

REMUNERATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

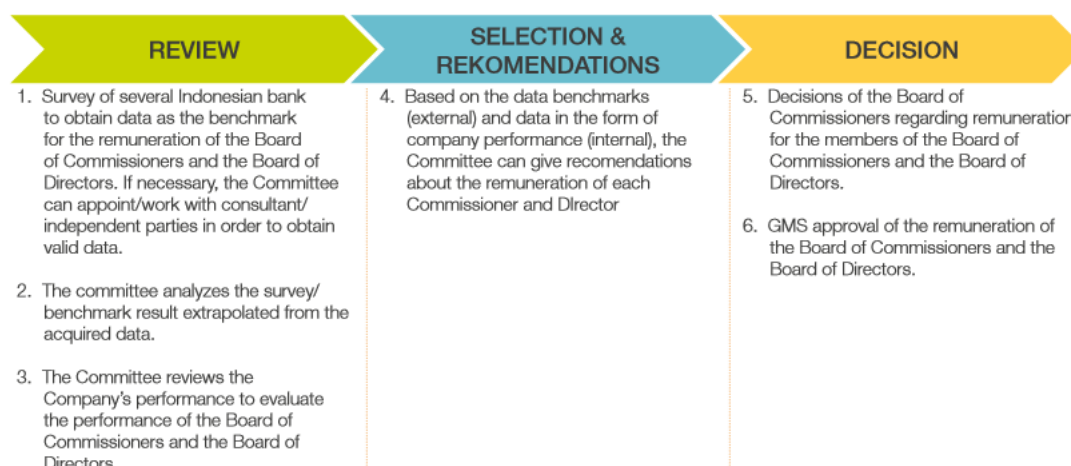
Policy

Establishing the remuneration and other facilities provided to members the Board of Commissioners and the Board of Directors refer to the resolutions of the shareholders as stipulated in the GMS. Such establishment takes into account the recommendations provided by the Remuneration and Nomination Committee.

In determining the remuneration of each member of the Board of Commissioners and the Board of Directors, the Bank takes consideration of the general performance, performance assessment, fairness in comparison to peer groups in banks and banking industry, as well as the Company's capabilities. The Company's performance is one of the factors in determining the remuneration of members of the Board of Commissioners and the Board of Directors among others as portrayed in the price of the company's stock exchange price.

Procedures of Establishing Remuneration

The process of determining the remuneration of the Board of Commissioners and the Board of Directors at the Bank is explained in the flow chart below.



Performance Review in Relation to Remuneration

The connection between performance and remuneration is explained below:

1. The Bank refers to the meritocracy principle when determining the amount of remuneration for its Directors and employees, both for fixed and variable remuneration. Individual remuneration is reviewed annually and any adjustments are based on individual performance.
2. In terms of Bank Performance Management, each member of the Board of Directors and each employee has individual targets, which form the basis of assessing their individual performance. The individual targets of the Board of Directors, which are also the targets of his/her work unit/directorate, are derived from the Bank's targets, which are divided between work units and individual employees.
3. Unit and individual performance assessments are based on the realization of the targets of each work unit and individual. Unit performance is categorized into – Exceeding the Targets, Achieving the Targets, and Below the Targets. Unit performance also influences the performance of the head of the work unit.

Individual performance is assessed by reviewing the actualization of individual targets, and is categorized into –outstanding, very good, good, needs improvement, and poor. The amount of remuneration adjustment is based on the individual performance assessment. The management provides guidelines on the amount of fixed and variable remuneration adjustments in line with individual performance.

The provision of variable income related to performance and risk is stipulated by the following conditions:

1. 80% of the Variable Income is provided in cash.
2. 20% of the Deferred Variable Income is distributed as follows:
 - 10% is provided in cash and in the first year after 80% of the Variable Income has been delivered.
 - 5% is given in the form of shares in the second year after 80% of the Variable Income has been delivered.
 - 5% is given in the form of shares in the third year after 80% of the Variable Income has been delivered.

Positions and Number of Parties That Become Material Risk Takers

Positions included in the category of risk takers are the 10 Directors. Such number is the number of Material Risk Taker (MRT) during the year 2020.

