

Performance Assessment

Performance appraisal was obtained based on the Employee Performance Management System score. The components in employee SMK consisted of 2 (two) components, that were:

a. Performance Assessment (90%)

An assessment based on a key performance indicator of an employee's position. The performance appraisal consisted of 2 (two) components, that were:

- The cascading KPI (Key Performance Indicator) component, namely the KPI obtained from the results of cascading (according to the responsibilities and roles of the individual) against KPIs from the layer above or KPIs of their work units. This component reflected an individual's contribution to the success of his Work Unit. The types of cascading were as follows:

Fully Cascade : KPI Units were fully deployed to employees with the same target.

Partially Cascade : KPI Units were passed down to employees with divided targets / segments (according to individual responsibilities).

Contributory Cascade : KPI Units were assigned to employees in other KPI sizes that could support the achievement of the KPIs of the unit (according to employee roles).

- PI (Performance Indicator) component, which was a measure of the success of the implementation of the Employee Job Description. This component reflected the individual's performance based on his job description.

b. Assessment of Cultural Implementation (10%)

It was an assessment from direct superiors to employees based on a description of the implementation of corporate culture.

Remuneration Policy

The Company implements a remuneration system to motivate and maintain the best employees and aims to meet the needs of qualified human capital. To support the Bank's strategy and encourage optimal and sustainable performance, the Company applies performance-based remuneration. In addition, the Company applies the structure and scale of wages in accordance with the provisions regulated by the field of employment and the related authorities in the banking industries. Determination of remuneration was also carried out by taking into account the performance of each individual employee (based on performance), the performance of the work unit and the performance of the Company as a whole, but still taking into account the ability of the Company. In implementing the remuneration policy, the company provided salary, annual salary adjustments, holiday allowances, annual leave, and large leave pay for each 3 (three) year working period. The Company also provided health facilities for employees and their family members, including coverage of hospitalization, outpatient care after hospitalization, childbirth, dental care, General Check Up, glasses and others.

In addition, the Company provided variable remuneration, including location allowances, occupational allowances for certain positions, overtime pay, clothing for all employees, sales incentive bonuses and annual bonuses. This was a form of the Company's attention to meeting the basic needs of employees, especially for housing and transportation needs. The company provided Employee Credit Facilities.

Pension Program

The Company pays attention to the employees' welfare before retirement through the Pension Preparation Period (MPP) program. The program is intended for permanent employees who have reached the age of 55 years. MPP was held for 12 months as an opportunity to participate in various training programs so that it is expected to support survival after retirement.

The pension program implementation is a form of appreciation for permanent employees' contribution to the Company. Permanent employees who have reached a normal retirement age of 56 years and permanent employees with the status of teller staff, customer service staff and 36 year-old secretaries are entitled to retirement benefits. The Company organizes a pension benefit program consisting of a Defined Benefit Program and a Defined Contribution Program as the right of permanent employees who have become participants of the Pension Fund. In the Defined Benefit program, employees continue to receive benefits in line with the formula determined by the Pension Fund while in the Defined Contribution Program, employees continue to receive pension benefits from the accumulated contribution balance of 2.5% of their salary, 7.5% from the Company, and the results of its development. The amount of Pension Benefits that can be received by employees is 80% of Basic Pension Income and refers to the Board of Directors' Decision which regulates Pension Fund Regulations of PT Bank Tabungan Negara (Persero) Tbk (Dapen BTN).