



The Audit Committee's Meeting Plan for 2019

In observance to the Audit Committee's Work Plan for 2019, the Audit Committee has scheduled at least 4 meetings with the main agenda of a monthly evaluation of the realization of the 2019 Annual Audit Plan and Audit Services Evaluation of the Public Accountants' Office regarding the Financial Statements for the 2018 Financial Year, and incidental meetings with related divisions.

RISK MONITORING COMMITTEE

The Risk Monitoring Committee is an Organizational Body established by the Board of Commissioners and is responsible to the Board of Commissioners in supporting the effectiveness of risk monitoring duties and responsibilities, in observance to the Regulation of the Financial Services Authority regarding the Implementation of Good Corporate Governance for Commercial Banks, and the State Ministry of SOEs Regulation regarding the SOEs Supporting Organ of Board of Commissioners/Supervisory Agency.

Legal Basis

The Company established a Risk Monitoring Committee based on the following regulations:

1. FSA Regulation No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Governance for Commercial Banks.
2. FSA Circular No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks.
3. The Company's Articles of Association.

Composition of the Risk Monitoring Committee

The composition of the members of the Company's Risk Monitoring Committee at the end of 2018 is as follows:

Nama	Jabatan	Dasar Hukum Pengangkatan	Periode Jabatan
Arie Coerniadi	Chairman / Independent Commissioner	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	02/07/2018 – 22/03/2020
I Wayan Agus Mertayasa	Member / Independent Commissioner	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	25/04/2016 – 24/04/2019
Sumiyati	Member / Independent Commissioner	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	31/10/2017 – 24/04/2019
Garuda Wiko	Member / Independent Commissioner	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	15/08/2017 – 14/08/2020
Iman Sugema	Member / Independent	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	15/08/2017 – 14/08/2020
Heru Ratna Azimada	Member / Independent	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	01/12/2016 – 30/11/2019
Yuki Noviani Kohar	Member / Independent	Decree of the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 798/DIR/2018 October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk	08/11/2016 – 07/11/2019

Profile of the Risk Monitoring Committee



Arie Coerniadi

Risk Monitoring Committee Chairman

Educational history, Work Experience and Expertise Training can be viewed in the Profile section of the Board of Commissioners in this Annual Report.

Expertise

Finance and Information Technology



Sumiyati

Risk Monitoring Committee Member

Educational history, Work Experience and Expertise Training can be viewed in the Profile section of the Board of Commissioners in this Annual Report.

Expertise

Public Finance Audit & Human Resource Development



I Wayan Agus Mertayasa

Risk Monitoring Committee Member

Educational history, Work Experience and Expertise Training can be viewed in the Profile section of the Board of Commissioners in this Annual Report.

Expertise

Finance and Banking



Garuda Wiko

Risk Monitoring Committee Member

Educational history, Work Experience and Expertise Training can be viewed in the Profile section of the Board of Commissioners in this Annual Report.

Expertise

Law



Iman Sugema

Risk Monitoring Committee Member

Educational history, Work Experience and Expertise Training can be viewed in the Profile section of the Board of Commissioners in this Annual Report.

Expertise

Financial Economics



Heru Ratna Azimada

Risk Monitoring Committee Member

Is an Indonesian citizen, he was born in Magelang, he is currently 69 years old, he is domiciled in South Jakarta, DKI Jakarta. He has a Bachelor degree from Gadjah Mada University, Faculty of Economics, Department of Corporation.

Expertise

Banking, Risk Management

Working Experience

He has served as EVP/Expert Staff as the Director of Human Resources at PT Bank Mandiri (Persero) Tbk (2003), Executive Vice President of the Training Group at PT Bank Mandiri (Persero) Tbk (2001-2003); EVP Coordinator (SEVP) in Corporate, Government, Commercial and Restructuring in PT Bank Mandiri (Persero) Tbk (2000-2001); Executive Vice President of Corporate Banking at PT Bank Mandiri (Persero) Tbk (1999); Director at PT Bank Indonesia Import Export (Persero) (1998-1999).

Training

Risk Modeling in Financial Institutions Workshop held by the Indonesian Economic Bachelor Association in September 2017, Senior Executives Forum IV 2002 in Australia; 2000 Asia Pacific Economic Summit in Australia; 200th Asian Banker Summit in Singapore; Asian Pacific Non-Performing Loans in 2000 in South Korea; The Asian Banker Summit in 2000 in Australia; Treasury Management in 1996 in Singapore; Asset Liability Management in 1996 in Singapore.



Yuki Noviani Kohar

Risk Monitoring Committee Member

Is an Indonesian citizen, she was born in Bandung, she is currently 57 years old she is domiciled in Kebayoran Baru, South Jakarta, DKI Jakarta. She graduated from the Faculty of Economics, majoring in Accounting, Padjadjaran University in 1986.

Expertise

Banking, Credit

Work Experience

She has served as Vice President - Deputy GM of the Commercial Credit Division of PT Bank BNI (Persero) Tbk (2010-2015); As Vice President, Group Head of Bank CIMB Niaga’s Commercial Business Development (2007-2009); Special Assignment as Bank CIMB Niaga’s Representative Commercial Banking Merger Team (2007-2009)

Training

Risk Management Certification Body Training in Jakarta in 2014; Account Management & Relationship by Michigan University Ross School of Business in Hong Kong in 2005; Financial for Senior Management - London Business School in London, UK in 2015.

Appointment and Dismissal

The structure and membership of the Risk Monitoring Committee is established based on the decision of the Board of Commissioners meeting on September 25, 2018, which was formulated in a Letter of the Board of Commissioners No. 170/KOM/BTN/X/2018 dated October 9, 2018 concerning Changes to the Committee Membership Composition, and stipulated by Decree 798/DIR/2018 dated October 17, 2018 concerning Changes in the Audit Committee Membership Structure of PT Bank Tabungan Negara (Persero) Tbk. The appointment of the Company’s Risk Monitoring Committee has fulfilled the requirements set forth in the Risk Monitoring Committee Charter, i.e. “Have expertise in Finance, Risk Management, Macro-Economics, Management Strategy, Banking, and Loan”. The Risk Monitoring Committee members may resign or be dismissed based on Article 6 in the Charter

of the Risk Monitoring Committee stating that the Chairperson and Committee Members are appointed and dismissed by the Board of Commissioners.

Independency of the Risk Monitoring Committee Members

In performing their duties and responsibilities, every member of the Risk Monitoring Committee has to be characteristically independent, objective, and professional, both in appearance and in act. There are 51% or more of the Risk Monitoring Committee Members that concurrently are Independent Commissioners. This arrangement has fulfilled the independence requirements in accordance with the provisions in FSA Regulation No. 55/POJK.03/2016 regarding the Implementation of Good Corporate Governance for the Bank Article 42 paragraph 4.

Independency Aspect	Arie Coerniadi	I Wayan Agus Mertayasa	Sumiyati	Garuda Wiko	Iman Sugema	Heru Ratna Azimada	Yuki Noviani Kohar
Has no Financial Relations with the Board of Commissioners and the Board of Directors	✓	✓	✓	✓	✓	✓	✓
Has no Management Relationship at the Company, Subsidiaries or Affiliated Companies	✓	✓	✓	✓	✓	✓	✓
Has no relationship to the Company’s Share Ownership	✓	✓	✓	✓	✓	✓	✓
Has no Family Relationship with the Board of Commissioners, the Board of Directors, and/or fellow members of the Audit Committee	✓	✓	✓	✓	✓	✓	✓



Concurrent Position

The Risk Monitoring Committee Members shall not hold any concurrent positions, as stated in the Joint Decree of the Directors and Board of Commissioners No. 01/DEKOM-BTN/2013 dated December 18, 2013, regarding the Risk Monitoring Committee Charter of PT Bank Tabungan Negara (Persero) Tbk. Regarding Article 7, the Risk Monitoring Committee Membership Requirements paragraphs 9 and 10, i.e.:

1. Paragraph 9 states 'the member shall not be a person who has authorities and responsibilities to plan, lead, control, or supervise the Bank's activities within the last 6 (six) months before being appointed by the Board of Commissioners'
2. Paragraph 10 states 'the member shall not have shares directly and indirectly in the Bank. In the event that a member of the Committee obtains shares due to a legal event, then within 6 (six) months after obtaining these shares, he/she shall transfer it to another party'

Name	Position	Concurrent Position at the Company	Concurrent Position in Other Companies/ Institution
Arie Coerniadi	Chairman / Independent Commissioner	1. Independent Commissioner 2. Member of the Remuneration and Nomination Committee	None
I Wayan Agus Mertayasa	Member / Independent Commissioner	1. Chairman/ Independent Commissioner 2. Chairperson of the Remuneration and Nomination Committee 3. Member of the Audit Committee	None
Sumiyati	Member/Non Independent Commissioner	1. Commissioner	Inspector General of the Ministry of Finance
Garuda Wiko	Member/Independent Commissioner	1. Independent Commissioner 2. Member of the Audit Committee	Permanent Lecturer at Tanjungpura University
Iman Sugema	Member/Non Independent Commissioner	1. Non Independent Commissioner	Permanent Lecturer of Bogor Agricultural University (IPB)
Heru Ratna Azimada	Member/Independent	None	None
Yuki Noviani Kohar	Member/Independent	None	None

Term of Office

The Term of Office of the Risk Monitoring Committee may not be longer than the Term of Office of the Board of Commissioners as stipulated in the Articles of Association and the Charter of the Risk Monitoring Committee and can be re-elected. The Term of Office of the Committee members appointed between the Term of Office of the Board of Commissioners will end at the same time as the Term of Office of the Board of Commissioners ends.

Risk Monitoring Committee Work Guidelines

The Work Guidelines of the Risk Monitoring Committee refers to the Risk Monitoring Committee Charter. The Charter of the Risk Oversight Committee is prepared based on the applicable laws and regulations and is constantly reviewed regularly and has been ratified based on the Joint Decree of the Board of Commissioners No. SKB-01/DEKOM-BTN/XII/2013 and the Board of Directors No. SKB-01/DIR-BTN/XII/2013 concerning the Charter of the Company's Risk Monitoring Committee with the contents as follows:

Scope of the Risk Monitoring Committee Charter

- | | |
|--|--|
| 1. Purpose and Objectives;
3. Committee's Responsibilities;
5. Information Access and Confidentiality; | 2. Duty, Authority
4. Committee's Obligations;
6. Structure; |
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Duties and Responsibilities of the Risk Monitoring Committee

Based on FSA Regulation No. 55/POJK.03/2016 dated December 7, 2016, regarding the Implementation of Governance for Commercial Banks Article 48, the Risk Monitoring Committee must conduct at least:

1. Evaluation of the conformity between the Bank's Risk Management policy and the implementation of the Bank's policy; and
2. Monitoring and evaluation of implementation of the duties of the Risk Management Committee and Risk Management task force, to provide recommendations to the Board of Commissioners

ORGANS AND COMMITTEES UNDER THE BOARD OF COMMISSIONERS

In observance to the Risk Monitoring Committee Charter, the Risk Monitoring Committee duties and responsibilities are:

1. To collect data and information and evaluate the Bank's Risk Management policies, which consist of at least: (1) Credit Risk, (2) Market Risk, (3) Liquidity Risk, (4) Legal Risk, (5) Reputation Risk, (6) Strategic Risk, (7) Compliance Risk and (8) Operational Risk.
2. To perform evaluation of the conformity between the Bank's Risk Management policy and the implementation of the policy.
3. To monitor and evaluate the Risk Management Committee's duties and Risk Management Unit.
4. To encourage the Company's Risk Management function.
5. To report to the Board of Commissioners in terms of the likelihood of the Bank's risk as well as providing alternative solutions.
6. To conduct risk monitoring in work units related to risk-based decision making and co-operate with the Risk Management Division.
7. To invite management and other internal parties to attend the Committee's meetings if necessary.
8. To conduct other duties requested from the Board of Commissioners, which is in line with the duties of the Risk Management Committee.

The Risk Monitoring Committee Competence Training and Development

The Company has provided budget from the Company's Board of Commissioners in order to improve the effectiveness of the Risk Monitoring Committee's function to assist the supervisory and advisory tasks of the Board of Commissioners by having the Risk Monitoring Committee continuously participate in training and development programs as a means of updating their knowledge and understanding of current issues concerning the duties and programs undertaken.