Variable Remuneration

Variable remuneration at the Bank consists of Incentives, Performance Bonuses, and MESOP/ESOP. Such incentives are granted based on individual performance of employees serving in sales, services, and collection. Incentives are paid monthly, quarterly, and annually.

Performance bonuses are granted based on the performance of the Company, the performance of the related units, individual performance. They are disbursed on the following year. Performance bonuses are decided at the discretion of the management, and are provided in accordance with the performance and financial condition of the Bank. Performance bonuses are provided annually to employees who do not receive incentives, the Directors and the Commissioners.

MESOP/ESOP (Management and Employee Stock Option Program/Employee Stock Option Program) are optional rights given to Directors and certain levels of employees to purchase shares of the Bank at a certain fixed price. The nominal value of MESOP/ESOP is based on individual performance. This policy is not only a reward on performance but also serves as an incentive to improve individual performance/contribution to the Bank's future performance which hopefully helps boost the bank's share value and serves as a retention measure.

REMUNERATION STRUCTURE OF THE BOARD OF COMMISSIONERS

Type of Remuneration and Other Facilities	Total Amount Received in Rupiah (Gross) in 1 (one) year	
	Board of Commissioners	
	Number of Recipients as of 31 December 2020	Rp Million
Salary, bonus, fixed allowance, tantiem, and other facilities in cash.*	5	7.511
Non-Cash Facilities: housing, health insurance, and others, that may be in the forms of the following:		
May be Owned	5	212
May Not be Owned	5	6
Total	5	7.729

Total Amount of Remuneration and Benefits in 1 Year	Number of Commissioners
Above Rp2 Billion	1
Above Rp1 Billion – Rp2 Billion	2
Above Rp500 Million – Rp1 Billion	0
Under Rp500 Million	1

The number of Directors, Commissioners and Employees as the Recipients of Fixed and Variable Remuneration in 1 (One) Year and the Total Amount.

REMUNERATION STRUCTURE OF THE BOARD OF DIRECTORS

Type of Remuneration and Other Facilities	Total Amount Received in Rupiah (Gross) in 1 Year	
	Board of Directors	
	Total Recipients as of 31 December 2020	Rp Million
Salary, bonus, fixed allowance, tantiem, and other facilities in cash.*	9	88,652
Other facilities; housing, health insurance, and others, in the form of:		
May be Owned	9	5,258
May Not be Owned	9	63
Total	9	93,974

Total Amount of Remuneration and Benefits in 1 Year	Number of Directors
Above Rp2 Billion	11
Above Rp1 Billion – Rp2 Billion	3
Above Rp500 Million – Rp1 Billion	1
Under Rp500 Million	1

FIXED CATEGORY

Name	2020	2019
Board of Directors	48,374	37,715
Board of Commissioners	6,611	7,450
Employees	1,349,268	1,331,273

VARIABLE CATEGORY

Name	2020		2019	
	Headcount	Total Amount	Headcount	Total Amount
Board of Directors*	15	42,129	7	73,550
Board of Commissioners	1	900	3	3,760
Employee Bonus	-	195,230	-	154,050
Employee Incentive	-	23,311	-	27,378

* Included former Directors

SHARES OPTIONS OWNED BY DIRECTORS, COMMISSIONERS, AND EXECUTIVE OFFICERS

Name	2020	2019
Board of Directors	-	6,300,000
Board of Commissioners	-	-
Employees	-	20,140,000

*) Directors, Commissioners and Executive Officers of Conventional BTPN

RATIO OF HIGHEST AND LOWEST SALARIES

Name	2020
Highest of Employee – Lowest of Employee	109,38
Highest of Director – Lowest of Director	4,17
Highest of Commissioner – Lowest of Commissioner	2,7
Highest of Director – Highest of Employee	2,02

TOTAL DEFERRED VARIABLE REMUNERATION

Name	2020		2019	
	Headcount	Total Amount	Headcount	Total Amount
Deferred Bonus (Gross)	10	9,559,601,564	7	16,350,000,000
MESOP 2015-2020	0	0	204	76,360,000
ESOP 2016-2021	3	195,000	3	198,000

*) Performance bonus of previous year

**) Directors and Executive Officers of Conventional BTPN