

DISCLOSURE OF INFORMATION

PROPOSED CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS ("RIGHTS ISSUE") OF PT BANK RAKYAT INDONESIA (PERSERO) TBK ("COMPANY") AND PROPOSED PAYMENT OF SHARES IN FORMS OTHER THAN MONEY ("IN-KIND CONTRIBUTION / INBRENG") BY THE REPUBLIC OF INDONESIA AS A CONTROLLING SHAREHOLDER OF THE COMPANY

NOT INTENDED TO BE ACCESSED IN THE UNITED STATES, CANADA OR JAPAN

THE INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION IS IMPORTANT AND FOR THE ATTENTION OF THE SHAREHOLDER OF THE COMPANY IN CONNECTION WITH THE PROPOSED RIGHTS ISSUE AND THE PROPOSED IN-KIND CONTRIBUTION.

THIS DISCLOSURE OF INFORMATION IS ISSUED IN COMPLIANCE WITH THE REGULATION OF THE FINANCIAL SERVICES AUTHORITY/OTORITAS JASA KEUANGAN ("OJK") NO. 32/POJK.04/2015 CONCERNING CAPITAL INCREASE IN PUBLIC COMPANIES WITH PRE-EMPTIVE RIGHTS AS AMENDED BY OJK REGULATION NO. 14/POJK.04/2019 CONCERNING AMENDMENT TO OJK REGULATION NO. 32/POJK.04/2015 CONCERNING CAPITAL INCREASE IN PUBLIC COMPANIES WITH PRE-EMPTIVE RIGHTS ("POJK 32/2015").

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Main Business Activities:

Banking Services

Domiciled in Central Jakarta

Head Office:

Gedung BRI I

Jl. Jend. Sudirman No. 44-46, Jakarta 10210

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This disclosure of information is issued in Jakarta dated June 14, 2021

INTRODUCTION

In accordance with the Company's aspirations to become The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion, the Company intends to reach the ultra-micro segment as one of the main sources of growth in the future. The ultra-micro segment is recorded as a part of approximately 63 million micro business units or reaching 99% of the total businesses in Indonesia (Ministry of Cooperatives and SME, 2018). The micro and ultra-micro segment have been proven to play an important role in supporting Indonesia's economic growth. With such potential, the empowerment of the ultra-micro segment is believed to be a business embryo which will strengthen the Company's core competence in the micro and small business segment.

The aspiration of the Company above is in line with the vision of the Government of the Republic of Indonesia ("**Government**"). In this case, the Government want to increase in the accessibility of financial service for the ultra-micro segment as contained in the National Medium-Term Development Plan 2020-2024 ("**RPJMN**"). Particularly, the optimalization of the role of State-Owned Enterprises ("**SOE**") as agents of value creation and agents of development to support national economic growth, especially in the Micro, Small and Medium Enterprises ("**MSME**") sector is very much needed. As a manifestation of such vision, the Government intends to form an ultra-micro holding with the Company as the holding company.

In connection with it, the Company plans a Rights Issue where the Government will participate in non-cash form with placing all of its Series B shares ("**In-Kind Contribution**") in:

1. PT Pegadaian (Persero) ("**Pegadaian**"), a Limited Liability Company engaging in the pawn sector both conventionally and sharia, based on information technology and non - information technology, by way of lending based on pledge law including securities pledge, lending based on fiduciary securities, services for depositing negotiable instruments, and appraisal and certification services for negotiable instruments and carrying out activities that provide fee based income - as long as they do not conflict with regulations in the field of financial services, other business activities with OJK approval, and optimization of Pegadaian's resources.
2. PT Permodalan Nasional Madani (Persero) ("**PNM**"), a Limited Liability Company engaging in the empowerment and development of micro, small, medium enterprises and cooperatives including but not limited to businesses with sharia principles.

The proposed Rights Issue and the proposed In-Kind Contribution hereinafter are collectively referred to as the "**Proposed Transaction**".

The formation of an ultra-micro SOE holding will provide sustainable growth not only for the Company, Pegadaian, and PNM, but also for entrepreneurs in this segment. This will be executed through various synergy and collaboration efforts, including (i) complementary business model to fulfill the various needs of financial service in the ultra-micro segment; (ii) network cooperation to expand platform reach to facilitate the creation of structured "upgrading" channels for the ultra-micro segment in a financial ecosystem; as well as (iii) optimizing funding to provide more affordable financing. In the end, the ultra-micro holding is expected to have a positive impact, especially in accelerating the process of financial inclusion and literacy in Indonesia.

DESCRIPTION OF THE PROPOSED RIGHTS ISSUE

A. MAXIMUM AMOUNT OF THE NEW SHARES

The Company intends to issue a maximum of 28,677,086,000 (twenty-eight billion six hundred seventy-seven million eighty-six thousand) Series B shares with a nominal value of IDR50.00 (fifty Rupiah) or represents up to 23.25% (twenty-three point two five percent) of the issued and fully paid-up capital of the Company at the time of this disclosure of information. The maximum number of new shares is an estimate, and its determination will follow applicable regulations.

The proposed Rights Issue exercise price will be determined and announced later in the proposed Rights Issue Prospectus. This is with due observance to the prevailing laws and regulations, including the provisions in the capital market sector, namely Regulation No. I-A concerning the Listing of Shares and Equity Securities Other Than Shares Issued by the Listed Company, Appendix II to Decision of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00183/BEI/12-2018 dated December 26, 2018, Provision V.3.2. Further, the Listing of Additional Shares originating from the proposed Rights Issue, the exercise price shall be at least equal to the limit of the lowest price of shares traded in the Regular Market and the Cash Market as regulated under Regulation No. II-A concerning Equity Securities Trading.

