized gain on changes in fair value of securities and Government Recapitalization Bonds - net	2,059	9,434
Others	673,267	834,980
Total Other Operating Income	9,177,873	8,165,172
Provision for impairment losses on financial assets - net	(5,612,959)	(3,915,850)
Other Operating Expenses		
Salaries and employee benefits	(13,562,075)	(11,747,579)
General and administrative	(8,671,798)	(7,103,256)
Premium paid to Government Guarantee Program	(991,339)	(884,635)
Others	(2,186,599)	(1,548,097)
Total Other Operating Expenses	(25,411,811)	(21,283,567)
OPERATING INCOME	28,273,094	25,871,660
NON OPERATING INCOME - NET	2,497,114	1,776,216
INCOME BEFORE TAX EXPENSE	30,770,208	27,647,876
TAX EXPENSE	(6,572,954)	(6,487,726)
INCOME FOR THE YEAR	24,197,254	21,160,150

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF COMPREHENSIVE INCOME - PARENT ENTITY (continued)
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31	
	2014	2013
Other comprehensive income:		
Exchange rate differences on translation of foreign currency financial statements	(25,615)	37,171
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds - net, including the amounts transferred to profit or loss in respect of fair value changes of available for sale securities and Government Recapitalization Bonds	688,503	(1,920,634)
Deferred tax relating to components of other comprehensive income	(172,125)	480,164
Other Comprehensive Income for the Year After Deferred Taxes	490,763	(1,403,299)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	24,688,017	19,756,851
BASIC EARNINGS PER SHARE (full Rupiah)	980.87	857.76

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, 2014
(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	Retained Earnings		Total Equity ^{*)}
					Appropriated	Unappropriated	
Balance as of December 31, 2012	6,167,291	2,773,858	44,912	730,932	8,412,595	46,539,762	64,669,350
Income for the year	-	-	-	-	-	21,160,150	21,160,150
Other comprehensive income	-	-	37,171	(1,440,470)	-	-	(1,403,299)
Total comprehensive income for the year	-	-	37,171	(1,440,470)	-	21,160,150	19,756,851
Additional paid-in capital	-	-	-	-	-	-	-
Distribution of income	-	-	-	-	-	(5,556,285)	(5,556,285)
Dividends	-	-	-	-	2,592,933	(2,592,933)	-
Addition to general and specific reserves	-	-	-	-	-	-	-
Balance as of December 31, 2013	6,167,291	2,773,858	82,083	(709,538)	11,005,528	59,550,694	78,869,916

^{*)} Accumulated losses of Rp24,699,387 had been eliminated against additional paid-in capital as a result of quasi-reorganization as of June 30, 2003.

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, 2014
(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	Retained Earnings		Total Equity ^{*)}
					Appropriated	Unappropriated	
Balance as of December 31, 2013	6,167,291	2,773,858	82,083	(709,538)	11,005,528	59,550,694	78,869,916
Income for the year	-	-	-	-	-	24,197,254	24,197,254
Other comprehensive income	-	-	(25,615)	516,378	-	-	480,763
Total comprehensive income for the year	-	-	(25,615)	516,378	-	24,197,254	24,688,017
Distribution of income	-	-	-	-	-	(6,348,045)	(6,348,045)
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	(193,160)	15,449,160	72,956,271	97,209,888

^{*)} Accumulated losses of Rp24,699,367 had been eliminated against additional paid-in capital as a result of quasi-reorganization as of June 30, 2003.

PT BANK RAKYAT INDONESIA (PERSERO)
STATEMENT OF CASH FLOWS - PARENT ENTITY
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest, investment, fees and commissions received	72,453,826	57,495,436
Interest and other charges paid	(21,855,845)	(14,237,575)
Recoveries of assets written-off	2,087,416	1,932,233
Other operating income	6,539,869	6,700,524
Other operating expenses	(30,168,124)	(24,223,886)
Non-operating income - net	2,948,907	2,122,073
Cash flows before changes in operating assets and liabilities	32,006,049	29,788,805
Changes in operating assets and liabilities:		
(Increase) decrease in operating assets:		
Placements with Bank Indonesia and other banks	2,796	14,164,442
Securities and Government Recapitalization Bonds at fair value through profit or loss	885,163	(402,111)
Export bills	(1,601,913)	(2,998,880)
Derivatives receivable	4,445	23,870
Loans	(65,363,923)	(86,685,190)
Other assets	(1,445,039)	(1,726,450)
Increase (decrease) in operating liabilities:		
Liabilities due immediately	1,905,428	139,376
Deposits:		
Demand deposits	11,058,845	(1,087,933)
Saving deposits	22,410,082	27,712,563
Time deposits	80,569,072	23,643,656
Deposits from other banks and financial institutions	5,180,405	1,031,104
Derivatives payable	(847,579)	1,412,909
Other liabilities	(1,668,469)	(1,530,060)
Net Cash Provided by Operating Activities	83,095,362	3,486,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of premises and equipment	13,086	104,699
Receipt of dividends	8,287	382
Increase in securities purchased under agreement to resell	(24,563,532)	(4,889,542)
Acquisition of premises and equipment	(2,804,192)	(1,830,108)
Increase in available for sale and held to maturity securities and Government Recapitalization Bonds	(20,556,074)	(1,512,485)
Net Cash Used in Investing Activities	(47,902,425)	(8,127,054)

PT BANK RAKYAT INDONESIA (PERSERO)
STATEMENT OF CASH FLOWS - PARENT ENTITY (continued)
For the Year Ended December 31, 2014
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31	
	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments of) fund borrowings	15,767,824	(1,627,622)
Proceeds from securities sold under agreement to repurchase	15,456,091	-
Dividends	(6,348,045)	(5,556,285)
Payments of subordinated loans	(2,019,442)	(19,539)
Proceeds from marketable securities issued	2,156,043	4,800,584
Net Cash Provided by (Used in) Financing Activities	25,012,471	(2,402,862)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,205,408	(7,043,815)
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES	2,611	4,389
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	109,932,096	116,971,522
CASH AND CASH EQUIVALENTS AT END OF YEAR	170,140,115	109,932,096
Cash and cash equivalents at end of year consist of:		
Cash	22,188,565	18,911,106
Current accounts with Bank Indonesia	49,931,583	39,752,354
Current accounts with other banks	10,520,518	9,325,849
Placements with other banks - maturing within three months or less since the acquisition date	61,061,721	35,578,935
Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia - maturing within three months or less since the acquisition date	26,437,728	6,363,852
Total Cash and Cash Equivalents	170,140,115	109,932,096

PT BANK RAKYAT INDONESIA (PERSERO)
NOTES TO THE FINANCIAL STATEMENTS - PARENT ENTITY
For the Year Ended December 31, 2014
(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 2009), "Consolidated and Separate Financial Statements".

SFAS No. 4 (Revised 2009) addressed entity which presents separate financial statements, then 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 recorded investments in subsidiaries, associated and joint controlled entities, based on direct equity 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 is equal to 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 disclosed in Note 1e of the consolidated financial statements.

As of December 31, 2014 and 2013, parent entity has investment in subsidiaries as follows:

	December 31, 2014		December 31, 2013	
	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership
PT Bank BRISyariah	1,504,375	99.99%	1,504,375	99.99%
PT Bank Rakyat Indonesia Agroniaga Tbk	686,312	80.43%	686,312	80.43%
BRI Remittance	2,289	100.00%	2,289	100.00%