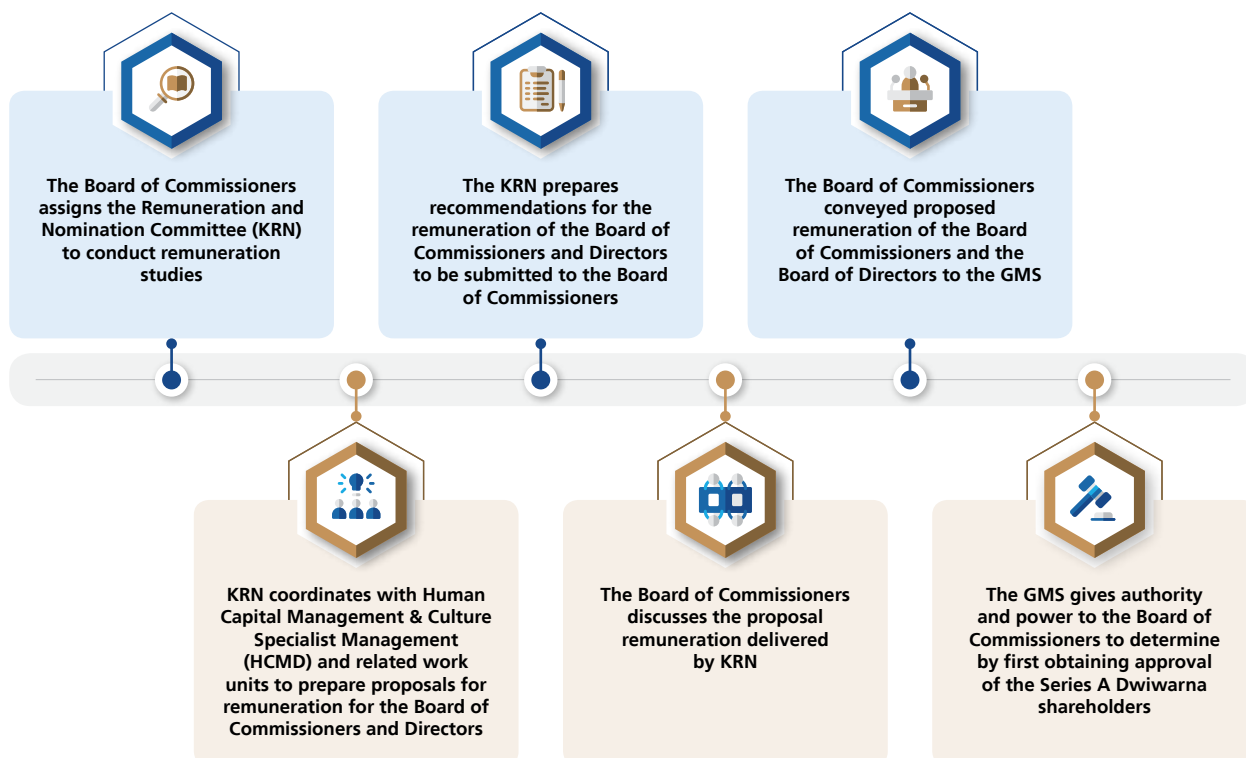


Procedure for Determining Remuneration

The procedures for determining the remuneration of the Board of Commissioners and Directors are as follows:



The scope of the Company's remuneration policies had been adjusted to POJK No. 45/POJK.03/2015 and SEOJK No. 40/SEOJK.03/2016 concerning Implementation of Governance in Remuneration for Commercial Banks, including:

- The principle of prudence in providing remuneration based on performance and risk.
- The determination of the Material Risk Taker (MRT) is categorized as follows:
 - MRT can be determined using a qualitative method according to the portion of responsibility that affected the main risk profile which would be determined according to the risk profile evaluation determined by the Company each year.
 - The determination of the MRT category could also be done quantitatively by comparing the provision of variable remuneration between MRT and non-MRT employees with consideration of performance and also the level of risk of the position concerned.
- Applying variable remuneration in accordance with the regulatory provisions concerning the application of remuneration for commercial banks. Remuneration strategy reform included reviewing risk and performance-based remuneration policies, empowerment through the implementation of the remuneration system and improving policies and procedures for implementing benefits programs. The review of the remuneration system and employee welfare was carried out periodically and continuously, taking into account matters including the Company's financial performance, employee competence and performance, and remuneration practices prevailing in the market.

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External Consultant regarding Remuneration Policy

In order to determine the remuneration for the Board of Commissioners and the Board of Directors in accordance with the factors of business scale, business complexity, inflation rate, financial condition and capacity of the Company, and compliance with prevailing laws and regulations, the Company used a third party as an external consultant.