Throughout 2018, the training and competence development attended by the Risk Monitoring Committee Members is as follows:

Name	Position	Date	Training	Organizer
Arie Coerniadi	Chairman / Independent Commissioner	16/04/2018	1. Transforming Asean Organization	SRW
		27/09/2018	2. Key Risk Management Challenges in 2018	BARa
I Wayan Agus Mertayasa	Member / Independent Commissioner	14/10/2018	1. International Risk Management & Treasury Dealer Refreshment Program Executives	LSPP & MM UGM
		03/07/2018	2. Expand Leadership Program for BoD/BoC	CLDI
Garuda Wiko	Member / Independent Commissioner	16/04/2018	1. Transforming Asean Organization: The Leadership Imperative	SRW
		10//06/2018	2. International Risk Management & Treasury Dealer Refreshment Program Executives	LSPP & MM UGM
Iman Sugema	Member / Non Independent Commissioner	25/02/2018	International Risk Management Refreshment Program For Executives	MM UGM
Sumiyati	Member / Non Independent Commissioner	07/09/2018	1. Executive Risk Management Refreshment Program	LPPI
		15/09/2018	2. Enterprise Risk Management	CRMS
		28/08/2018	3. IIA 2018 Conference	IIA
Heru Ratna Azimada	Member / Independent	-	-	-
Yuki Noviani Kohar	Member / Independent	-	-	-



Risk Monitoring Committee Work Plan 2019

The Risk Monitoring Work Plan in 2019 includes:

1. Give suggestions and recommendations to the Board of Commissioners about:
 - a. Compilation of RKAP and RBB
 - b. Compilation of Risk Management Policy Guidelines (PKMR)
2. Monitoring Risk Management consisting of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk
3. Monitoring Risk Profile, Bank Health Rating, Minimum Capital Requirement (KPMR), Net Open Position (NOP), Legal Lending Limit
4. Review the performance results or Performance Review, which is related to the level of achievement of the RKAP and RBB and risk management
5. Provide input to the Board of Commissioners in order to prepare responses to Quarterly Performance to the Ministry of State-Owned Enterprises
6. Providing input to the Board of Commissioners in the framework of preparing the Bank Business Plan (RBB) Inspection Supervision Report to the Financial Services Authority (semester)
7. Conducting studies and proposals for improvement of company policies related to credit policy in the following matters:
 - a. Earning Assets Quality
 - b. Credit / Novation Restructuring
 - c. Collection of NPL
 - d. Preparation in the framework of implementing PSAK 71
 - e. Adequacy of CKPN

Accomplishment of the 2018 Risk Monitoring Committee Work Plan

Risk Monitoring Committee Implementation Report

Throughout 2018, the Risk Monitoring Committee has implemented tasks supporting the supervisory function of the Board of Commissioners by delivering recommendations to the Board of Commissioners, regarding Risk Management, which are detailed as follows:

- a. Evaluated the implementation of Risk Management through:
 - Periodic discussions regarding the Bank's Risk Profile Reports (quarterly)
 - Periodic discussions regarding the Bank's Soundness
 - Discussions regarding the performance reviews every month
- b. Evaluated and provided input relevant to the Board of Commissioners:
 - Credit Consultation according to the authority limit
 - Approval of the Provision of Funds to Related Parties
 - Limitations and criteria regarding the actions of the Board of Directors that are not required to obtain the Board of Commissioners' Approval
 - Application of new policies or new products
 - Plans for capital participation in the framework of inorganic growth
- c. Analyze credit quality by reviewing:
 - Drag allowance that occurs with the core debtor
 - Progress regarding the implementation of credit consulted with the Board of Commissioners
 - Follow-up regarding the financial write off activity of the previous year.
 - "back testing" mechanism to find the root of the problem in the event of a decrease in credit quality.
- d. Analyze the suitability of the Risk Management Policy Guidelines in line with the Bank's business activities.
- e. Evaluating Company Policies in respect to:
 1. Anti-Money Laundering and Prevention of Terrorism Funding Program (APUPPT) Application
 2. Guidelines for Co-operation between State-Owned Enterprises in accordance with the Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number PER-03/MBU/08/2017 dated August 14, 2017 and amended by Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number PER-04/MBU/09/2017 September 13, 2017
 3. Due Diligence & Capital Participation Plans at PT. Cerdalan Nasional Madani Investment Management
 4. Regulations of the Board of Directors regarding the Management of Customer Complaints, in accordance with:
 - FSA No. 1/POJK.07/2013 Regulation concerning the Financial Services Sector Consumer Protections
 - FSA No. 2/POJK.07/2014 Circular Letter concerning Services and Settlement of Consumer Financial Services Complaints
 - BI Circular Letter No. 7/24/DPNP concerning the Settlement of Customer Complaints