The new shares issued, in all respects, have the same and equal rights with all of the Company's issued and fully paid-up series B shares.

B. IMPLEMENTATION PERIOD

In accordance with Article 8 paragraph (3) of POJK 32/2015, the period between the date of approval of the General Meeting of Shareholders (“GMS”) in connection with the proposed Rights Issue and the effectivity of the registration statement shall not be more than 12 (twelve) months. The Company plans to carry out the capital increase within such period with due observance of the provisions regarding the period between the date of appraisal and the date of payment of shares in other forms other than money as described above.

C. FORM OF PAYMENT

1. The Government, as the controlling shareholder of the Company with 56.75% (fifty-six point seven five percent) ownership, will exercise to all the Rights to which it is entitled by conducting In-Kind Contribution on shares owned by the Government as follows:
 - a. 6,249,999 Series B shares or representing 99.99% of the total issued and fully paid-up capital in Pegadaian;
 - b. 3,799,999 Series B shares or representing 99.99% of the total issued and fully paid-up capital in PNM.

The proposed In-Kind Contribution above is based on audited historical consolidated financial statements as of March 31, 2021.

2. The portion of the exercised of Rights which comes from public portion will be received by the Company in cash.

D. ESTIMATION OF THE USE OF PROCEEDS

Proceeds from the proposed Rights Issue after deducting all issuance costs will be used for:

1. Establishment of an ultra-micro SOE holding, which is conducted through the Company's new investment in:

- a. Pegadaian in the amount of 6,249,999 Series B shares or representing 99.99% of the issued and paid-up capital of Pegadaian; and
- b. PNM in the amount of 3,799,999 Series B shares or representing 99.99% of issued and paid-up capital of PNM,

as a result of the share In-Kind Contribution by the Government.

2. The rest will be used as working capital for the Company in order to develop an ultra-micro ecosystem as well as micro and small businesses.

E. ANALYSIS ON THE EFFECT OF THE CAPITAL INCREASE ON FINANCIAL PERFORMANCE AND SHAREHOLDERS

1. Analysis on the Effect of the Capital Increase on the Company's Financial Performance and of the Company's Pro Forma Information

Through the proposed In-Kind Contribution, the Company will become the majority shareholder in Pegadaian and PNM. Going forward, the Company, together with Pegadaian and PNM, will provide an end-to-end financial services to the ultra-micro segment so that it will contribute positively to the financial performance of the Company. The Company's capital structure will also stronger to support the future business activities of the Company, both as a holding company and as a group. It will eventually create a value for the shareholders and stakeholders.

With such majority share ownership, the financial statements of Pegadaian and PNM will be consolidated with the financial statements of the Company. This will increase the consolidated income in the future.

In the Company's pro forma consolidated financial information, reasonable assurance engagement has been implemented by KAP PSS (a member firm of Ernst & Young Global Limited) based on the Company's audited historical interim consolidated financial statements as of March 31, 2021, and for the three-month period ended on that date. The historical consolidated balance of the Company and its subsidiaries when compared to the pro forma consolidated balance of the merger of the Company and its subsidiaries, Pegadaian and PNM, are as follows: (i) total assets from IDR1,411 Trillion to IDR1,515 Trillion; (ii) total liabilities from IDR1,216 Trillion to IDR1,289 Trillion; (iii) revenue from IDR40 Trillion to IDR47 Trillion; (iv) operating expenses from IDR31 Trillion to IDR37 Trillion; (v) net profit from IDR7 Trillion to IDR8 Trillion.

2. Analysis of the Effect of Capital Increase on the Shareholders of the Company

If the treasury stock is not transferred to a share ownership program for the Company's employees, so that no Rights are exercised from the current amount of treasury stock

a. Pro Forma of Capital Structure After the Capital Increase with the Assumption that All Rights are Subscribed for by All Shareholders

The following is a pro forma capital structure and share ownership of the Company before and after the Proposed Transaction, with the assumption that all Rights are subscribed for by all shareholders, both from the exercise of Rights and additional share subscriptions:

DESCRIPTION	BEFORE THE RIGHTS ISSUE			AFTER THE RIGHTS ISSUE		
	Number of Shares	Total Nominal Value	%	Number of Shares	Total Nominal Value	%
Authorized Capital						
Series A Shares Nominal Value IDR50.00	1	50		1	50	
Series B Shares Nominal Value IDR50.00	299,999,999,999	14,999,999,999,950		299,999,999,999	14,999,999,999,950	
Issued and Fully Paid-up Capital						
1. The Republic of Indonesia						
Series A Shares	1	50	0.00	1	50	0.00
Series B Shares	<u>69,999,999,999</u> 70,000,000,000	<u>3,499,999,999,950</u> 3,500,000,000,000	56.75	<u>86,373,870,399</u> 86,373,870,400	<u>4,318,693,519,950</u> 4,318,693,520,000	56.82
2. Public						
Series B Shares*	53,345,810,000	2,667,290,500,000	43.25	65,649,025,600	3,282,451,280,000	43.18
Total	123,345,810,000	6,167,290,500,000	100.00	152,022,896,000	7,601,144,800,000	100.00
Shares in the Portfolio						
Series A Shares	-	-		-	-	
Series B Shares	176,654,190,000	8,823,709,500,000		147,977,104,000	7,398,855,200,000	

* Including Treasury Stock in the amount of 748,282,500 shares.

b. Pro Forma of Capital Structure After the Capital Increase with the Assumption that Rights are Only Subscribed for by the Government and All Other Shareholders Did Not Exercise Their Rights.