Consultant Name	Scope of Work
Korn Ferry Indonesia	<ul style="list-style-type: none"> Review of the salaries of the Board of Directors and the honorarium for the Board of Commissioners for 2020 compared to the Market. Review of the tantiem for the Board of Directors and the Board of Commissioners for the 2019 financial year. Long Term Incentive (LTI) study for the Board of Directors and the Board of Commissioners for the 2019 financial year and according to POJK No. 45/POJK.03/2015 concerning Implementation of Governance in Remuneration for Commercial Banks. Study on the calculation of the 2020 DPS remuneration.

Indicators for Determination of Remuneration for the Board of Commissioners and Directors

Dalam menetapkan indikator Dewan Komisaris dan Direksi, Perseroan mengacu kepada Peraturan Menteri BUMN No. PER-12/MBU/11/2020 tentang Perubahan Kelima atas Peraturan Menteri Badan Usaha Milik Negara No. PER-04/MBU/2014 Tentang Pedoman Penetapan Penghasilan Direksi, Dewan Komisaris Dan Dewan Pengawas Badan Usaha Milik Negara.

The salaries/honorarium of members of the Board of Directors and the Board of Commissioners were determined based on the following factors:

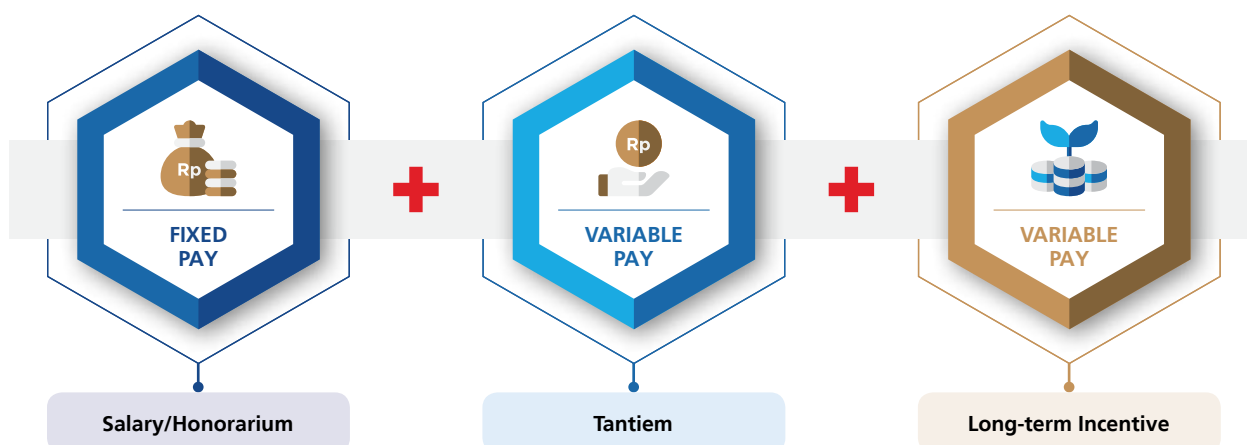
1. Business scale factor
2. Business complexity factors
3. Inflation rate
4. The Company's financial condition and capability
5. Other factors that were relevant, and must not conflict with laws and regulations
6. The composition of the salary/honorarium for the Board of Directors and the Board of Commissioners was determined as follows:
 - a. The President Director's salary was determined using the internal guidelines set by the Minister.
 - b. The Deputy President Director's salary was 95% of the President Director's salary.
 - c. The salaries of other members of the Board of Directors were 85% of the salary of the President Director.
 - d. The President Commissioner's honorarium was 45% of the President Director's salary.
 - e. Honorarium for members of the Board of Commissioners was 40.5% of the salary of the President Director.

Structure and Components of Remuneration for the Board of Commissioners and Directors

The remuneration structure that showed the types and/or benefits of short term, long term and/or post employment were as follows:

1. Types of short-term remuneration consisted of honorarium, allowances (holidays, transportation), facilities (health, legal assistance) and bonuses.
2. The type of long-term and/or post-employment remuneration consisted of Retirement Insurance and could also be awarded long-term rewards (long term incentives/LTI).

The components of the remuneration for the Board of Commissioners and Directors are as follows:



Based on the Directors Circular Letter No. 57/DIR/HCD/2016 concerning the Implementation of Governance in Giving Remuneration, the components of the remuneration for the Board of Commissioners and Directors were fixed and variable, namely:

1. Remuneration that was permanent in nature was given in cash which may be accompanied by gifts in non-cash form.
2. Non-permanent remuneration was given in the form of cash and shares or share-based instruments issued by the bank.