The following is a pro forma capital structure and share ownership of the Company before and after the Proposed Transaction, with the assumption that the Government will only subscribe for the Rights in the amount of 16,373,870,400 (sixteen billion three hundred seventy-three million eight hundred seventy thousand four hundred) Series B shares with a nominal value of IDR50.00 and all other shareholders do not exercise their rights:

DESCRIPTION	BEFORE THE RIGHTS ISSUE			AFTER THE RIGHTS ISSUE		
	Number of Shares	Total Nominal Value	%	Number of Shares	Total Nominal Value	%
Authorized Capital						
Series A Shares Nominal Value IDR50.00	1	50		1	50	
Series B Shares Nominal Value IDR50.00	299,999,999,999	14,999,999,999,950		299,999,999,999	14,999,999,999,950	
Issued and Paid-Up Capital						
1. The Republic of Indonesia						
Series A Shares	1	50	0.00	1	50	0.00
Series B Shares	<u>69,999,999,999</u> 70,000,000,000	<u>3,499,999,999,950</u> 3,500,000,000,000	56.75	<u>86,373,870,399</u> 86,373,870,400	<u>4,318,693,519,950</u> 4,318,693,520,000	61.82
2. Public						
Series B Shares*	53,345,810,000	2,667,290,500,000	43.25	53,345,810,000	2,667,290,500,000	38.18
Total	123,345,810,000	6,167,290,500,000	100.00	139,719,680,400	6,985,984,020,000	100.00
Shares in the Portfolio						
Series A Shares	-	-		-	-	
Series B Shares	176,654,190,000	8,823,709,500,000		160,280,319,600	8,014,015,980,000	

* Including Treasury Stock in the amount of 748,282,500 shares.

If the treasury stock is entirely transferred into a share ownership program to the Company's employees, so that there is a possibility that the Rights will be exercised from the total amount of treasury stock transferred.

c. Pro Forma of Capital Structure After The Capital Increase With The Assumption That All Rights are Exercised by Shareholders, Including Treasury Stock.

The following is a pro forma capital structure and share ownership of the Company before and after the Proposed Transaction, with the assumption that the Rights are exercised by the Government and all other shareholders, including treasury stock, provided that the treasury stock has been entirely transferred to the Company's employee share ownership program:

DESCRIPTION	BEFORE THE RIGHTS ISSUE			AFTER THE RIGHTS ISSUE		
	Number of Shares	Total Nominal Value	%	Number of Shares	Total Nominal Value	%
Authorized Capital						
Series A Shares Nominal Value IDR50.00	1	50		1	50	
Series B Shares Nominal Value IDR50.00	299,999,999,999	14,999,999,999,950		299,999,999,999	14,999,999,999,950	
Issued and Paid-Up Capital						
1. The Republic of Indonesia						
Series A Shares	1	50	0.00	1	50	0.00
Series B Shares	<u>69,999,999,999</u> 70,000,000,000	<u>3,499,999,999,950</u> 3,500,000,000,000	56.75	<u>86,274,537,599</u> 86,274,537,600	<u>4,313,726,879,950</u> 4,313,726,880,000	56.75
2. Public						
Series B Shares	53,345,810,000	2,667,290,500,000	43.25	65,748,358,400	3,287,417,920,000	43.25
Total	123,345,810,000	6,167,290,500,000	100.00	152,022,896,000	7,601,144,800,000	100.00
Shares in the Portfolio						
Series A Shares	-	-		-	-	
Series B Shares	176,654,190,000	8,823,709,500,000		147,977,104,000	7,398,855,200,000	

d. Pro Forma of Capital Structure After The Capital Increase With The Assumption That The Rights are Only Subscribed for by The Government. Other Shareholders, Including Treasury Stock, Do Not Exercise Their Rights.

The following is a pro forma capital structure and share ownership of the Company before and after the Proposed Transaction, with the assumption that the Rights are only exercised by the Government. Other shareholders, including treasury stock, do not exercise their Rights, provided that the treasury stock has been entirely transferred into the Company's employee share ownership program:

DESCRIPTION	BEFORE THE RIGHTS ISSUE			AFTER THE RIGHTS ISSUE		
	Number of Shares	Total Nominal Value	%	Number of Shares	Total Nominal Value	%
Authorized Capital						
Series A Shares Nominal Value IDR50.00	1	50		1	50	
Series B Shares Nominal Value IDR50.00	299,999,999,999	14,999,999,999,950		299,999,999,999	14,999,999,999,950	
Issued and Paid-Up Capital						
1. The Republic of Indonesia						
Series A Shares	1	50	0.00	1	50	0.00
Series B Shares	<u>69,999,999,999</u> 70,000,000,000	<u>3,499,999,999,950</u> 3,500,000,000,000	56.75	<u>86,274,537,599</u> 86,274,537,600	<u>4,313,726,879,950</u> 4,313,726,880,000	61.79
2. Public						
Series B Shares	53,345,810,000	2,667,290,500,000	43.25	53,345,810,000	2,667,290,500,000	38.21
Total	123,345,810,000	6,167,290,500,000	100.00	139,620,347,600	6,981,017,380,000	100.00
Shares in the Portfolio						
Series A Shares	-	-		-	-	
Series B Shares	176,654,190,000	8,823,709,500,000		160,379,652,400	8,018,982,620,000	

Dilution Information For Shareholders Who Do Not Subscribe in the Rights Issue.

Any dilution of ownership of shareholders who are not subscribed in the proposed Rights Issue is at most 18.86% (eighteen point eight six percent) of the ownership portion.

DESCRIPTION OF PROPOSED IN-KIND CONTRIBUTION IN THE PROPOSED RIGHTS ISSUE

A. BACKGROUND

In line with the Company's aspiration to reach the ultra-micro segment, the Government intends to form an ultra-micro holding. In this case, the Government appoints the Company as the holding company with Pegadaian and PNM as members of the holding. The formation of the ultra-micro holding is the manifestation of the Government's vision to increase accessibility of financial service in the ultra-micro segment.

The ultra-micro holding formation process will be carried out through the proposed Rights Issue by the Company as referred to in POJK 32/2015. In relation to that, the Government will exercise all the Rights to which it is entitled to in the proposed Rights Issue through In-Kind Contribution on shares owned by the Government in:

1. Pegadaian in the amount of 6,249,999 Series B shares or representing 99.99% of the issued and fully paid-up capital in Pegadaian.
2. PNM in the amount of 3,799,999 Series B shares or representing 99.99% of the issued and fully paid-up capital in PNM.

B. PAYMENT OF SHARES IN OTHER FORMS

POJK 32/2015 regulates that the execution of Rights shall be made by paying an amount of money on the shares to be issued. In the event that payment is made in forms other than money, its execution must meet the following conditions:

1. directly related to the plan on the use of funds; and
2. using an appraiser to determine the fair value of forms other than money used as payment and the fairness of the payment transaction for shares in forms other than money.

The period between the date of appraisal and the date of payment of shares in forms other than money as referred to above is no longer than 6 (six) months.

C. DESCRIPTION OF THE PROPOSED IN-KIND CONTRIBUTION TO BE IMPLEMENTED IN THE PROPOSED RIGHTS ISSUE

1. Payment of Government's shares in the amount of:
 - a. 6,249,999 Series B shares or representing 99.99% of the issued and fully paid-up capital in Pegadaian; and
 - b. 3,799,999 Series B shares or representing 99.99% of the issued and fully paid-up capital in PNM.

into the Company will be made with reference to the market value in accordance with the appraisal by the Public Appraisal Service Firm ("KJPP") Suwendho Rinaldy dan Rekan, and using the date of the financial statements for the period ended on March 31, 2021 which has been audited by Public Accountant Firm Purwantono, Sungkoro & Surja.

2. The exercise of the proposed In-Kind Contribution by the Government in the proposed Rights Issue will be made with due observance of POJK 32/2015.

D. DESCRIPTION OF THE COMPANY, PEGADAIAN, AND PNM

1. DESCRIPTION OF THE COMPANY

a. Brief History of the Company

The Company was established and started commercial operations pursuant to Law No. 21 of 1968 dated December 18, 1968. Furthermore, Government of the Republic of Indonesia Regulation No. 21 of 1992 dated April 29, 1992, changed the form of the Company's legal entity to a State Company ("**Persero**"). The transfer of the Company to a Persero was then contained in Deed No. 133 dated July 31, 1992, made before Muhani Salim, SH, Notary in Jakarta. The deed has been approved by the Minister of Justice of the Republic of Indonesia, as amended from time to time and hereinafter referred to as the Minister of Law and Human Rights of the Republic of Indonesia ("**MOLHR**") pursuant to Decree No. C2- 6584.HT.01.01.TH. 92. dated August 12, 1992 and published in the Official Gazette of the Republic of Indonesia No. 7, Supplement No. 3A dated September 11, 1992 ("**Deed of Establishment**").

The Company's Articles of Association have been amended several times, most recently with the Deed of Statement of Resolution of the Extraordinary General Meeting of Shareholders No. 3 dated March 9, 2021, made before Fathiah Helmi, S.H., Notary in Jakarta, which has been notified to the MOLHR as evident in the Letter of Acceptance of Notification of Amendments to Articles of Association No. AHU-AH.01.03-0159493 dated March 12, 2021, and registered in the Company Register at the Ministry of Law and Human Rights of the Republic of Indonesia ("**Ministry of Law and Human Rights**") under No. AHU-0046350.AH.01.11.Tahun 2021 dated March 12, 2021 ("**Deed No. 3/2021**").

The Company is domiciled in Central Jakarta with Head Office that is located at BRI I Building, Jl. Jend. Sudirman No. 44-46, Jakarta 10210.

b. Capital Structure and Share Ownership of the Company

Based on the Deed No.3/2021, the Company's capital structure is as follows:

Authorized Capital	:	IDR15,000,000,000,000, consisting of 1 Series A Dwiwarna share, and 299,999,999,999 Series B shares, each with a nominal value of IDR50.
Issued Capital	:	IDR6,167,290,500,000, consisting of 1 Series A Dwiwarna share and 123,345,809,999 Series B shares, with a total nominal value of IDR6,167,290,500,000.
Paid-up Capital	:	IDR6,167,290,500,000, consisting of 1 Series A Dwiwarna share and 123,345,809,999 Series B shares, with a total nominal value of IDR6,167,290,500,000.

The composition of the Company's share ownership based on the Shareholders Register issued by the Securities Administration Bureau of the Company, PT Datindo Entrycom, as of May 31, 2021, is as follows:

No.	NAME OF SHAREHOLDERS	NUMBER OF SHARES		TOTAL (Rp)	%
		SERIES A DWIWARNA	SERIES B		
1.	Republic of Indonesia	1	69,999,999,999	3,500,000,000,000	56.75
2.	Public*	-	53,345,810,000	2,667,290,500,000	43.25
Total		1	123,345,809,999	6,167,290,500,000	100

* including treasury stock totaling 748,282,500 shares

c. Management and Supervision of the Company

The composition of the Board of Directors and the Board of Commissioners of the Company at the time of this disclosure of information shall be as follows:

Board of Commissioners

President Commissioner	:	Kartika Wirjoatmodjo
Vice President Commissioner/Independent Commissioner	:	Ari Kuncoro
Independent Commissioner	:	Hendrikus Ivo
Independent Commissioner	:	Zulnihar Usman
Independent Commissioner	:	R. Widyo Pramono
Independent Commissioner	:	Dwi Ria Latifa
Independent Commissioner	:	Rofikoh Rokhim
Commissioner	:	Nicolaus Teguh Budi Harjanto
Commissioner	:	Hadiyanto
Commissioner	:	Rabin Indrajad Hattari

Board of Directors

President Director	:	Sunarso
Vice President Director	:	Catur Budi Harto
Director of Finance	:	Viviana Dyah Ayu Retno Kumalasari
Director of Small and Medium Business	:	Amam Sukriyanto
Director of Digital and Information Technology	:	Indra Utoyo
Director of Micro Business	:	Supari
Director of Consumer	:	Handayani
Director of Human Capital	:	Agus Winardono
Director of Network & Services	:	Arga Mahanana Nugraha
Director of Institutional & SOE Relations	:	Agus Noorsanto
Director of Risk Management	:	Agus Sudiarto
Director of Compliance	:	Ahmad Solichin Lutfiyanto

d. Business Activities of the Company

In accordance with Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are to carry on business in the banking sector and optimize the utilization of the Company's resources to produce high-quality and highly competitive services to obtain/pursue profits in order to increase the value of the Company by applying the principles of Limited Liability Company. In order to achieve the aforementioned purposes and objectives, the Company may carry on main businesses, among others, as follows:

- 1) Raising funds from the public in the form of deposits such as giro, time deposits, certificates of deposit, savings and/or other equivalent forms;
- 2) Providing credits;
- 3) Carrying out other activities commonly conducted by banks as long as they do not contradict the laws and regulations.

In addition to the main business as intended, the Company may carry out supporting businesses in order to optimize the utilization of its resources to support the main business activities as long as it does not conflict with laws and regulations.

e. Share Ownership on Its Subsidiaries

The Company has direct share ownership of more than 50% of the shares of the subsidiaries as follows:

- 1) The Company owns 2,002,022 shares in PT Asuransi BRI Life, which represents 63.83% of all issued and paid-up shares in PT Asuransi BRI Life;
- 2) The Company owns 18,589,384,692 shares in PT Bank Rakyat Indonesia Agroniaga Tbk, which represents 87.10% of all issued and paid-up shares in PT Bank Rakyat Indonesia Agroniaga Tbk;
- 3) The Company owns 28,035 shares in PT BRI Asuransi Indonesia, which represents 90% of all issued and paid-up shares in PT BRI Asuransi Indonesia;
- 4) The Company owns 449,450 shares in PT BRI Multifinance Indonesia, which represents 99.88% of all issued and paid-up shares in PT BRI Multifinance Indonesia;
- 5) The Company owns 335,000,000 shares in PT BRI Danareksa Sekuritas, which represents 67% of all issued and paid-up shares in PT BRI Danareksa Sekuritas;
- 6) The Company owns 1,515,874 shares in PT BRI Ventura Investama, which represents 99.97% of all issued and paid-up shares in PT BRI Ventura Investama; and
- 7) The Company owns 1,600,000 shares in BRI Remittance Co. Limited Hong Kong, which represents 100% of all issued and paid-up shares in BRI Remittance Co. Limited Hong Kong.

2. DESCRIPTION OF PEGADAIAN

a. Brief History

Pegadaian was established based on the Deed of Establishment No. 1 dated April 1, 2012, made before Nanda Fauz Iwan, S.H., M.Kn., Notary in Jakarta. Pegadaian is headquartered at Jl. Kramat Raya No. 162, Jakarta 10430, Kenari Sub-District, Senen District, Central Jakarta Administrative City, DKI Jakarta.

b. Capital Structure and Share Ownership

The capital structure and shareholders of Pegadaian at the time of this disclosure of information are as follows:

Authorized Capital	:	IDR25,000,000,000,000
Issued Capital	:	IDR6,250,000,000,000
Paid-up Capital	:	IDR6,250,000,000,000

Pegadaian's authorized capital is divided into 25,000,000 shares with a nominal value per share of IDR1,000,000.

The composition of Pegadaian's share ownership based on Shareholders Register of Pegadaian as of January 29, 2021, is as follows:

No.	SHAREHOLDER NAME	NUMBER OF SHARES		TOTAL (Rp)	%
		SERIES A DWIWARNA	SERIES B		
1.	Republic of Indonesia	1	6,249,999	6,250,000,000,000	100
Total		1	6,249,999	6,250,000,000,000	100
Shares in the Portfolio		-	18,750,000	18,750,000,000,000	

c. Management and Supervision

The composition of the Board of Directors and Board of Commissioners of Pegadaian at the date of this disclosure of information is as follows:

Board of Commissioners

President Commissioner	:	Loto Srinaita Ginting
Commissioner	:	Otok Kuswandaru*
Commissioner	:	Umiyatun Hayati Triastuti
Commissioner	:	Sudarto
Commissioner	:	Rini Widyantini
Independent Commissioner	:	Makmur Keliat
Independent Commissioner	:	Muhammad Sulhan Fauzi*

Board of Directors

President Director	:	Kuswiyoto
Director of Finance, Strategic Planning and Risk Management	:	Ninis Kesuma Andriani
Director of Network, Operations and Sales	:	Damar Latri Setiawan
General Director	:	Gunawan Sulistyono
Director of Marketing and Development	:	Harianto Widodo
Director of Digital Technology and Information	:	Teguh Wahyono
Director of Human Resources	:	Ridwan Arbian Syah*

*) in the process of obtaining OJK fit and proper test approval.

d. Business Activities

In accordance with Article 3 of Pegadaian's Articles of Association, the purposes and objectives of Pegadaian are to carry on other loan distribution businesses in the form of Pawn Business, conventionally and based on sharia principles, based on Information Technology/Digital Platforms (hereinafter referred to as the "IT") and non-IT, and optimization on the utilization of resources owned by Pegadaian to produce high-quality and highly competitive services to obtain/pursue profits in order to increase the value of Pegadaian with the principles of a Limited Liability Company.

As of March 31, 2021, Pegadaian has recorded a positive performance. The assets of Pegadaian have reached IDR72.2 trillion, equity in the amount of IDR25.5 trillion, operating income in the amount of IDR5.5 trillion and net profit in the amount of IDR705 billion.

e. Share Ownership on Its Subsidiaries

Pegadaian has direct share ownership of more than 50% of the shares of the subsidiaries as follows:

- 1) Pegadaian owns 14,999 shares in PT Balai Lelang Artha Gasia, which is 99.99% of all shares that have been issued and paid-up in PT Balai Lelang Artha Gasia;
- 2) Pegadaian owns 99,000 shares in PT Pesonna Optima Jasa, which is 99% of all shares that have been issued and paid-up in PT Pesonna Optima Jasa;
- 3) Pegadaian owns 49,500 shares in PT Pesonna Indonesia Jasa, which is 99% of all shares that have been issued and paid-up in PT Pesonna Indonesia Jasa; and
- 4) Pegadaian owns 132,699 shares in PT Pegadaian Galeri Dua Empat, which is 99.99% of all shares that have been issued and paid-up in PT Pegadaian Galeri Dua Empat.

3. DESCRIPTION OF PNM

a. Brief History

PNM was established based on the Deed of Establishment No. 1 dated June 1, 1999, made before Ida Sofia, S.H., Notary in Jakarta. PNM is headquartered at Menara Taspen 10th Floor, Jl. Jend. Sudirman Kav. 2, Karet Tengsin Sub-District, Tanah Abang District, Central Jakarta Administrative City, DKI Jakarta.

b. Capital Structure and Share Ownership

The capital structure and shareholders of PNM at the date of this disclosure of information are as follows:

Authorized Capital	:	IDR9,200,000,000,000
Issued Capital	:	IDR3,800,000,000,000
Paid-up Capital	:	IDR3,800,000,000,000

PNM's Authorized Capital is divided into 9,200,000 shares with a nominal value per share of IDR1,000,000.

The composition of the PNM's share ownership based on Shareholders Register of PNM as of January 27, 2021, is as follows:

No.	SHAREHOLDER NAME	NUMBER OF SHARES		TOTAL (Rp)	%
		SERIES A DWIWARNA	SERIES B		
1.	Republic of Indonesia	1	3,799,999	3,800,000,000,000	100
Total		1	3,799,999	3,800,000,000,000	100
Portfolio Shares		-	5,400,000	5,400,000,000,000	

c. Management and Supervision

The composition of the Board of Directors and Board of Commissioners of PNM at the date of this disclosure of information is as follows:

Board of Commissioners

President Commissioner	: Arif Rahman Hakim*
Independent Commissioner	: Muhammad Sholeh Amin
Independent Commissioner	: Veronica Colondam
Independent Commissioner	: Meidyah Indreswari
Commissioner	: Parman Nataatmadja

Board of Directors

President Director	: Arief Mulyadi
Director of Finance and Operations	: Tjatur Herry Priyono
Director of Business	: Kindaris*
Director of Compliance and Risk Management	: Anton Fahlevie
Director of Institution and Planning	: Sunar Basuki*

*) in the process of obtaining OJK fit and proper test approval.

d. Business Activities

In accordance with Article 3 of PNM's articles of association, the purposes and objectives of PNM is to carry on business in the empowerment and development of micro, small, medium enterprises and cooperatives including but not limited to businesses based on sharia principles to produce high quality and highly competitive services to obtain/pursue profits to increase the value of the company by applying the principles of Limited Liability Company.

As of March 31, 2021, PNM has recorded a positive performance as well. It is reflected from the assets that reached IDR35.1 trillion, equity in the amount of IDR5.8 trillion, operating income in the amount of IDR1.8 trillion and net profit in the amount of IDR186 billion.

e. Shares Ownership Structure on Its Subsidiaries

PNM has direct share ownership of more than 50% shares on its subsidiaries as follows:

- 1) PNM owns 109,999 shares in PT PNM Investment Management, which is 99.99% of all shares that have been issued and paid-up in PT PNM Investment Management.
- 2) PNM owns 364,199 shares in PT PNM Venture Capital, which is 99.99% of all shares that have been issued and paid-up in PT PNM Venture Capital.

E. COMPLIANCE WITH PREVAILING CAPITAL MARKET REGULATIONS

1. As regulated under POJK 32/2015, the Company must obtain GMS' approval for the Rights Issue on the date to be determined in accordance with the provisions of the prevailing regulations. Furthermore, the Company will submit a registration statement and supporting documents to the OJK to obtain an effective statement from the OJK ("**Effective Statement**"), provided that the period between the date of GMS' approval to the effective date of the registration statement is not more than 12 (twelve) months. Given that there is a proposed In-Kind Contribution, the period of the appraisal report date with the date of payment of shares should not be more than 6 (six) months.
2. The proposed In-Kind Contribution meets the criteria of affiliated transaction but is not a conflict-of-interest transaction and does not result in disruption of Company's business activities, as set out in OJK Regulation No. 42/POJK.04/2020 on Affiliated Party and Conflict of Interest Transaction ("**POJK 42/2020**"):
 - a. The Government is the controlling shareholder of the Company;
 - b. Deputy Minister of State-Owned Enterprises II serves as the President Commissioner of the Company.
3. The proposed In-kind Contribution is a material transaction as referred to in OJK Regulation No. 17/POJK.04/2020 concerning Material Transaction and Change of Business Activities ("**POJK 17/2020**") since the operating income of Pegadaian and PNM divided by the operating income of the Company exceed 20% but do not exceed 50%. Thus, the proposed In-Kind Contribution is not a material transaction requiring a GMS and/or Independent GMS. In compliance with that provision, the Company will comply with the provisions of POJK 17/2020, including announcing disclosure of information and submitting appraisal reports in connection with the proposed In-kind Contribution within a period of 2 business days after the In-Kind contribution transaction occurs.

INDEPENDENT PARTY INVOLVED IN THE PROPOSED TRANSACTION

Independent parties involved in the Proposed Transaction are as follows:

1. Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan, as an accountant to audit the consolidated financial statements of Pegadaian as of March 31, 2021.
2. Public Accounting Firm Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan, as an accountant to audit the consolidated financial statements of PNM as of March 31, 2021.

3. KAP Purwantono, Sungkoro & Surja (“**KAP PSS**”) – a member firm of Ernst & Young Global Limited, as the independent auditor : (i) conduct an audit engagement of the Company’s historical consolidated financial statements as of March 31, 2021 and for the three-months period then ended as stated in this disclosure of information; and (ii) implement reasonable assurance of the audit engagement of the Company’s proforma consolidated financial information as of March 31, 2021 and for the three-months period then ended as stated in this disclosure of information.
4. KJPP Suwendho Rinaldy dan Rekan (“**SRR**”) as an independent appraiser to appraise 99.99% shares of Pegadaian and 99.99% shares of PNM and provide a fairness opinion on the Proposed Transaction.
5. Assegaf Hamzah & Partners as a legal consultant who provides legal advice to the Company regarding the Proposed Transaction.

SUMMARY OF OPINION OF INDEPENDENT PARTY

The Company has appointed SRR as an independent appraiser to conduct valuation of: (i) 6,249,999 Series B shares of Pegadaian (“**Pegadaian Shares**”); and (ii) valuation of 3,799,999 Series B shares of PNM (“**PNM Shares**”), as well as to prepare a fairness opinion on the Proposed Transaction.

SRR states that SRR has no affiliation with the Company, directly or indirectly, as defined in Law No. 8 of 1995 regarding Capital Market.

A. Summary of Valuation of Pegadaian Shares

The following is a summary of the share valuation prepared by SRR on its report No. 00215/2.0059-02/BS/07/0242/1/VI/2021 dated June 3, 2021 (“**Pegadaian Share Valuation Report**”):

1. Valuation Object

The valuation is conducted on Pegadaian Shares.

2. Purpose and Objective of Valuation

- a. The valuation is intended to provide an opinion on the market value of shares of Pegadaian as of March 31, 2021, which is denominated in Rupiah currency.
- b. The valuation is intended to provide information on the market value of shares of Pegadaian to the management of the Company to support the implementation of the Proposed Transaction.

3. Assumption and Limiting Condition

- a. Pegadaian Share Valuation Report is a non-disclaimer opinion report.
- b. SRR has reviewed the document used in the process of preparing the valuation.
- c. The data and information are obtained from sources with reliable accuracy.
- d. SRR uses financial projection which has been adjusted to reflect the reasonableness of the financial projection prepared by the management of Pegadaian considering the ability to accomplish the projection (fiduciary duty).
- e. SRR is responsible for the valuation process and the reasonableness of the financial projection.

- f. Pegadaian Share Valuation Report is open for public, unless there are confidential information, which may affect the operation of Pegadaian.
- g. SRR is responsible for Pegadaian Share Valuation Report and the final value conclusion.
- h. SRR has obtained information on the legal status of Pegadaian Shares from the Company.

4. Valuation Approaches and Methods

The valuation of shares of Pegadaian use income-based approach with discounted cash flows (DCF) method and market-based approach with guideline publicly traded company method.

The income approach with discounted cash flows method is used in the valuation of shares of Pegadaian considering Pegadaian's operation in the future will still fluctuate according to estimates on its business development. In this method, Pegadaian's operation is projected according to its estimated business development. The future cash flows generated from the projection is converted to present value at a discount rate corresponding to the risk level. The indicative value is the total present value of future cash flows.

The market approach with guideline publicly traded company method is still used in the valuation of shares of Pegadaian, even though there is no information on companies with comparable scale of business and equivalent assets in the stock market. However, the data of existing listed companies' shares are considered suitable to be used as comparable data for shares of Pegadaian.

Furthermore, the value obtained from each approach is reconciled using weighted average to produce a conclusion on the value of shares of Pegadaian.

5. Conclusion of Value

Based on the analysis on all data and information provided to SRR and considering all factors closely relevant to the valuation, the market value of shares of Pegadaian as of March 31, 2021 is amounting to IDR48.67 trillion.

B. Summary of Valuation of PNM Shares

The following is a summary of the share valuation prepared by SRR on its report No. 00216/2.0059-02/BS/07/0242/1/VI/2021 dated June 3, 2021 ("**PNM Share Valuation Report**"):

1. Valuation Object

The valuation is conducted on PNM Shares.

2. Purpose and Objective of Valuation

- a. The valuation is intended to provide an opinion on the market value of shares of PNM as of March 31, 2021, which is denominated in Rupiah currency.
- b. The valuation is intended to provide information on the market value of shares of PNM to the management of the Company to support the implementation of the Proposed Transaction.

3. Assumption and Limiting Condition

- a. PNM Share Valuation Report is a non-disclaimer opinion report.
- b. SRR has reviewed the document used in the process of preparing the valuation.
- c. The data and information are obtained from sources with reliable accuracy.
- d. SRR uses financial projection which has been adjusted; to reflect the reasonableness of the financial projection prepared by the management of PNM considering the ability to accomplish the projection (fiduciary duty).
- e. SRR is responsible for the valuation process and the reasonableness of the financial projection.
- f. PNM Share Valuation Report is open for public, unless there are confidential information, which may affect the operation of PNM.
- g. SRR is responsible for PNM Share Valuation Report and the final value conclusion.
- h. SRR has obtained information on the legal status of PNM Shares from the Company.

4. Valuation Approaches and Methods

The valuation of shares of PNM use income-based approach with discounted cash flows (DCF) method and market-based approach with guideline publicly traded company method.

The income approach with discounted cash flows method is used in the valuation of shares of PNM considering PNM's operation in the future will still fluctuate according to estimates on its business development. In this method, PNM's operation is projected according to its estimated business development. The future cash flows generated from the projection is converted to present value at a discount rate corresponding to the risk level. The indicative value is the total present value of future cash flows.

The market approach with guideline publicly traded company method is still used in the valuation of shares of PNM, even though there is no information on companies with comparable scale of business and equivalent assets in the stock market. However, the data of existing listed companies' shares are considered suitable to be used as comparable data for shares of PNM.

Furthermore, the value obtained from each approach is reconciled using weighted average to produce a conclusion on the value of shares of PNM.

5. Conclusion of Value

Based on the analysis on all data and information provided to SRR and considering all factors closely relevant to the valuation, SRR is of the opinion that the market value of shares of PNM as of March 31, 2021 is amounting to IDR6.10 trillion.

C. Summary of Fairness Opinion Report

The following is a summary of Fairness Opinion Report of the Proposed Transaction prepared by SRR on its report No. 00227/2.0059-02/BS/07/0242/1/VI/2021 dated June 11, 2021 ("the **Fairness Opinion Report**"):

1. Parties involved in the Proposed Transaction

The Company and Government, as the controlling shareholder of Pegadaian and PNM, are the parties involved in the Proposed Transaction.

2. Object of Fairness Opinion

The object of the Fairness Opinion is the Proposed Transaction, namely the proposed Rights Issue and the proposed In-Kind Contribution, in connection with the plan to form an ultra-micro holding company by conducting non-cash contribution to the Pegadaian and PNM, where the Company will become the shareholder of Pegadaian and PNM.

3. Purpose and Objective of the Fairness Opinion

The Fairness Opinion is prepared with the objective and purpose to provide an overview to the Company regarding the fairness of the Proposed Transaction to comply with POJK 42/2020 and POJK 32/2015.

4. Assumption and Limiting Condition

- a. The Fairness Opinion is a non-disclaimer opinion report.
- b. SRR has reviewed the document used in the process of preparing the Fairness Opinion.
- c. The data and information are obtained from sources with reliable accuracy.
- d. The analysis in the Fairness Opinion is prepared using financial projection which has been adjusted to reflect the reasonableness of the financial projection prepared by the management of the Company considering the ability to accomplish the projection (fiduciary duty).
- e. SRR is responsible for the process of preparation of the Fairness Opinion and the reasonableness of the financial projection.
- f. The Fairness Opinion is open for public, unless there are confidential information, which may affect the operation of the Company.
- g. SRR is responsible for the Fairness Opinion and the conclusion of the Fairness Opinion.
- h. SRR has obtained information on the terms and conditions in the agreements related to the Proposed Transaction from the Company.

5. Approaches and Procedures for the Fairness Opinion

In evaluating the fairness of the Proposed Transaction, SRR has conducted:

- a. qualitative analysis, i.e., analysis of the parties involved in the Proposed Transaction and their relationship, industry analysis, as well as analysis on the benefit and risk of the Proposed Transaction; and
- b. quantitative analysis, in the form of analysis on the Company's historical financial statements, analysis on the Company's financial performance without and with the Proposed Transaction, and analysis on the impact of the Proposed Transaction on the Company's financial performance.

6. Conclusion

Based on the analysis as described in the Fairness Opinion, SRR is of the opinion that the Proposed Transaction is **fair**.

BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS STATEMENTS

The Board of Directors and the Board of Commissioners of the Company state that they are responsible of the completeness of information as described herein and assert the correctness after conducted careful research. There are no important material and relevant facts that are not disclosed or omitted herein, thus causing the information provided to be misleading.

GENERAL MEETING OF SHAREHOLDERS

In accordance with Article 8 paragraph (1) POJK 32/2015, the Company will hold the Extraordinary GMS (“**EGMS**”) to obtain shareholders’ approval. The EGMS will be held in compliance with OJK Regulation No. 15/POJK.04/2020 dated April 20, 2020, concerning Plan and Performance of General Meeting of Shareholders for Public Company.

The announcement of EGMS has been conducted on June 14, 2021 through the Company's website, KSEI's website (eASY.KSEI), and PT Bursa Efek Indonesia, together with the publication of this disclosure of information.

If the Effective Statement from the OJK for Rights Issue is not obtained, then, all of the activities and/or actions that have been exercised by the Company for the proposed Rights Issue on this disclosure of information and/or other related documents are deemed to become invalid and cannot be used as a reference in the future.

ADDITIONAL INFORMATION

Further information in relation to this disclosure of information is available at the Company during business hours at the address:

Corporate Secretary / Investor Relations
Gedung BRI I
Jl. Jend. Sudirman No. 44-46, Jakarta 10210
Telephone: (62-21) 251-0244
Facsimile: (62-21) 250-0065
Email: humas@bri.co.id / ir@bri.co.id
Website: www.bri.co.id