Remuneration Package and Facilities for the Board of Commissioners and Directors

Table of Remuneration for the Board of Commissioners and Directors in 2020

Type of Remuneration and Other Facilities	Board of Commissioner		Board of Directors	
	Number of Commissioners (person)	Amount accepted in a year (IDR Million)	Number of Directors (person)	Amount accepted in a year (IDR Million)
Remuneration				
Honorarium/Salary	6	8.910	6	25.200
Routine Allowances (Clothing Allowances and Income Tax Allowances)	6	3.413	6	9.934
Holiday allowance	6	-	6	-
Tantiem	17 *)	3.175	13 **)	6.202
Other facilities in kind of natura:				
Can be owned				
Post-Employment Insurance	6	2.956	6	6.750
Cannot be owned				
Housing Allowance	-	-	-	-
Housing Allowance	-	-	-	-
Transportation Allowance	6	1.838	6	781
Communication Allowance	-	-	6	147
Tootal		20.292		49.014

Information:

*) 11 (eleven) members of the Board of Commissioners no longer served after the AGMS on May 17, 2019 and the EGMS on November 27, 2019.

***) 5 (five) members of the Board of Directors, among whom no longer serve after the AGMS on May 17, 2019 and the EGMS on November 27, 2019

Remuneration Package which is Grouped into Income Levels Received by the Board of Directors and Members of the Board of Commissioners within 1 (one) year

The remuneration of the Board of Commissioners and the Board of Directors in one year was grouped into the range of income levels as follows.

Table of Group of Amount of Remuneration for the Board of Commissioners and Directors

Amount of Remuneration	Number of Commissioners		Number of Directors	
	2020	2019	2020	2019
Above IDR 2 billion	6	9	8	9
Above IDR 1 billion - IDR 2 billion	-	2	-	1
Above IDR 500 million - IDR 1 billion	-	-	4 **)	1
IDR 500 million and below	11 *)	6	1 **)	4

Information:

*) 11 (eleven) members of the Board of Commissioners no longer served after the AGMS on May 17, 2019 and the EGMS on November 27, 2019.

***) 5 (five) members of the Board of Directors, among whom no longer serve after the AGMS on May 17, 2019 and the EGMS on November 27, 2019

Variable Remuneration

Based on the Directors Circular Letter No. 57/DIR/HCD/2016 concerning the Implementation of Governance in Giving Remuneration, the components of the remuneration for the Board of Commissioners and Directors were variable, namely non-permanent remuneration given in cash and shares or share-based instruments issued by banks.

Number of Directors, Commissioners, and Employees Receiving Variable Remuneration for 1 (One) Year

Number of Directors, Board of Commissioners, and Employees who received Variable Remuneration for 1 (one) year and the total nominal value.

Amount Received											
Board of Directors				Board of Commissioner				Employees ^{***)}			
Person		IDR Million		Orang		IDR Million		Orang		IDR Million	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
13 *)	10	6.202	27.158	17 **)	9	3.175	12.842	11.627	11.803	193.588	214.144

Information:

*) 5 (five) members of the Board of Directors, among whom no longer serve after the AGMS on May 17, 2019 and the EGMS on November 27, 2019

***) 11 (eleven) members of the Board of Commissioners no longer served after the AGMS on May 17, 2019 and the EGMS on November 27, 2019.

***) Consists of employees who receive Production Services.

Position and Number of Parties Who Become MRT

In assigning employees to be identified as MRT, the Bank took a qualitative approach. The positions classified as MRT are as follows:

- President Director and all members of the Board of Directors for implementation year 1 to year 3.
- President Director, all members of the Board of Directors, Head of Business Division, Head of Regional offices, and Branch Heads for implementation in the 4th year and thereafter
- The position of the head of the Business Division classified as MRT was determined by the Board of Directors when the policy is implemented.

Position	Number of Parties Who Become MRT
President Director	1
Director	7
President Commissioner	1
Members of the Board of Commissioners	5

Shares Option held by the Board of Directors, Board of Commissioners and Executive Officers

The Company had a share ownership program by management or the Management Stock Option Program (MSOP) and by employees or the Employee Stock Option Program (ESOP) as part of appreciation for management and all employees. The policy of granting share options at the Extraordinary General Meeting of Shareholders (EGMS) held on October 6, 2009 approved the issuance of new shares in the Company's deposits of a maximum of 30% or a maximum of 2,723,142,857 shares of the total issued and paid up shares. after the issuance of new shares so that the ownership of the Republic of Indonesia becomes at least 70% or 6,354,000,000 shares of all the issued and fully paid shares after the issuance of new shares. The issuance of new shares in the deposit was offered to the public through an Initial Public Offering (IPO), which included the allotment of shares for Management and Employees or Management and Employee Stock Allocation (MESA) as well as granting option rights to Management and Employees or the Management and Employee Stock Options Plan (MESOP).

Participants of the MESA and MESOP programs were employees registered on September 30, 2009 and members of the Board of Directors, members of the Board of Commissioners, members of the Sharia Supervisory Board, Secretary to the Board of Commissioners and members of the Audit Committee. Number of Shares Option Given can be seen in the table below: